



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUES OF MILK PREPARATIONS FOR
INFANT USE UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.624 / 2013)

No.Misc/31/2013-I

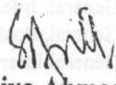
Dated: December 23, 2013

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Milk Preparations for Infant Use are determined as follows :-

1. **Background of the valuation issue :** It was brought to the notice of Directorate General of Customs Valuation by field formations that Milk Preparations for Infant Use are being imported at underinvoiced values, causing loss of revenue to Government exchequer. This prompted an exercise to determine the fair Customs values for imported Milk Preparations for Infant Use.
2. **Method adopted to determine Customs values :** The Valuation methods given in Section 25 of the Customs Act, 1969 were followed. The transaction value method under Sub-Section (1) of Section 25 ibid was found inapplicable because of non-availability of sufficient information. Identical / similar goods valuation methods provided in Sub-Sections (5) & (6) of Section 25 ibid furnished unreliable values. Deductive Value Method under Sub- Section (7) read with Sub-Section (9) of Section 25 of the Customs Act, 1969, was applied to arrive at the Customs values.
3. **Stakeholders' participation in determination of values :** Meetings were held with the stakeholders including representatives of FPCCI & KCCI on 11-12-2013 and 18-12-2013 to obtain stakeholders views on valuation of Milk Preparations for Infant Use.
4. **Customs values for Milk Preparations for Infant Use :** Milk Preparations for Infant Use *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\$/Kg |
|-------|--|-----------|------------------------|----------|------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1. | Milk Preparations for Infant Use | 1901.1000 | 1901.1000.1000 | Europe | 5.50 |
| | • Infant Formula/ • Follow Up Formula / • Grown-Up Formula | 1901.1000 | 1901.1000.1100 | Far East | 5.00 |
| 2. | Milk Preparations for Infant Use | 1901.1000 | 1901.1000.1200 | Europe | 6.50 |
| | • Lactose Free Formula | 1901.1000 | 1901.1000.1300 | Far East | 6.00 |
| 3. | Milk Preparations for Infant Use | 1901.1000 | 1901.1000.1400 | Europe | 7.50 |
| | • Premature Formula | 1901.1000 | 1901.1000.1500 | Far East | 6.75 |

5. In cases where declared/ Transaction values are higher than the Customs value 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. 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.
6. **Validity of this Valuation Ruling :** The value 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-Section (1) or (3) of Section 25-A of the Customs Act, 1969.
7. **Review of the value determined vide this Valuation Ruling :** A review 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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.
8. The Collectors of Customs may kindly ensure that the value given in the Ruling is applied by the concerned staff without fail.


 (Suraiya Ahmed Butt)
 Director

Copy for information to :-

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



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CUSTOM HOUSE KARACHI

No.Misc/31/2013-I

Dated: January 20, 2014

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

ADDENDUM

(VALUATION RULING NO 624/2013)

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 the following insertions are made in Valuation Ruling No.624/2013 dated 23-12-2013.

In the existing Table, after Serial No.3, the following Serial No.4 shall be added :-

| S.No. | Description of Goods | PCT Code | Proposed PCT for WeBOC | Origin | Customs Value (C&F) US\$/Kg |
|-------|---------------------------------|-----------|------------------------|---------|-----------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 4. | Infant Milk Formula (Soft Pack) | 1901.1000 | 1901.1000.1600 | Belarus | 3.25 |

(Suraiya Ahmed Butt)
Director

Copy for information to :-

1. S.A to Chairman, F.B.R., Islamabad.
2. Member (Customs), F.B.R, Islamabad.
3. Director General, Customs Valuation, Custom House, Karachi.
4. Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
5. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
6. Chief Collector of Customs (Central), Lahore.
7. Chief Collector of Customs (North), Islamabad.
8. Director General, Intelligence and Investigation F.B.R, Islamabad.
9. Director General, Post Clearance Audit, Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
11. Directors, Intelligence & Investigation F.B.R, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
12. The Project Director WeBOC, 11th Floor, Custom House, Karachi.
13. Additional Director, Customs Valuation (Camp-Office), Lahore.
14. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & Weboc database on the date of issue of this ruling.
15. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. Chairman (Valuation Committee), KCC&I, Aiwani-e-Tijarat Road, Karachi.
17. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
18. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
19. Review Section, Customs Valuation, 7th floor, Custom House, Karachi.
20. Karachi Customs Agents Group, Bohri Road, Karachi.
21. Guard File.