



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**DETERMINATION OF CUSTOM VALUES OF SWEET CORN, CANNED PINEAPPLE & FRUIT COCKTAIL UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 965/2016)

No. Misc//18/2009-I

19835

Dated: 11.11.2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Sweet Corn, Canned Pine apple & Fruit Cocktail are determined as follows: -

2. **Background of the valuation issue:** Valuation Ruling No.856/2016 dated 23-05-2016 was determined under section 25(A) of the Customs Act, 1969. Some importers of subject goods requested for revision of existing ruling as 90 days had passed. Therefore, in order to rationalize the values of subject goods, an exercise was undertaken by the Directorate General of Customs Valuation, Karachi to determine the Customs Values of subject goods in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting was held on 25-10-2016 with the stakeholders of subject goods and representatives of clearance Collectorate also participated. All the stakeholders strongly contended and requested that the said valuation Ruling may be reviewed in the light of prevailing international and local market prices and raised their issues regarding clearance vis-à-vis packing mode. 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 sales at 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 and refrigeration cost 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. Prices are also verified on the basis of location of market in the city and date of expiry of the product in question. While determining the prices the factors like mode and nature of essential packing have also been taken into account.



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 majority of invoices produced at import stage along with clearance documents are incorrect and also because as per internationally prescribed regulations the actual supplier invoices are not found inside containers carrying the imported goods. 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 some 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 Sweet Corn, Canned Pineapple & Fruit Cocktail.

5. **Customs values for Sweet Corn, Canned Pineapple & Fruit Cocktail:** Sweet Corn, Canned Pineapple & Fruit Cocktail *hereinafter specified* shall be assessed to duty/ taxes at the following Customs Values :-

S.No.	Description of goods	Packing	Brand	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values on net contents basis (C&F) USS per Kg
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Sweet Corn	(i) Upto 420 gram	Delmont & Dole	2005.8000	2005.8000.1000	Thailand	0.78
			American Garden	2005.8000	2005.8000.1100	Thailand	0.76
			Fruitamin	2005.8000	2005.8000.1200	All origin	0.76
			Other Brand	2005.8000	2005.8000.1300	All origin	0.76
		(ii) Upto 2950 gram	Delmont & Dole	2005.8000	2005.8000.1400	Thailand	0.74
			American Garden	2005.8000	2005.8000.1500	Thailand	0.67
			Fruitamin	2005.8000	2005.8000.1600	All origin	0.66
			Other Brand	2005.8000	2005.8000.1700	All origin	0.66
			Hosen	2008.2000	2008.2000.1800	All origin	1.05



2.	Pine Apple (Full Slice)	(i) Less than 2800 Gram	Delmont & Dole	2008.2000	2008.2000.1100	All origin	0.83
			Seasons & S & W	2008.2000	2008.2000.1200	All origin	0.80
			Polac	2008.2000	2008.2000.1300	All origin	0.68
			Farm	2008.2000	2008.2000.1400	All origin	0.68
			American Garden	2008.2000	2008.2000.1500	All origin	0.68
			Malapine	2008.2000	2008.2000.1600	All origin	0.69
			Fruitamin	2008.2000	2008.2000.1700	All origin	0.68
			Other Brand	2008.2000	2008.2000.1800	Philippines	0.78
			Other Brand	2008.2000	2008.2000.1900	Other origin	0.68
			Hosen	2008.2000	2 008.2000.1900	All origin	1.02
		(ii) Above 2801 upto 5000 gram	Delmont & Dole	2008.2000	2008.2000.2000	All origin	0.81
			Seasons & S & W	2008.2000	2008.2000.2100	All origin	0.79
			Polac	2008.2000	2008.2000.2200	All origin	0.67
			Farm	2008.2000	2008.2000.2300	All origin	0.67
			American Garden	2008.2000	2008.2000.2400	All origin	0.67
			Malapine	2008.2000	2008.2000.2500	All origin	0.67
			Other Brand	2008.2000	2008.2000.2600	Philippines	0.77
			Other Brand	2008.2000	2008.2000.2700	Other origin	0.67
			Hosen	2008.2000	2008.2000.2800	All origin	1.02
3.	Pine Apple (Broken Slice)	(i) Less than 2800 Gram	Delmont & Dole	2008.2000	008.2000.2900	All origin	0.78
			Seasons & S & W	2008.2000	008.2000.3000	All origin	0.78
			Polac	2008.2000	008.2000.3100	All origin	0.66
			Farm	2008.2000	008.2000.3200	All origin	0.66
			Malapine	2008.2000	008.2000.3300	All origin	0.66
			Other Brand	2008.2000	008.2000.3400	Philippines	0.77
			Other Brand	2008.2000	008.2000.3500	Other origin	0.67
			Hosen	2008.2000	008.2000.3600	All origin	1.00
			(ii) Above 2801 gram upto 5000grams	Delmont & Dole	2008.2000	008.2000.3700	All origin
		Seasons & S & W		2008.2000	008.2000.3800	All origin	0.77
		Polac		2008.2000	008.2000.3900	All origin	0.64
		Farm		2008.2000	2008.2000.4000	All origin	0.64
		Malapine		2008.2000	008.2000.4100	All origin	0.64
		Other Brand		2008.2000	2008.2000.4200	Philippines	0.76
		Other Brand		2008.2000	2008.2000.4200	Other origin	0.64



