



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**Determination of Custom Values of Empty Hard Gelatin Capsules Under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 883 / 2016)

No. Misc/14/2009-VIII (B)/IX

Dated: July 21, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Empty Hard Gelatin Capsules are determined as follows :-

2. **Background of the valuation issue:** It was brought to the notice of this Directorate General of Customs Valuation that the values of various sizes of Empty Hard Gelatin Capsules have considerably increased in the international market as compared to the determined Customs values of Empty Hard Gelatin Capsules of China, France and Canada origins vide Valuation Ruling No.368/2011, dated 15-08-2011. The impugned Valuation Ruling requires revision of existing valuation ruling in line with the prevailing prices in the international market. Therefore, this Directorate General initiated an exercise for determination of customs value for Empty Hard Gelatin Capsules.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders was held on 23-06-2016 and the importers were also requested to furnish the following documents.

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. The meeting was attended by different importers and officers from field formations. The importers during the meeting were of the view that the prices of the subject commodity have not increased in the international market. They, however, could not submit any corroboratory evidence/documents in support of their contentions. They requested that they may be allowed



some time to furnish evidences and other documents in support of their contentions but later abstained from submitting any such documents.

5. The representatives of the field formation were of the opinion that the values of Empty Hard Gelatin Capsules as mentioned in the existing valuation ruling are on the lower side.

6. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at fair value of Empty Hard Gelatin Capsules. Transaction value method provided in Section 25 (1) was found inapplicable due wide variation in the values being declared to the customs and incomplete descriptions. Identical / similar goods value methods provided in Section 25(5) & (6) 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 wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. As the stakeholders were not forthcoming with the values of the Empty Hard Gelatin Capsules as being traded in the international market, therefore different markets were surveyed repeatedly for the purpose. Online prices were also obtained to corroborate the findings of the market surveys. 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. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of different sizes of Empty Hard Gelatin Capsules have been determined under Section 25(9) of the Customs Act, 1969.

7. **Customs values for Empty Hard Gelatin Capsules:** Valuation Ruling of Empty Hard Gelatin Capsules *hereinafter specified* shall be assessed to duty/taxes at the Customs Values mentioned below.

S. No.	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Value
					(C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Empty Hard Gelatin Capsules Size No. "00"	9602.0010	9602.0010.1000	China	6.75
2			9602.0010.1100	USA/Canada	10.80
3			9602.0010.1200	Far East	8.10
4			9602.0010.1300	France	9.37
5			9602.0010.1400	Germany/Belgium	9.05



6	Empty Hard Gelatin Capsules Size No. "0"	9602.0010	9602.0010.1500	China	7.14
7			9602.0010.1600	USA/Canada	12.02
8			9602.0010.1700	Far East	8.91
9			9602.0010.1800	France	10.13
10			9602.0010.1900	Germany/Belgium	9.72
11	Empty Hard Gelatin Capsules Size No. "1"	9602.0010	9602.0010.2000	China	7.29
12			9602.0010.2100	USA/Canada	12.83
13			9602.0010.2200	Far East	10.80
14			9602.0010.2300	France	11.61
15			9602.0010.2400	Germany/Belgium	11.14
16	Empty Hard Gelatin Capsules Size No. "2"	9602.0010	9602.0010.2500	China	9.25
17			9602.0010.2600	USA/Canada	13.50
18			9602.0010.2700	Far East	11.21
19			9602.0010.2800	France	12.15
20			9602.0010.2900	Germany/Belgium	11.88
21	Empty Hard Gelatin Capsules Size No. "3"	9602.0010	9602.0010.3000	China	10.65
22			9602.0010.3100	USA/Canada	16.20
23			9602.0010.3200	Far East	12.83
24			9602.0010.3300	France	15.93
25			9602.0010.3400	Germany/Belgium	14.85
26	Empty Hard Gelatin Capsules Size No. "4"	9602.0010	9602.0010.3500	China	11.93
27			9602.0010.3600	USA/Canada	18.90
28			9602.0010.3700	Far East	14.31
29			9602.0010.3800	France	16.20
30			9602.0010.3900	Germany/Belgium	15.53



8. 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.

9. **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.

10. **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, 7<sup>th</sup> Floor, Custom House, Karachi.

11. 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. HS 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

13. *This Valuation Ruling supersedes Valuation Ruling No. 368/2011, dated 15-08-2011.*

  
(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), 1<sup>st</sup> 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.