



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 Whey Powder and Permeate Whey Powder,  
Under Section 25-A Of The Customs Act, 1969

(VALUATION RULING NO.789/2016)

No. Misc/18/2010-I/

17654

Dated: January 8<sup>th</sup>, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Whey Powder/Whey Powder Demineralized/ Permeate Whey Powder are determined as follows :-

**2. Background of the valuation issue:** Reference was received from Model Customs Collectorate, Quetta for determination Customs Values of Permeate Whey Powder and for revision of valuation ruling of Whey Powder in light of current market price. MCC, Quetta also requested that separate values for Iran origin goods be determined for land route as well as sea route imports. Accordingly to ascertain the current price prevailing in the international market, an exercise to determine the Customs value of subject goods was under taken by this Directorate General. The MCC Quetta requested that valuation of Whey Powder and Permeate Whey Powder of Iran origin imported through the land route of Taftan may be reviewed keeping in view element of land route freight which is relatively low as compared to sea freight.

**3. Stakeholders' participation in determination of Customs values:** Meeting with stakeholders including importers, and representatives of trade bodies was held on 05.01.2016 to discuss the current international price of the subject goods. The representative of FPCC&I, KCC&I, Balouchistan Chamber of Commerce Industry, including representatives of MCC, Gwader, MCC, Quetta, also participated in the meeting. The view point of all participants was heard in detail and considered to arrive at fair value. It was observed that the Deminerlized Whey Powder was mostly imported by industrial units for their own consumption. Therefore, it was decided that Deminerlized Whey Powder be excluded from the purview of Valuation Ruling and its assessment be allowed to be done under Section 25 of the Customs Act 1969 by the clearance Collectotate .

**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 Act 1969, was found inapplicable because required information under the law was not available due to multiple sources and difference in quality of the goods depending upon the source country. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 ibid were also found inapplicable owing to huge variation in declarations and the fact that in



presence of Valuation Ruling No. 371/2011 dated 27-08-2011 most declarations were under the Valuation Ruling. Extensive market enquiries were conducted but Deductive Value Method under Sub-Section (7) could not be wholly relied upon as value varied too much in different markets. Secondly the points raised by the Collector Quetta in his afore referred letter were also taken in to account. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as conversion cost from constituent material at the country of export was not available. Finally customs value determined under Fall Back Method in terms of Section 25(9) of the Customs Act, 1969. On line values of the subject goods were also checked in addition to other research. All the information so gathered was evaluated and analyzed for the purpose of determination of Customs value. Consequently, the Customs value of Whey Powder/Permeate Whey Powder has been determined under Section 25(9) of the Customs Act, 1969.

**5. Customs values for Whey Powder/ Permeate Whey Powder:** Whey Powder/ Permeate Whey Powder *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) USS/KG
(1)	(2)	(3)	(4)	(5)	(6)
1.	Whey Powder	0404.1010	0404.1010.1000	USA	0.61
2.		0404.1010	0404.1010.1100	Uruguay Argentine	0.59
3.		0404.1010	0404.1010.1200	Turkey	0.57
4.		0404.1010	0404.1010.1300	Poland	0.62
5.		0404.1010	0404.1010.1400	Ukraine	0.60
6.		0404.1010	0404.1010.1500	China	0.53
7.		0404.1010	0404.1010.1600	Czech Republic	0.67
8.		0404.1010	0404.1010.1700	Switzerland	0.64
9.		0404.1010	0404.1010.1800	France	1.54
10.		0404.1010	0404.1010.1900	Iran (via sea route)	0.50
11.		0404.1010	0404.1010.2000	Iran (via Land route)	0.480
12.	Permeate Whey Powder	0404.1010	0404.1010.2700	Iran (via sea route)	0.35
13.		0404.1010	0404.1010.2800	Iran (via Land route)	0.33

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.



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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. 371/2011 dated 27-08-2011.

  
(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 (Appraisalment), 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, to replace the old Valuation Ruling No. 371/2011 dated 27-08-2011 and for uploading this Ruling in the system.
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, Appraisalment, 1<sup>st</sup> floor, Custom House, Karachi.
21. Guard File.