



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West) / Port Qasim / Export (Karachi/Port Qasim)/ Preventive (Karachi) / Lahore ( Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

**DETERMINATION OF CUSTOMS VALUES OF "EGG POWDER" UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.**

(VALUATION RULING NO. 1086/2017)

No. DG/Val/31/Database/2016

Dated 17-03-2016

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of "Egg Powder" are determined as follows:

2. **Background of the valuation issue:** On the pursuance of information provided by local manufacturers M/s. Al-Waha Egg Products, Lahore, this Directorate General initiated an exercise to determine the Customs values of Egg Powder falling under PCT heading (0408.9100 & 3502.1100). During the course of perusal of import clearance data, it was analyzed that the subject item was being assessed by different values, therefore, in order to enforce uniform application of Customs Values of Egg Powder, this Directorate General issued a database values vide VDB letter No. 12 dated 29.06.2016 of Whole Egg Powder, Egg Powder Yolk and Egg Powder albumin of different origins as a temporary stop gap arrangement. For conversion of VDB values into Valuation Ruling a date of meeting was fixed on 10.03.2017 & all stakeholders / importers including local manufacturers were called for participation and furnishing their valuable input as industry experts. M/s. Al-Wah Egg Products, Lahore in the capacity of industry expert, pleaded that the values of Egg Powder products required further enhancement. However, the manufacturers were informed that after issuance of VDB of the subject item, import data showed bleak statistics and revealed drastic reduction in imports during previous quarters. The manufacturers were informed that in micro economic terms enhancement in the values will create a grey area and may encourage smuggling phenomena. The manufacturers were, however, of the opinion that instead of smuggled products, it is more likely that the local consumer would start preferring fresh natural Eggs instead of imported Egg Powder. The Manufacturers were further asked about conversion cost of their product, they stated that they purchased maximum Eggs off-season and preserved it for whole year so as to minimize their aggregate production cost.

3. **Stakeholders' participation in determination of Customs values:** A Meeting was held on 10-03-2017, with all the stakeholders including local manufacturers of subject goods and representatives of clearance Collectorate who participated in the meetings.



**4. Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found inapt in light of the wide variety of manipulated/fabricated and outright fake invoices produced at import stage, hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that importers usually provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, Pral database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of Egg Powder.

**5. Customs values for Egg Powder of different qualities and various origins:** Egg Powder of different qualities and various origins *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values: -

S.No.	Description of Goods	H.S.Code	PCT for WeBoc	Origin	Customs Values (C&F) USS/KG (On net weight basis)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Whole Egg Powder	0408.9100	0408.9100.1000	Europe/ Russia/Ukraine	5.50
				India	5.20
				China	5.30
				Other Origins	5.50
2.	Egg Yolk Powder	0408.1100	0408.1100.1000	Europe Russia/Ukraine	7.00
				India	6.70
				China	6.80
				Other Origins	7.00
3.	Egg Albumin/ White Powder (High Gel)	3502.1100	3502.1100.1000	Europe/ Russia/Ukraine	9.20
				India	8.90
				China	9.00





6. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. Furthermore, if subject goods are imported but do not specifically fall under the above provided description then the Collectorate may assess the same under section 25 of the Customs Act, 1969 or may invoke section 81 of Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

7. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (4) of Section 25-A of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in the Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

10. *This Valuation Ruling is issued in supersession of Valuation Database (VDB) Letter No. 12 dated 29.06.2016.*

  
(Dr. Wasif Ali Memon)  
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.