



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Fruit Jam (H.S. Code: 2007.1000,9100 and 2007.9900)
under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 898/2016)

No. Misc/08/2015-I/19172

Dated 04-08-2016

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Fruit Jam (H.S. Code: 2007.1000, 2007.9100, 2007.9100 and 2007.9900) is determined as follows:

2. **Background of the valuation issue:** Consequent upon representation by commercial importers, regarding revision of Valuation Ruling No.725/2015 dated 16-04-2012 for Fruit Jam, an exercise was undertaken to re-determine the Customs Values of, in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings were held on 30-03-2016, 02-05-2016 and 30-05-2016, with all the stakeholders including local manufacturers of subject goods and representatives of clearance Collectorate who participated in the meetings.

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 particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found inapplicable in the light of wide variety of invoices submitted at import stage the veracity of which could not be ascertained. Hence requisite information required under law was not available to arrive at the correct 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 the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that importers usually provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, M/s PRAL database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under



section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of Fruit Jam.

5. **Customs values for Fruit Jam (H.S. Code: 2007.1000, 2007.9100 and 2007.9900):** Fruit Jam *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:-

S. No.	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/Kg Net Weight
(1)	(2)	(3)	(4)	(5)	(6)
01.	Fruit Jam	2007.1000 2007.9900	2007.1000.1000	Europe / USA/Canada	2.30
			2007.9900.1000		
			2007.1000.1100 2007.9900.1100	Malaysia / Indonesia / Thailand / UAE	1.40
02.	Fruit Marmalade of citrus fruits, like oranges, lemons, limes, grapefruits.	2007.9100	2007.1000.1200 2007.9900.1200	Others	1.50
			2007.9100.1000	Europe / USA/Canada	2.20
			2007.9100.1100	Malaysia / Indonesia / Thailand / UAE	1.30
			2007.9100.1200	Others	1.40

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. 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. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling request formalities relating to importability or other certifications required thereon.

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: This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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 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.

10. *This Ruling supersedes* Valuation Ruling No.725/2015 dated 16-04-2012.


(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.
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 Valuation Ruling No.725/2015 dated 16-04-2015
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. Guard File.