



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectrates, 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 Ice Cream Under Section
25-A of The Customs Act, 1969**

(VALUATION RULING NO. 1167/2017)

No. Misc/78/2016-I/1280

Dated: May 22nd 2017

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

2. **Background of the valuation issue:** The Customs values of Ice Cream were circulated vide VDB letter No. 234/2017 dated 03-03-2017. It was deemed expedient to issue a Valuation Ruling hence, an exercise was conducted to determine Customs values of Ice Cream in line with current price trends in the international market.
3. **Stakeholders' participation in determination of Customs values:** Meetings were scheduled on 16-05-2017 and 22-05-2017 with stakeholders and importers of subject goods. All stakeholders were requested to submit the following documents:
 - i. Invoices of imports during last three months showing factual value.
 - ii. Websites names and E-mail addresses of known foreign suppliers 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 differences in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

The importers / stakeholders contended that market surveys were earlier conducted from high end retail outlets and requested that different markets be consulted for the survey of subject goods. They further insisted that subject goods were actually being purchased / imported at much lower values than those determined vide VDB No. 234/2016 dated 03.03.2017. The importers insisted that since the subject goods are mainly being sold at Super and General Store, therefore, a lot more expenses (breakage due to shifting from place to place, expiry, self-rent, marketing expenses, refrigeration cost) etc. are incurred thus increasing their retail price. The view point of all stakeholders was considered before arriving at customs values of Ice Cream.

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 the requisite information was not available as per law. Identical / Similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of the subject goods. This data provided some references, however, it was found that the same cannot be solely relied upon due to variation in the same. 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 Section 25 of the Customs Act, 1969. Most of the reference values were obtained from this method. 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 fabrication 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. Finally, clearance data, market information and international prices through the internet were examined thoroughly and the information so gathered was utilized and analyzed for determination of Customs Values of Ice Cream under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Ice Cream:** Ice Cream hereinafter *specified* shall be assessed to duty and taxes at the following Customs Values:-

S.No.	Description of Goods	PCT Code	Proposed OCT for WeBOC	Origin	Customs Values (C&F) US \$/Kg
1.	Moven Pick Ice Cream(Assorted Flavours)	2105.0000	2105.0000.1000	All origins	6.20
2.	London Dairy Ice Cream (Assorted Flavours)		2105.0000.1100	All origins	4.05
3.	Haagen Dazs Ice Cream (Assorted Flavours)		2105.0000.1200	All origins	4.00
4.	Baskin Robbins Ice Cream (Assorted Flavours)		2105.0000.1300	All origins	3.50
5.	Ben & Jerry's Ice Cream (Assorted Flavours)		2105.0000.1400	All origins	3.50
6.	Assorted Impulse Ice Cream (Assorted Flavours)		2105.0000.1500	All origins	3.00
7.	Other Brand (Assorted Flavours)		2105.0000.1600	All origins	4.25
8.	<i>Note: The clearance Collectorates are advised to ensure assessment as per the values mentioned in the table above and to avoid assessment of Ice Cream in generalized term as "assorted ice cream" where values of brands have been specifically mentioned in this Ruling.</i>				

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-Sections (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 issuance 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 this 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 office. The assessment shall be finalized on the bases 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 VDB No.234/2017 dated 03.03.2017.*

(Dr. Wasif Ali Memon)
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.
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 One Customs & WeBOC database system and deleting values mentioned in VDB No.234/2017 dated 03.03.2017 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