



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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 Medicines / Medicaments in Packing for Retail Sale Under Section 25-A of the Customs Act, 1969

No.Misc./11/2017-II/31

Dated: January 3, 2018

(VALUATION RULING NO. 1238 / 2018)

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Medicines / Medicaments i.e. Lincomycin Injection, Metronidazole Injection, Gentamycin Injection 80 mg 2ml, Oxy Tetracycline Capsule Blister Packing, Diclofenac Sodium 75 mg, Ampicillin Injection 500 mg, Doxycycline Capsules, Indomethacin Capsules Tin/Blister packing, Procaine Penicillin injection 4000000 I.U, Sipicon Injection for veterinary, Dexamethasone Injection, Benzyl Penicillin Injections are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of the Medicines / Medicaments of various types were determined vide Valuation Ruling No. 1094/2017 dated 18.03.2017. Subsequently, several representations were received from commercial importers to determine the applicable customs values afresh in accordance with the trend of values in the international market and to include some more Medicines / Medicaments being regularly imported as Diclofenac Sodium 75 mg, Ampicillin Injection 500 mg, Doxycycline Capsules, Indomethacin Capsules Tin, Indomethacin Capsules Blister, Procaine Penicillin injection 4000000 I.U, Sipicon Injection for veterinary, Dexamethasone Injection, Benzyl Penicillin Injection. Keeping in view the prevailing prices of the subject items, this Directorate General initiated an exercise for determination of the Customs values of the subject items in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders Participation in Determination of Customs Values:** Meetings with all the stakeholders including importers and representatives from clearance Collectorates was held on 07-12-2017 to discuss the current international prices of the subject items. The commercial importer namely M/s Mehran Traders argued that besides items covered under the existing valuation ruling, there are medicines namely Diclofenac Sodium 75 mg, Ampicillin Injection 500 mg, Doxycycline Capsules,



Indomethacin Capsules Tin, Indomethacin Capsules Blister, Procaine Penicillin injection 4000000 I.U, Sipicon Injection for veterinary, Dexamethasone Injection, Benzyl Penicillin Injection which are required to be brought under the regime of valuation ruling to curb the menace of under invoicing. He supported his submission with documentary evidences. The viewpoint of all participants was heard in detail and considered to arrive at Customs values of medicines and injections of aforementioned types.

4. **Method Adopted to Determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at customs values of subject goods. The transaction value method provided in Sub-Section (1) of Section 25, was found inapplicable because there were wide differences in the declarations. 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, were conducted. All the information so gathered was evaluated and analyzed for the purpose of determination of Customs values. Consequently, the Customs values of medicines / Medicaments of given types including weight of retail packing were determined.

5. **Customs values** for Lincomycin Injection, Metronidazole Injection, Gentamycin Injection 80 mg 2ml, Oxy Tetracycline Capsule Blister Packing, Diclofenac Sodium 75 mg, Ampicillin Injection 500 mg, Doxycycline Capsules, Indomethacin Capsules Tin, Indomethacin Capsules Blister, Procaine Penicillin injection 4000000 I.U, Sipicon Injection for veterinary, Dexamethasone Injection, Benzyl Penicillin Injection *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :

1	2	3	4	5	6
	Description	H.S. Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) (including retail packing) USS/Kg
1	Benzyl Penicillin Sodium Injection 1000000 I.U.	3004.1090	3004.1090.1000	China	2.75
2	Procaine Penicillin Injection 4000000 I.U. (for Veterinary use only)	3004.1090	3004.1090.1100	China	4.70
3	Ampicillin Sodium Injection 500mg	3004.1090	3004.1090.1200	China	3.12
4	Lincomycin Hydrochloride Injection 600mg/2ml	3004.2000	3004.2000.1000	China	9.20
5	Metronidazole	3004.2000	3004.2000.1100	China	0.85



	Injection (0.5%W/V) 500mg/100ml				
6	Gentamycin Injection B.P 80MG/2ML	3004.2000	3004.2000.1200	China	5.25
7	Oxy Tetracycline Dihydrate Capsule 250mg B.P (Tin Packing)	3004.2000	3004.2000.1300	China	9.00
8	Oxy Tetracycline Dihydrate Capsule 250mg B.P. (Blister Packing)	3004.2000	3004.2000.1400	China	7.55
9	Diclofenac Sodium Injection 75mg/3ml	3004.2000	3004.2000.1500	China	2.60
10	Doxycycline Hyclate Capsules B.P. 100mg	3004.2000	3004.2000.1600	China	12.00
11	Indomethacin Capsules 25mg (Tin Packing)	3004.2000	3004.2000.1700	China	11.45
12	Indomethacin Capsules B.P. 25mg (Blister packing)	3004.2000	3004.2000.1800	China	9.75
13	Sipicon Injection 5gram I.M. for Veterinary use only	3004.2000	3004.2000.1900	China	6.75
14	Dexamethasone Injection USP IML	3004.2000	3004.2000.2000	China	4.45
The customs values as specified in the column (6) have been determined after duly accounting for the aspect of tare weights regarding bottle, unit box, packing etc. At assessment stage no further allowance is admissible on any account.					

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 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-Section (1) or (3) 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 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 descriptions and specifications as mentioned in 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 certifications 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.1094/2017 dated 18.03.2017.***


(Muhammad Iqbal Muneeb)

Director

3/1/18

Copy for information to:

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Multan.
12. The 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.1094/2017 dated 18.03.2017.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The 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. Revision Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.