



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, Directorate General of Transit Trade, Karachi.

Determination of Customs Values of Egg Powder under Section 25-A on the Customs Act, 1969.

(VALUATION RULING NO. ¹²⁶⁵ / 2018)

No. DG/VAL/31/Database/2016-I/ 270

Dated: March 01, 2018

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

2. **Background of the valuation issue:** Earlier, customs values of Whole Egg Powder, Egg Yolk Powder and Egg Albumin/White Powder (High Gel) were determined and notified vide Valuation Ruling No. 1086/2017 dated 17-03-2017. A representation was received from local manufacturer of the subject items wherein they contended that values need to be re-aligned with international market trend. Moreover, they also complained that notified customs values in the Ruling are not being implemented in certain clearance formations. In response, this Directorate General immediately sensitized the concerned clearance collectorates and requested them to ensure that existing notified values are correctly implemented. Besides, this Directorate General also initiated an exercise for re-determination of customs value for the subject goods.


3. **Stakeholders' participation in determination of Customs values:** Meetings with the stakeholders including local manufacturers of the subject goods, importers and representatives of field formations were held on 04-12-2017, 06-02-2018 and 26-02-2018. M/s Al-Waha Egg Products, Lahore emphasized that the values of Egg Powder require enhancement as internationally the prices have seen an upward trend. They also contended that they are the local manufacturers, and they have the capability of meeting the demands of local industry. They need support from the government in this regard. On the other hand, representatives from M/s National Foods and M/s Mitchells Pakistan stated that customs value of Egg powder notified vide existing VR are already on higher side and need to be rationalized downward in line with actual existing values in the international market. They stated that they are the leading manufacturers of multiple food products, contributing billions in the national exchequer and that they always declare the actual price and never resort to under-invoicing. They further pointed out that they have recently introduced their new product 'mayonnaise' and they have done heavy investment for setting its plant and machinery. They also submitted the copies of import GDs and invoices and L/Cs. During the proceedings, it was also pointed out by M/s Al-Waha that some importers declare incorrect PCT Headings to avoid application of Valuation Ruling. Import data was examined which showed clearances in irrelevant PCTs. The view point of all stakeholders was heard in detail and considered to arrive at Customs values of Egg Powder.

5. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was



found inapplicable as requisite information was not available as per law. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to variation is the same. In line with the statutory sequential order of Section 25, this office then conducted a market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that as the goods are not easily and freely available in the market, due to their consumption by local industry, market inquiries in terms of 25(7) did not result in authentic information. 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 and conversion charges 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. Price quotations from international suppliers were also obtained to ascertain the prices of the instant product in the international market. Finally, clearance data, market information and international prices as was made available were examined thoroughly and the information so gathered was evaluated and analyzed and Customs values of the subject Egg Powder were determined under Section 25(9) of the Customs Act, 1969.

6. Customs values for Egg Powders of different specifications: Egg Powder of different specifications and various origins *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) USS per Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Whole Egg Powder	0408.1900 0408.9100	0408.1900.1000	Europe/Russia/ Ukraine	6.4
			0408.9100.1000		
			0408.1900.1100	India	5.9
			0408.9100.1100		
			0408.1900.1200	China	6.0
0408.9100.1200					
0408.1900.1300	Other Origins	6.2			
0408.9100.1300					
2.	Egg Yolk Powder	0408.1100	0408.1100.1000	Europe/Russia/ Ukraine	7.0
			0408.1100.1100		
			0408.1100.1200	China	6.8
			0408.1100.1300		
3.	Egg Albumin/White Powder(High Gel)	3502.1100	3502.1100.1000	Europe/Russia/ Ukraine	9.2
			3502.1100.1100		
			3502.1100.1200	China	9.0
			3502.1100.1300		

7. 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.

8. **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 (4) of Section 25-A of the Customs Act, 1969.

9. **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.

10. 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.

11. *This ruling supersedes Valuation Ruling No.1086/2017, dated 17-03-2017.*


(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 (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, for uploading in One Customs & WeBOC database system and deleting values mentioned in Valuation Ruling No.1086/2017, dated 17-03-2017, 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, Appraisalment, 1st Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File