



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 Toffees / Candies & Sugar Confectionery Under Section 25-A of The Customs Act, 1969

(VALUATION RULING NO. 835/2016)

No. Misc/17/2013-1/

18815

Dated: 19-04-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Toffees / Candies & Sugar Confectionery are determined as follows:-

2. **Background of the valuation issue:** The Customs Values of Toffees / Candies & Sugar Confectionery were earlier determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 625/2016 dated 23-12-2013. References were received from some importers for revision of valuation ruling as per their claim that current international prices of Toffees / Candies & Sugar Confectionery were declining. An exercise to determine the Customs values of subject goods was accordingly under taken by this Directorate General.

3. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were adopted 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 it is generally known to all that majority of invoices produced at import stage are manipulated / fabricated and hence the requisite information required under the law was not available to arrive at the correct transactional value. Identical and similar-goods valuation methods provided in Sub-Sections (5) & (6) of Section 25 ibid were examined sequentially for applicability to determine Customs value of subject goods, this data provided some references however, it was found that the same could not be solely relied upon due to absence of absolute demonstratable evidence of qualities, commercial levels etc. and also it was observed that importers usually provide misleading descriptions while declaring their imports, as other types and varieties of similar goods to avoid the valuation ruling. Information available was hence found inappropriate. In line with the statutory sequential order of section 25, this office then conducted a market enquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. Consequently, the method provided under section 25(7) of the Customs Act, 1969 was applied and relied upon to derive at and determine assessable customs values of Toffees/Candies & Sugar Confectionery.

4. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders including importers, and representatives of trade bodies was held on 18.04.2016 to discuss the current international prices of the subject goods. The view point of all participants was heard in detail and considered to arrive at fair value.

5. **Customs values** for Toffees/Candies & Sugar Confectionery: Toffees/Candies & Sugar Confectionery *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.	Candy	1704.9090	1704.9090.1000	China/India	1.10
			1704.9090.1100	Far East	1.50
			1704.9090.1200	Middle East/Turkey	1.70
			1704.9090.1300	Europe/USA	2.00
2.	Toffee	1704.9090	1704.9090.1400	Turkey	1.75
			1704.9090.1500	Far East	1.55
			1704.9090.1600	U.A.E	1.40
			1704.9090.1700	Oman	1.35
			1704.9090.1800	India/China	1.35
			1704.9090.1900	Europe/USA	2.05
3.	Compound Chocolate /Substitute	1704.9090	1704.9090.2000	Turkey	2.15
4.	Lolly Pop	1704.9090	1704.9090.2100	Europe/USA	2.25
			1704.9090.2200	All other origin	2.00
5.	Fruittella	1704.9090	1704.9090.2300	Europe/USA	2.60
			1704.9090.2400	All other origin	2.40
6.	Polo Mentos	1704.9090	1704.9090.2500	Europe/USA	2.50
			1704.9090.2600	All other origin	2.30
7.	Jelly	1704.9090	1704.9090.2700	Europe/USA	1.60
			1704.9090.2800	All other origin	1.40

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, 7th 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. 625/2013 dated 23-12-2016.

(Dr. Wasif Ali Memon)
Director

Copy for information to :-