



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**Determination of Customs Values of Sauces /Salad Dressing/Mayonnaise/Mustard & Tomato Ketchup ( In Retail and In Bulk Packing) under Section 25-A of the Customs Act, 1969.**

(VALUATION RULING NO. 957/2016)

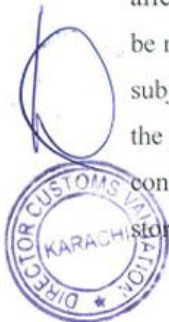
No. Misc/08/2015-I/19619

Dated 13-10-2016

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Sauces / Salad Dressing / Mayonnaise / Mustard & Tomato Ketchup (H.S. Code: 2103.1000, 2103.2000 and 2103.9000) is determined as follows:

2. **Background of the valuation issue:** Consequent upon representation by commercial importers, regarding re-determination of Valuation Ruling No.769/2015 dated 03-11-2015 for Sauces/ Salad Dressing / Mayonnaise / Mustard & Tomato Ketchup, due to downward trend in international market prices an exercise was undertaken to re-determine the Customs Values, in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings were held on 14-07-2016 and 09-08-2016, with all the stakeholders including local manufacturers 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 and tax revenue of the country. Therefore, valuation ruling price may be revised downward 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 mainly being sold on super and general stores, therefore, a lot more expenses (shelf rent, marketing expenses, refrigeration etc.) are



contributed at retail level which cannot be managed without adding extra value to the 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, information gathered from various markets 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 Sauces /Salad Dressing/Mayonnaise/Mustard & Tomato Ketchup (In Retail and In Bulk Packing).

5. **Customs values for Sauces /Salad Dressing/Mayonnaise/Mustard & Tomato Ketchup (In Retail and In Bulk Packing) (H.S. Code: 2103.1000, 2103.2000 and 2103.9000):** Sauces / Salad Dressing / Mayonnaise / Mustard & Tomato Ketchup *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:-

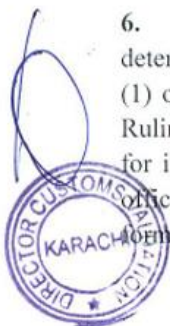


S. No.	Description of goods	PCT	Proposed PCT for WBOC	Origin	Customs Values (C&F) USS/Kg Net Weight
(1)	(2)	(3)	(4)	(5)	(6)



1.	Sauces of Brand Nando's (all types), Kikkoman.	2103.1000 2103.2000 2103.9000	2103.1000.1000 2103.2000.1000 2103.9000.1000	All origin	<b>3.05</b>
2.	Sauces of Brands American Garden/Suree/ Mama Sita & Amoy Souce, Heinz, Magic Time, Omaz, Delicio, L&P and H.P Brand .	2103.1000 2103.2000 2103.9000	2103.1000.1100 2103.2000.1100 2103.9000.1100	All origin	<b>2.05</b>
3.	Sauces of Other Brand	2103.1000 2103.2000 2103.9000	2103.1000.1300 2103.2000.1300 2103.9000.1300	All origin	<b>2.45</b>
4.	Salad Dressings/ Mayonnais/ Mustard of Brand American Garden, Mama Sita, Colman's, French's, Heinz, Magic Time, Omaz, Delicio, L&P and H.P & Amoy Brand	2103.1000 2103.2000 2103.9000	2103.1000.1400 2103.2000.1400 2103.9000.1400	All origin	<b>2.25</b>
5.	Salad Dressings/ Mayonnais/ Mustard of other Brand	2103.1000 2103.2000 2103.9000	2103.1000.1600 2103.2000.1600 2103.9000.1600	All origin	<b>2.45</b>
6.	Tomato Ketchup ( Heinz Brand)	2103.1000 2103.2000 2103.9000	2103.1000.1700 2103.2000.1700 2103.9000.1700	All origin	<b>1.60</b>
7.	Tomato Ketchup ( Other than Heinz Brand)	2103.1000 2103.2000 2103.9000	2103.1000.1800 2103.2000.1800 2103.9000.1800		<b>1.65</b>
8.	<b>20% discount if imported in bulk packing (Above 5 Kgs)</b>				
9.	<b>The above mentioned values have been calculated on net content basis for packing of glass &amp; plastic bottles. The gross weight may be taken in case of sachets packing or plastic bags.</b>				

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. 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.769/2015 dated 03-11-2015.

  
(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-e-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.769/2015 dated 03-11-2015
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.