



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Inedible Tallow under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1249 /2018)

No.Misc/28/2017-I/1101

Dated: January 19, 2018

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

2. **Background of the valuation issue:** Earlier customs values of Inedible Tallow were determined vide Valuation Ruling No. 1128/2017 dated 14-04-2017. However, various representations were received from the importers of subject goods from India and Pakistan Soap manufacturers Association, wherein they requested this Directorate General for the revision and rationalization of the existing Valuation Ruling, especially with reference to Indian origin Tallow. Therefore, this Directorate General initiated an exercise for re-determination of customs value of the subject goods.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders was held on 15-11-2017. The stakeholders were requested to furnish the following documents before or during the course of above said meeting:

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. The commercial importers of Inedible Tallow Indian origin, and representatives from Pakistan Soap Manufacturer Association and field formations attended the meeting. The commercial importers and representatives from Pakistan Soap Manufacturer Association agitated on the determination of customs values vide the impugned Valuation Ruling. Their main thrust was on the customs values of tallow imported from India. They emphasized that their declared values are true and correct which can be easily verified from the Web Site "Ice Gate" as on their invoices, shipping bill number/date and port of shipment" is invariably mentioned. They further stated that same value is also mentioned on SAFTA Certificate of origin. They requested that determination of customs value of Indian origin is not tenable as correct transaction values are being declared to Customs. They were requested to furnish documents, especially shipping bills of past few months so that their contentions could be verified and incorporated in the Ruling.

5. A number of unscheduled meetings were also held with the importers and representatives of Pakistan Soap Manufacturer Association. They had requested for time so that they could furnish the requisite record / documents. Finally Pakistan Soap Manufacturer Association submitted documents pertaining to their imports from India along with their declarations vide letter PSMA / 148 /01-452A-2018 dated **January 17, 2018**. A meeting was also held on January 19, 2018 to discuss the issue and verifications. The analysis of the import data of inedible tallow viz-a-viz the Shipping Bill details revealed that the



declarations are in accordance with their Shipping Bill details and are verified through Ice Gate and SAFTA. Considering the aforementioned circumstances and the fact that their declarations of Inedible Tallow imported from India are akin to actual transactional values, it was decided to keep the Indian origin Tallow out of the purview of Valuation Ruling.

6. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of Inedible Tallow. Transaction value method provided in Section 25 (1) was found inapplicable owing to non fulfillment of prescribed requirements. Identical / similar goods values methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided a number of reference values of subject goods but the same could not be exclusively relied on due to certain variations in declared values of subject goods. Thereafter, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. Online prices were also obtained to corroborate the findings of market survey. Consequently, the customs values of Inedible Tallow have been determined under section 25(7) of the Customs Act, 1969.

7. **Customs values of Inedible Tallow:** Inedible Tallow hereinafter specified, imported from other origins, 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) in US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Inedible Tallow	1502.1000	1502.1000.1000	Saudi Arabia, Jordan, Kuwait, Lebanon, UAE, Qatar	0.580
2.			1502.1000.1100	Philippine	0.585
3.			1502.1000.1200	Thailand	0.610
4.			1502.1000.1300	Australia/ U K/ USA	Applicable FOB value from Public Ledger+US \$40/MT(on account of freight charges)

8. 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 and the same may be communicated to this Directorate General forthwith. In case of consignments imported by air, the assessing officer shall take into account the element of air freight while assessing the goods.

9. **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.

10. **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.

11. The Collectors of Customs may kindly ensure that the values given in this Valuation 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the Annexure to this Valuation Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. 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.

12. ***This ruling supersedes Valuation Ruling No.1128/17 dated 14-04-2017.***


(Muhammad Iqbal Muneeb)
Director

19/11/17

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 (Appraisement), 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.
9. 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 WeBOC database system and deleting VR 1128/2017 dated 14-04-2017.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & 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 (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR website.
22. Guard File.