



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 / Preventive, Karachi / Lahore ( Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

**Determination of Customs Values Of Halal Chicken & Turkey Meat (Frozen) Under Section 25-A Of The Customs Act, 1969**

(VALUATION RULING NO. 757/ 2015)

No. Misc/12/2014-I

Dated: September 3, 2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Halal Chicken & Turkey Meat (Frozen) are determined as follows:-

2. **Background of the valuation issue:** The Customs values of Halal Chicken Meat (Frozen) (H.S. Code. 0207.1200 & 0207.1400) were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 700/2014 dated 18-11-2014. The record of the case indicates that the importer on one hand and Pakistan Poultry Association on the other had taken diagonally opposite point of view regarding import value of Chicken Meat . The importer had submitted that he had purchased chicken meat (breast) frozen at US\$ 0.7/kg whereas Pakistan Poultry Association had submitted quotation from Chinese exporter indicating value for skinless whole chicken at US\$ 2.37/kg and for boneless breast at US\$ 3.27/kg. The Association had contended that further addition of freight and other charges would increase the value considerably and that the quotation did not meet the "Halal" specifications. Both claims could not be verified through independent resources, therefore, market survey was conducted and values were determined under section 25(9) of the Customs Act, 1969 and notified vide above quoted ruling.

The importer filed Revision Petition before Director General Valuation against the said ruling. Director General vide Orders No. 95/2015 dated March 19, 2015 declined to interfere with the Ruling and rejected the petition. The importer filed Appeal against Revision Order before Customs Appellate Tribunal. The Honorable Customs Appellate Tribunal, Bench-I vide Customs Appeal Order No. K-765 of 2015 dated 20-05-2015 set aside the said ruling and directed to re-determine the customs values afresh. Accordingly, this office initiated an exercise to re-determine Customs values of the subject items under section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders i.e the importer, and representative of Pakistan Poultry Association were held on 25.08.2015 & 02.09.2015, to discuss the current international price of the subject



goods. It was observed that the import of frozen chicken was made by only one importer namely M/s Pak Foods who had contested the Ruling. He also appeared in the stakeholders meeting and contended that frozen chicken meat whole and breast is available at much cheaper rates than the ones determined in the ruling. Representative of Pakistan Poultry Association appeared and submitted their previous contention with copy of same quotation they had submitted previously and stated that prices of chicken meat have appreciated internationally and that the quoted prices do not fulfill requirement of "Halal" meat and that Halal meat prices are much higher than the quoted prices. However, he did not provide any evidence of import on the basis of which values could be ascertained.

4. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable because required information under the law was not available. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations the same could not be relied upon. The contentions of the stakeholders were carefully examined. Their contention regarding customs values could not be verified from any independent sources, therefore, it was decided to conduct market survey again of these items in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. It was noted that there were no significant difference in the prices of the subject items in the market as compared to the previously held surveys. All the information available was analyzed and evaluated. Consequently Customs values of Halal Chicken and Turkey Meat (Frozen) are determined under Sub-section (7) of Section 25 of the Customs Act, 1969.

5. **Customs values for Halal Chicken & Turkey Meat (Frozen):** Halal Chicken and Turkey Meat (Frozen) *hereinafter specified* shall be assessed to duty/taxes at the following Customs Values :-



S. No	Description of goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(3)	(4)	(5)	(6)
1	Skinless Whole Chicken (frozen)	0207.1200	0207.1200.1000	China, U.A.E	1.60
2	Boneless Chicken Breast (frozen)	0207.1400	0207.1400.1000	China, U.A.E	2.65
3	Skinless Whole Turkey (frozen)	0207.2500	0207.2500.1000	U.A.E	2.00
4	Boneless Turkey Breast (frozen)	0207.2700	0207.2700.1000	U.A.E	3.00

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. 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 (1) or (3) of Section 25-A or section 25-D 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 issuance 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 this Directorate General immediately for redressal.

10. This Ruling supersedes Valuation Ruling No. 700/2014 dated 18-11-2014.

  
(Manzoor Hussain 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 (Appraisal), 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.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
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 this Ruling in the system.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.