



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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/Directorate General of Transit Trade, Karachi.

DETERMINATION OF CUSTOM VALUES OF NON-DAIRY TOPPING /WHIPPING CREAM UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. ¹¹⁵³ 2017)

No. Misc/13/2015-1

11266

Dated: May 08th, 2017

In exercise of the powers conferred under Section 25-A of Customs Act, 1969. Customs values of Non-Dairy Topping /Whipping Cream (H.S. Code 2106.9090) are determined as follows:-

2. **Background of the valuation issue:** Customs values of Non-Dairy Topping Cream of different origins were determined vide Valuation Ruling No. 897/2016 dated 04-08-2016. Some importers requested for revision of Valuation Ruling in the light of CP No. 6918/2015. Hence, this Directorate General initiated an exercise for re-determination of customs values of Non-Dairy Topping Cream afresh.
3. **Stakeholders' participation in determination of Customs values:** A meeting was held on 04-05-2017 with all the stakeholders including the manufacturer of the subject goods. All stakeholders were requested to submit the following documents:
 - (i) Invoices of imports during last three months showing factual value.
 - (ii) Websites, names and E-mail addresses of known foreign suppliers of the item in question through which the actual current value can be ascertained.
 - (iii) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
 - (iv) Copies of Sales Tax invoices issued during last four months showing the differences in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.
4. The importers contended that the values of the subject goods were being sold in the international market on prices lower than the values determined vide Valuation Ruling No.897/2016 dated 04.08.2016. The representative of the manufacturer on the other hand argued that the international selling prices were in fact higher and requested that the same may be verified by conducting local market inquiries. However, he could not submit any documentary evidence to prove his claim. The view point of all stakeholders was considered before arriving at Customs values of Non-Dairy Topping /Whipping Cream. The Directorate General while finalizing values has considered the values of Palm Oil and the value addition thereon.
5. **Method adopted 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 as 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 due to variation is the same. In line with the statutory sequential order of Section 25, this office then conducted a market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. Some reference values were obtained from this method. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. Finally, clearance data, market information and international prices through the internet were examined thoroughly and the information so gathered was utilized and analyzed for determination of Customs Value of Non-Dairy Topping / Whipping Cream under Section 25(9) of the Customs Act, 1969.

6. Customs values for Non-Dairy Topping/Whipping Cream: Non-Dairy Topping /Whipping Cream *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)	(3)	(4)	(5)	(6)
1.	Non-Dairy Topping /Whipping Cream (Rich's Brand)	2106.9090	2106.9090.1000	America /Europe	2.20
		2106.9090	2106.9090.1100	All Other Origins	1.90
2.	Non-Dairy Topping /Whipping Cream (All other Brands Excluding Rich's Brand)	2106.9090	2106.9090.1200	America /Europe	1.65
		2106.9090	2106.9090.1300	Malaysia	1.45
		2106.9090	2106.9090.1400	Korea	1.30
		2106.9090	2106.9090.1500	Vietnam	1.10
		2106.9090	2106.9090.1600	All Other Origins	1.35

7. 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.

8. **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.

9. **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, 7th Floor, Custom House, Karachi.

10. 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.

11. *This ruling supersedes Valuation Ruling No.897/2016, dated 04-08-2016.*


(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 (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), 1st 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 mentioned in Valuation Ruling No.897/2016, dated 04-08-2016, 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, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement, 1st Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File