GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI
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The Collectors of Customs, Model Customs Collectorates of Appraisement (East / West)/ Port Qasim/Preventive, Karachi/Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad/Multan/Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar and Gilgit-Baltistan.

Determination of Customs Value of Pop Corn under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 1332 / 2018)

No. Misc/6/2017-I/ 1356 Dated: September 28, 2018

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

2. **Background of the valuation issue:** Earlier the customs values of Pop Corn were determined vide Valuation Ruling No. 1107/2017 dated 22-03-2017. There were several representations from importers wherein they contended that customs values in the existing valuation ruling are not reflective of the prices in the international markets and therefore, need to be reviewed accordingly. Keeping in view the prevailing prices in the international markets, this Directorate General initiated an exercise for re-determination of the Customs Values of the Pop Corn in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Several meetings with stakeholders were held in this Directorate General to discuss the current international prices of the subject goods. The stakeholders were requested to submit the following documents before or during the course of the stakeholders' meetings so that customs values could be determined:

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

The importers contended that the customs values in the existing Valuation Ruling are high and therefore, required revision in line with the prevailing prices in the international market. The view point of all participants was heard in detail and considered to arrive before arriving at the customs values of various brands of Pop Corn.

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 address the valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, was found inapplicable due to wide variation of values displayed in the import data, hence requisite information was not available to arrive at the transaction value. Identical / similar goods value method provided vide 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 wide variations in

declarations. 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 Pop Corn under section 25(7) of the Customs Act, 1969.

5. **Customs values for Pop Corn:** Pop Corn ***hereinafter specified*** shall be assessed to duty / taxes at the following Customs Values:

Sr. No.	Description of goods	H.S.Code Code	PCT for WEBOC	Origin	Customs Values (C&F) US$/KG (On net weight basis)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Pop Corn Brand American Garden (Various Flavors)	2005.9900	2005.9900.1000	United States	**2.70**
2.	Pop Corn Brand Poppin (Various flavors)	2005.9900	2005.9900.1100	All origin	**2.68**
3.	Pop Corn Brand Popitas (Various flavors)	2005.9900	2005.9900.1200	Europe/Spain	**2.60**
4.	Pop Corn Brand Crown (Various flavors)	2005.9900	2005.9900.1300	United States	**2.40**
5.	Pop Corn Brand Nature's Choice (Various flavors)	2005.9900	2005.9900.1400	South Africa	**2.60**
6.	Pop Corn Brand Cypressa (Various flavors)	2005.9900	2005.9900.1500	United Kingdom	**2.68**
7.	Pop Corn Brand Act II (Various flavors)	2005.9900	2005.9900.1600	United States	**2.65**
8.	Pop Corn Brand Daily Fresh (Various flavors)	2005.9900	2005.9900.1700	All origin	**2.50**
9.	Pop Corn Brand Nuts on Clark's (Various flavors)	2005.9900	2005.9900.1800	United States	**2.78**
10.	Pop Corn Brand Orville Redenbacher's (Various flavors)	2005.9900	2005.9900.1900	United States	**2.68**
11.	Pop Corn Brand Pop Weaver (Various flavors)	2005.9900	2005.9900.2000	All origin	**2.67**
12.	Pop Corn Other Brands (Various flavors)	2005.9900	2005.9900.2100	All origin	**2.6**

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 element of air freight while assessing the goods.

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:** 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 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.

10. ***This ruling supersedes Valuation Ruling No.1107/2017 dated 22-03-2017.***

(Muhammad Iqbal Muneeb)
Director
28/9/18

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.
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 InWeBOC database system and deleting VR 1107/2017 dated 22-03-2017.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.