



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate 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 Hilal Chicken & Turkey Meat (Frozen)
under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. ⁹⁷² /2016)

No. Misc/12/2014-I/19919

Dated 22-11-2016

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Hilal Chicken & Turkey Meat (Frozen) is determined as follows:

2. **Background of the valuation issue:** The Customs Values of Hilal Chicken & Turkey Meat (Frozen) had been determined earlier under section 25-A of the Customs Act, 1969 vide Valuation Ruling no. 757/2015 dated September 02, 2015. Numerous representations have been received in the Directorate to revise values keeping in view decreasing trends in international market. Accordingly to determine true value of Hilal Chicken & Turkey Meat (Frozen) in light of current prevailing prices in international market, an exercise to determine the Customs values of subject goods was under taken by this Directorate General

3. **Stakeholders' participation in determination of Customs values:** A meeting was held on 01-09-2016, with all the stakeholders of subject goods and representatives of clearance Collectorate. This subject meeting was also attended by the representatives of Pakistan Poultry Association, manufacturer and importers of subject goods. The representatives of Pakistan Poultry Association contended that the instant goods are value added goods and are being exported on very higher values by the exporting countries. Moreover, the locally produced chicken prices are reasonably higher as compared to values determined by the Directorate of Valuation vide Valuation Ruling No.757/2015 dated 03.09.2015. In this regard, it was also contended by Pakistan Poultry Association that the entire Poultry sector is already going through serious crisis and losing ground due to higher cost of infrastructure and imported poultry feed. The Importers, however, contended that international prices for frozen chicken have considerably been gone down, and therefore the higher valuation may lead to discouraged import of frozen chicken.

4. **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



demonstrable 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 but the gathered information could not be exclusively relied on. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. On-line values were also checked. All the information was analyzed and evaluated and Sub-Section (9) of Section 25 of the Customs Act, 1969, was applied to arrive at the assessable Customs values of Hilal Chicken & Turkey Meat (Frozen).

5. Customs values for Hilal Chicken & Turkey Meat (Frozen): Hilal Chicken & Turkey Meat (Frozen): *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:-

S. No.	Description of goods	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) USS/Kg Net Weight
(1)	(2)	(3)	(4)	(5)	(6)
1.	Skinless Whole Chicken (frozen)	0207.1200	0207.1200.1000	China, U.A.E	1.40
2.	Boneless Chicken Breast (frozen)	0207.1400	0207.1400.1000	China, U.A.E	2.25
3.	Skinless Whole Turkey (frozen)	0207.2500	0207.2500.1000	U.A.E	2.75
4.	Boneless Turkey Breast (frozen)	0207.2700	0207.2700.1000	U.A.E	3.30

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, 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 Directorate General immediately.

10. This Ruling supersedes Valuation Ruling No. 757/2015 dated 03-09-2015.


(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), 1st 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, to replace the old Valuation Ruling No.757/2015 dated 07-09-2015 and for uploading this Ruling in One Customs & WeBOC database 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, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment, 1st Floor, Custom House, Karachi.
21. Guard File.