



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

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

Determination of Customs Values of Toffees, Candies and Sugar Confectionery items
Under Section 25-A of the Customs Act, 1969

1220
(VALUATION RULING NO./2017)

No.Misc/17/2013-1/12105

19,
Dated: November 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Toffees, Candies and Sugar Confectionery items are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of the Toffees, Candies and Sugar Confectionery items were determined vide Valuation Ruling No 835/2016 dated 19.04.2016. There were representations from commercial importers as well as local manufacturers wherein they contended that values of the subject items need to be realigned with international values. They requested to determine the applicable customs values afresh in accordance with the trend of values in the international markets. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values of Toffees, Candies and Sugar Confectionery items in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with different stakeholders including importers, exporters and representatives from field formations were held on 19.7.2017, 24.9.2017 and 23.10.2017, to discuss the current international prices of the subject goods. All the stakeholders requested that the said valuation ruling may be reviewed in the light of prevailing international market prices. The local manufacturer-cum-exporters submitted the statement of values of subject items showing upward trend of prices and contended that their proposition of values for different types of Toffees, Candies and Sugar Confectionery items accurately reflects international values whereas the view point of commercial importers was diagonally opposed to that of manufacturer-cum-exporters' and they stated that prices of these items are declining in the international markets. The view point of all participants was heard in detail and considered to arrive at Customs values of the Toffees, Candies and Sugar Confectionery items.

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 was wide differences in the declarations. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 ibid 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 the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that some importers provided 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 market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969 and determined customs values of Toffees/Candies and Sugar Confectionery under Section 25(7) of the Customs Act, 1969.

5. Customs values for Toffees, Candies and Sugar Confectionery: Toffees, Candies and Sugar Confectionery items hereinafter *specified* shall be assessed to duty and taxes at the following Customs Values:-

S. No	Description of Goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Candy	1704.9090	1704.9090.1000	China/India	1.15
			1704.9090.1100	Thailand, Taiwan /Indonesia	1.60
			1704.9090.1200	Saudi Arabia, UAE, Oman/ Turkey	1.75
			1704.9090.1300	Europe/USA	2.10
2.	Toffee	1704.9090	1704.9090.1400	Turkey	1.75
			1704.9090.1500	Thailand, Taiwan /Indonesia	1.65
			1704.9090.1600	Saudi Arabia, UAE, Oman	1.45
			1704.9090.1700	India/China	1.40
			1704.9090.1800	Europe/USA	2.30
3.	Compound Chocolate Substitute	1704.9090	1704.9090.2000	Turkey	2.15
4.	Lolly Pop	1704.9090	1704.9090.2100	Europe/USA	2.35
			1704.9090.2200	Turkey	1.90
			1704.9090.2300	All Other Origin	2.25
5.	Fruittella	1704.9090	1704.9090.2400	Europe/USA	2.70
			1704.9090.2500	All Other Origin	2.50
6.	Polo	1704.9090	1704.9090.2600	Europe/USA	2.60
			1704.9090.2700	All Other Origin	2.40
7.	Jelly	1704.9090	1704.9090.2800	Europe/USA	1.70
			1704.9090.2900	All Other Origin	1.50

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 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 differential between air freight and sea 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 (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. 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 requisite formalities relating to importability or 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 of the Customs Act, 1969 or any other law in vogue therein.

10. **This Ruling supersedes Valuation Ruling No.835/2016,Dated 19-4-2016**


(Muhammad Iqbal Muneeb)
Director

10/11/16

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/ Multan.
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. 835/2016/19-4-2016.
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.