			Hosen	2008.9700 2008.9900	2008.9700.1000 2008.9900.1000	All origin	0.89
4	Fruit Cocktail	i) Less than 2800 Gram	Delmont & Dole	2008.9700 2008.9900	2008.9700.1100 2008.9900.1100	All origin	0.68
Seasons & S & W			2008.9700 2008.9900	2008.9700.1200 2008.9900.1200	All origin	0.64	
Polac			2008.9700 2008.9900	2008.9700.1300 2008.9900.1300	All origin	0.62	
Festival			2008.9700 2008.9900	2008.9700.1400 2008.9900.1400	All origin	0.62	
Salzan			2008.9700 2008.9900	2008.9700.1500 2008.9900.1500	All origin	0.62	
Royal Meela			2008.9700 2008.9900	2008.9700.1600 2008.9900.1600	All origin	0.62	
Top Choice			2008.9700 2008.9900	2008.9700.1700 2008.9900.1700	All origin	0.62	
Fiesta			2008.9700 2008.9900	2008.9700.1800 2008.9900.1800	All origin	0.62	
Other Brand			2008.9700 2008.9900	2008.9700.1900 2008.9900.1900	Philippines	0.64	
Other Brand			2008.9700 2008.9900	2008.9700.2000 2008.9900.2000	Other origin	0.62	
Hosen		2008.9700 2008.9900	2008.9700.2100 2008.9900.2100	All origin	0.86		
		(ii) Above 2801 gram upto 5000grams	Delmont & Dole	2008.9700 2008.9900	2008.9700.2200 2008.9900.2200	All origin	0.65
Seasons & S & W			2008.9700 2008.9900	2008.9700.2300 2008.9900.2300	All origin	0.64	
Polac			2008.9700 2008.9900	2008.9700.2400 2008.9900.2400	All origin	0.59	
Festival			2008.9700 2008.9900	2008.9700.2500 2008.9900.2500	All origin	0.59	
Salzan			2008.9700 2008.9900	2008.9700.2600 2008.9900.2600	All origin	0.59	
Royal Meela			2008.9700 2008.9900	2008.9700.2700 2008.9900.2700	All origin	0.59	
Top Choice			2008.9700 2008.9900	2008.9700.2700 2008.9900.2700	All origin	0.59	
Fiesta			2008.9700 2008.9900	2008.9700.2800 2008.9900.2800	All origin	0.59	
Other Brand			2008.9700 2008.9900	2008.9700.2900 2008.9900.2900	Philippines	0.61	
Other Brand	2008.9700 2008.9900		2008.9700.3000 2008.9900.3000	Other origin	0.59		

**NOTE: In case of imports in bulk packing i.e more than 05 Kg (net content), a discount of 10% may be allowed only against custom values mentioned above.**

6. The values of subject items are determined on basis of net content (mentioned on the packing). Since this aspect was constantly agitated by the trade and therefore, values have now been determined on net content basis and the value of essential packing (contains in which the subject goods are primarily packed/preserved) has been included in the above determined values and the values are accordingly adjusted.



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.856/2016 Dated, 23-05-2016.*

(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.856/2016, dated 23.05.2016.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.