GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collector of Customs, Model Customs Collection, Appraisement (East / West) / Port Muhammad Bin Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gwadar / Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUES OF MILK POWDER
(H.S.CODE NO.0402-1000, 1902.9020, 1902.9090)
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.1067/2015)
Dated: January 23, 2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Skimmed Milk Powder and Instant Milk Powder with vegetable filler are determined as follows:

1. Background of the valuation issue: As per orders of the Director General, Customs Valuation, issued in order in revision No. 74/15 against Valuation Ruling No. 696 dated 01-10-2014 and further in the light of representations made by New Zealand Embassy (Tehran), Australian Trade Commission and importers regarding receding prices in the international market of Skimmed Milk Powder and wide differences on account of origins. Accordingly, an exercise to re-determine the Customs values of the subject goods was initiated.

2. Method adopted to determine Customs values: The Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction Value method under Sub-Section (1) was found inapplicable because the requisite information was not available. Identical/similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 of the Customs Act, 1969 were found inapplicable because sufficient and reliable information was not available. Consequently, market survey as provided under Section 25(7) of the Customs Act, 1969, was conducted. However, requisite information could not be gathered for all types of origin/input/feedback from different stakeholders was also gathered during the stakeholders meetings. After evaluating and analyzing information gathered from the above, Customs values were determined under Section 25(9) of the Customs Act, 1969.

3. Stakeholders’ participation in determination of Customs values: Meetings were held with different stakeholders including importers, manufacturers of dairy products, representatives of FPCCI, ECCI, Australian Trade Commission and New Zealand High Commission, their written as well as verbal representations were taken into account for determination of Customs values on 22-01-2015.

4. Customs values for Milk Powder: Skimmed milk powder and instant milk powder with vegetable filler, as far as specified shall be assessed to duty/taxes at the following Customs values:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Description of goods</th>
<th>PCT Code</th>
<th>Proposed PCT for WellIOC</th>
<th>Origin</th>
<th>Customs Values (C&amp;F) US$ per Kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Skimmed Milk Powder (In Bulk Packing)</td>
<td>0402.1000</td>
<td>0402.1000.1000</td>
<td>New Zealand, Australia, West Europe, Canada and USA</td>
<td>US$ 2.60/Kg</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0402.1000</td>
<td>0402.1000.1100</td>
<td>Iran</td>
<td>US$ 2.60/Kg</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0402.1000</td>
<td>0402.1000.1200</td>
<td>Other origins</td>
<td>US$ 2.50/Kg</td>
</tr>
<tr>
<td>02.</td>
<td>Skimmed Milk Powder (In Retail Packing Upto 5Kgs/Pack)</td>
<td>0402.1000</td>
<td>0402.1000.1300</td>
<td>New Zealand, Australia, West Europe, Canada and USA</td>
<td>US$ 2.85/Kg</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0402.1000</td>
<td>0402.1000.1400</td>
<td>Iran</td>
<td>US$ 2.25/Kg</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0402.1000</td>
<td>0402.1000.1500</td>
<td>Other origins</td>
<td>US$ 2.75/Kg</td>
</tr>
</tbody>
</table>
5. 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 determined in this Ruling.

6. 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.

7. 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.

8. 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.

9. This Ruling supersedes Valuation Ruling No.696 dated 01-10-2014 with respect to Skimmed milk powder and Instant Milk Powder with vegetable fat as amended from time to time.

(No. 746)

Abdul Rashid Sheikh
Director

Copy for information to:

1. Member (Customs), F.B.I.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 (General), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation, F.I.R., Islamabad.
8. Electrical & Mechanical, 1 Floor, P.F.C. Audit Building, Main-Askari Road, Lahore.
9. Director General, Post & Telegraph, F.P.C., Islamabad.
10. Director General, Inland Audit (Customs), Islamabad.
11. Director, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta

Peshawar & Baluchistan.
12. The Project Director, W.o.N.C. 11th Floor, Custom House, Karachi.
13. Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. Deputy Director (112), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & W.o.N.C. database and deleting the Valuation Ruling No.696-dated 01-10-2014 with respect to Skimmed milk powder and Instant Milk Powder with vegetable fat as amended from time to time on the date of issue of this Ruling.
15. Chairman (Valuation Committee), FP.C., Federation House, Clifton, Karachi.
17. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. R.C.C. Section, Customs Valuation, 7th Floor, Custom House, Karachi.
19. Karachi Customs Agents Group, Bahri Road, Karachi.
20. Chief, Customs Valuation, Custom House, Karachi.
21. Notice Board, Customs Valuation, 7th Floor, Custom House, Karachi / MCC.
22. Govt File.