



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

DETERMINATION OF CUSTOMS VALUES OF OLIVE OIL  
(H.S.CODE NO.1509.9000) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 941/2016)

No. Misc/20/2009-I

19530

Dated: 30.09.2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Olive Oil are determined as follows:-

2. **Background of the valuation issue:** The Customs Values of Olive Oil had been determined under section 25-A of the Customs Act, 1969 vide Valuation Ruling no. 288/2010 dated December 30, 2010. Numerous representations have been received in the Directorate to revise the values keeping in view decreasing trends in the international market, therefore, the issue was taken up for redetermination of customs values.

3. **Stakeholders' participation in determination of Customs values:** Meetings were held on 19-08-2016 and 22-09-2016, with all the stakeholders of subject goods and representatives of clearance Collectorate who participated in the meetings. All the stakeholders strongly contended and requested that the said valuation Ruling may be reviewed in the light of prevailing international market prices. This trend needs to be revised downward, otherwise these products will find their way into market through illegal routes and under the garb of various cargoes. This will create a grey area which will adversely affect the bona-fide trade of the country. Therefore, valuation ruling price may be revised to save the commercial genuine importers. It was also highlighted that the subject goods are perishable items and therefore have got limited shelf life, consequently, near the expiry dates, these perishable items are sold on sale and discounted prices. It was further contended by the traders that since the subject goods are only being sold on super and general stores, therefore, a lot more expenses (shelf rent,



marketing expenses etc.) are contributed at retail level which cannot be managed without adding extra value to the subject goods. The importers contended that all these factors may also be considered in fixing value of subject goods.

4. **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 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 transaction value. 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 the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that same importers provide misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, Pral database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive at assessable customs values of Olive Oil.

5. Customs values for Olive Oil (H.S. Code: 1509.9000): Olive Oil *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:-

S.No.	Description of goods	Specification	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F)
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(1)	(2)	(3)	(4)	(5)	US\$ per piece retail packing (6)	
1.	Olive Oil (Pomace)	100 ml	1509.9000	1509.9000.1000	All Origin	0.24/100ml
2.		125 ml	1509.9000	1509.9000.1100	All Origin	0.32/125ml
3.		175 ml	1509.9000	1509.9000.1200	All Origin	0.43/175ml
4.		200 ml	1509.9000	1509.9000.1300	All Origin	0.48/200ml
5.		250 ml	1509.9000	1509.9000.1400	All Origin	0.62/250ml
6.		400 ml	1509.9000	1509.9000.1500	All Origin	0.98/400ml
7.		500 ml	1509.9000	1509.9000.1600	All Origin	1.23/500ml
8.		1000 ml	1509.9000	1509.9000.1700	All Origin	2.35/1000ml
9.		2000 ml	1509.9000	1509.9000.1800	All Origin	4.72/2000ml
10.		3000 ml	1509.9000	1509.9000.1900	All Origin	7.07/3000ml
11.		3500 ml	1509.9000	1509.9000.2000	All Origin	8.25/3500ml
12.		4000 ml	1509.9000	1509.9000.2100	All Origin	8.58/4000ml
13.		5000 ml	1509.9000	1509.9000.2200	All Origin	10.71/5000ml
14.		6000 ml	1509.9000	1509.9000.2300	All Origin	12.88/6000ml
15.	8000 ml	1509.9000	1509.9000.2400	All Origin	17.17/8000ml	
16.	Olive Oil (Pure)	100 ml	1509.9000	1509.9000.2500	All Origin	0.33/100ml
17.		125 ml	1509.9000	1509.9000.2600	All Origin	0.40/125ml
18.		175 ml	1509.9000	1509.9000.2700	All Origin	0.57/175ml
19.		200 ml	1509.9000	1509.9000.2800	All Origin	0.66/200ml
20.		250 ml	1509.9000	1509.9000.2900	All Origin	0.82/250ml
21.		400 ml	1509.9000	1509.9000.3000	All Origin	1.32/400ml
22.		500 ml	1509.9000	1509.9000.3100	All Origin	1.65/500ml
23.		1000 ml	1509.9000	1509.9000.3200	All Origin	3.14/1000ml
24.		2000 ml	1509.9000	1509.9000.3300	All Origin	3.39/2000ml
25.		3000 ml	1509.9000	1509.9000.3400	All Origin	9.44/3000ml
26.		3500 ml	1509.9000	1509.9000.3500	All Origin	11.02/3500ml
27.		4000 ml	1509.9000	1509.9000.3600	All Origin	11.44/4000ml
28.		5000 ml	1509.9000	1509.9000.3700	All Origin	14.28/5000ml
29.		6000 ml	1509.9000	1509.9000.3800	All Origin	17.17/6000ml
30.	8000 ml	1509.9000	1509.9000.3900	All Origin	22.90/8000ml	
31.	Olive Oil (Extra Virgin/ Virgin Light)	100 ml	1509.9000	1509.9000.4000	All Origin	0.39/100ml
32.		125 ml	1509.9000	1509.9000.4100	All Origin	0.49/125ml
33.		175 ml	1509.9000	1509.9000.4200	All Origin	0.68/175ml
34.		200 ml	1509.9000	1509.9000.4300	All Origin	0.78/200ml
35.		250 ml	1509.9000	1509.9000.4400	All Origin	0.99/250ml
36.		400 ml	1509.9000	1509.9000.4500	All Origin	1.57/400ml
37.		500 ml	1509.9000	1509.9000.4600	All Origin	1.98/500ml
38.		1000 ml	1509.9000	1509.9000.4700	All Origin	3.77/1000ml
39.		2000 ml	1509.9000	1509.9000.4800	All Origin	7.55/2000ml
40.		3000 ml	1509.9000	1509.9000.4900	All Origin	11.33/3000ml
41.		3500 ml	1509.9000	1509.9000.5000	All Origin	13.22/3500ml
42.	4000 ml	1509.9000	1509.9000.5100	All Origin	13.74/4000ml	



43.	5000 ml	1509.9000	1509.9000.5200	All Origin	17.11/5000ml
44.	6000 ml	1509.9000	1509.9000.5300	All Origin	20.61/6000ml
45.	8000 ml	1509.9000	1509.9000.5400	All Origin	27.47/8000ml

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. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling request formalities relating to importability or other certifications required thereon.

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 of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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, 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 Directorate General immediately.

10. *This Ruling supersedes* Valuation Ruling No.288/2010 dated 30-12-2010.

(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 (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-c-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 Valuation Ruling No.713/2015 dated 02-02-2015
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. Web Master, Federal Board of Revenue, Islamabad.
22. Guard File.