



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, Exports (Karachi/Port Qasim), Directorate General of Transit Trade, Karachi.

**DETERMINATION OF CUSTOMS VALUE OF INEDIBLE TALLOW UNDER  
SECTION 25-A OF CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1128/2017)

No. Misc/28/2017-I/

11063

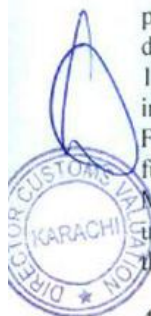
Dated: 14 April, 2017

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

2. **Background of the Valuation Issue:** This Directorate General had earlier applied audit-checks on clearance values and found unexplained variations in declared values of subject goods. As an interim measure VDB letter No, 225/2017 dated 01-03-2017 was circulated, and the matters allied to import value of inedible tallow were subjected to further analysis. The Pakistan Soap Manufacturers Association informed of the various international pricing dynamics (mentioned below) and it was accordingly deemed expedient to issue a Valuation Ruling for uniformity and to check any discriminatory trends at clearances stage. Therefore, an exercise was conducted to determine Customs values of Tallow in line with current price trends in the international market.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings for determination of customs values of Tallow were held on 22-03-2017 & 30-03-2017 which was duly attended by all stakeholders, including representatives of importers and manufacturers. The current international prices of the subject goods were discussed with the stakeholders and they requested that the values current VDB letter No. 225/2017 dated 01-03-2017 be reviewed in the light of prevailing international. The Pakistan Soap Manufacturers Association contended that a determination of assessable import values for subject goods under section 25A of the Customs Act, 1969 would be fruitless for the origins like Australia, UK and the USA as from these origins the import values are being declared as per the FOB prices published by international Public Ledger. Furthermore, they claimed that tallow from India is covered under the SAFTA. The said association further stated that tallow from the remaining origins like Philippines, Thailand, UAE and other Middle Eastern countries is of inferior qualities and the values for these origins may be determined under the law. The view points of all participants were heard in detail and considered to arrive at the assessable values of subject goods from various countries.

4. **Method Adapted to Determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because the requisite information was not available as per law. Identical / similar goods value method provided in 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 for all origins due to variation in



the same. 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 which yielded no actionable result as the goods are an industrial item. Valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the allied expenses, at country of export were not available. Finally, clearance data, market information and international prices through the internet were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, section 25(9) of the Customs Act, 1969 was applied to arrive at assessable customs values of inedible Tallow.

5. **Customs values for inedible Tallow:** inedible Tallow *hereinafter specified* shall be assessed to duty/ taxes at the following customs values:-

S. No	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ per Kg
(1)	(2)	(4)	(5)	(5)	(6)
1.	Inedible Tallow	1502.1000	1502.1000.1000	Middle East/U.A.E	0.525
			1502.1000.1100	Philippine / Thailand	0.530
			1502.1000.1200	India	0.650
			1502.1000.1300	Australia, U.K., U.S.A.	Applicable FOB value from Public Ledger + US\$40/MT (on account of freight charges)
2.	<i>Note: The clearance Collectrates are required to add US\$40/MT (on account of freight charges) to FOB values of origins hedged with the Public Ledger.</i>				

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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the air 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 ruling supersedes Valuation Data Base letter No.225/2017, dated 01-03-2017.*

  
(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 (Appraisement), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting values mentions Valuation Data in Base letter No.225/2017, dated 01-03-2017 from the system on the date of issuance of this ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisement, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File