



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Custom Values of Natural and Alkalized Cocoa Powder under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1228/ 2017)

No.Misc/08/2009-I/2204

Dated: December 06, 2017

In exercise of the powers conferred under Section 25-A of Customs Act, 1969 customs value of Natural and Alkalized Cocoa Powder (H.S. Code 1805.0000) is determined as follows:

2. Background of the valuation issue: Earlier the customs values of Natural and Alkalized Cocoa Powder were determined vide Valuation Ruling No. 619/2013 dated 10-12-2013. There were several representations from commercial importers as well as from Pakistan Biscuit & Confectionary Manufacturers Association wherein they claimed that value of the subject item needs to be realigned with international values which have considerably gone down over the years. They requested to determine the applicable customs values afresh in accordance with the trend of values in the international markets, therefore, this Directorate General initiated an exercise for determination of the Customs Values of Natural and Alkalized Cocoa Powder in terms of Section 25-A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: A number of meetings with stakeholders including importers, representatives from Pakistan Biscuit & Confectionary Manufacturers Association and representatives from field formations were held at this Directorate General, culminating in a final meeting held on 16.11.2017 to discuss the current international prices of the subject goods. All the stakeholders requested that the existing valuation ruling may be reviewed in the light of prevailing international market prices. The view point of all participants was heard in detail and considered to arrive at Customs values of the Natural and Alkalized Cocoa Powder.

4. Method adopted to determine Customs values: Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction Value Method provided in Section 25 (1) was found inapplicable owing to wide variations in the values being declared to the Customs. Identical/Similar Goods Value Methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiries as envisaged under section 25(7) of the Customs Act, 1969, was conducted. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Natural and Alkalized Cocoa Powder have been determined under Section 25(7) of the Customs Act, 1969.

5. **Customs values for Natural and Alkalized Cocoa Powder:** Natural and Alkalized Cocoa Powder hereinafter *specified* shall be assessed to duty/ taxes at the following Customs Values:

S. No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ per Kg
(1)	(2)	(5)	(6)	(7)	(8)
1.	Cocoa Powder Natural	1805.0000	1805.000.1000	Malaysia/ Indonesia/ Singapore/ Thailand	2.18
			1805.000.1100	China	1.15
2.	Cocoa Powder Alkalized	1805.0000	1805.000.1200	Malaysia/ Indonesia/ Singapore/ Thailand	2.27
			1805.000.1300	China	1.23

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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the air 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 (4) of Section 25-A 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 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

10. **This ruling supersedes Valuation Ruling No.619/2013, dated 10.12.2013**


(Muhammad Iqbal Muneeb)
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 (Appraisal), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.

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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, for uploading in One Customs & WeBOC database system and deleting values mentioned in Valuation Ruling No.619/2013, dated 15-11-2016, from the system on the date of issuance of this ruling.
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, Appraisement, 1st Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File