



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 HONEY (H.S.CODE 0409.000)
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 966/2016)

No. Misc/33/2016-1

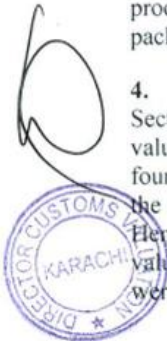
Dated: 15.11.2016

In exercise of the powers conferred under Section 25-A of Customs Act, 1969 assessable customs values of Honey (H.S. Code 0409.0000) is determined as follows:-

2. **Background of the valuation issue:** This Directorate General earlier issued reference values for imported Honey vide Valuation Database letter No.68 dated 31-10-2016. It is pertinent to mention here that no valuation ruling existed at that time and the subject goods were identified as being persistently under-invoiced at import stage. The import values were examined in the light of international prices and the local market and it was observed that import values were not corresponding to market realities. Consequent to the issuance of reference values, a number of importers of subject goods requested for determination of Custom Values of imported honey under section 25-A of the Customs Act, 1969. In order to rationalize values of subject goods, an exercise was undertaken by the Directorate General of Customs Valuation, Karachi to determine the Customs Values of subject goods in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** A meeting was held on 03-11-2016 with stakeholders of subject goods and representatives of clearance Collectorates also participated. All the stakeholders strongly contended that a ruling under section 25A of Custom Act, 1969 be issued and the said valuation reference value-letter may be revisited in light of prevailing international and local market prices and also raised their issues regarding clearance vis-à-vis packing mode. It was also highlighted that subject goods are perishable items and therefore have a limited shelf life, consequently, near the expiry dates; these perishable items are sold in sales at discounted prices. It was further contended by the traders that since the subject goods are mainly being sold on super and general stores, therefore, a lot more expenses (shelf-rents, marketing expenses etc., Notwithstanding Honey does not get de-natured or expired in optimal conditions) are contributed at retail level which cannot be managed without adding extra value to the subject goods. The importers contended that all these factors may also be considered in determining value of subject goods. Prices are also verified on the basis of location of market in the city and date of expiry of the product in question. While determining the prices the factors like mode and nature of essential packing have also been taken into account.

4. **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 being not as per law and also because as per internationally prescribed regulations the actual supplier invoices are mostly not found inside containers carrying the imported goods. Hence the requisite information under the law was not available to arrive at the correct transaction value. Identical / similar goods value method provided in 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 same importers provide 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, Pral database, market information and international prices through Web were examined thoroughly. All the information so gathered was utilized and 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 at assessable customs values of Honey.

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

S.No.	Description of goods	Brand	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values on net contents basis (C&F) US\$ per Kg
(1)	(2)	(4)	(5)	(6)	(7)	(8)
1.	Langnese Natural Honey	Langnese	0409.0000	0409.0000.1000	All origin	4.95
2.	Langnese Flavoured Honey (Chestnut Blossom Honey / Acacia Plain / Acacia Comb / Forest Honey / Black Forest Honey / Pure Bee Honey etc.)	Langnese	0409.0000	0409.0000.1100	All origin	8.00
3.	Langnese Honey Royal Jelly	Langnese	0409.0000	0409.0000.1200	All origin	18.00
4.	Al-Shifa Natural Honey	Al Shifa	0409.0000	0409.0000.1300	All origin	4.70
5.	Al-Shifa Flavoured Honey (Black Forest / Black Forest Honey Bot / Squeazy Pack / Orange Honey / Acacia Honey etc.)	Al Shifa	0409.0000	0409.0000.1400	All origin	7.50
6.	Al Shifa Sidr Honey	Al Shifa	0409.0000	0409.0000.1500	All origin	20.00
7.	Sue Bee Natural Honey	Sue Bee	0409.0000	0409.0000.1600	All origin	4.80
8.	Sue Bee Flavoured Honey (Clover Honey / Premium Honey / Clover Honey Kingline / Clover Squeeze Honey Table Server / Clover Honey Squeeze Bear / Orange Honey	Sue Bee	0409.0000	0409.0000.1700	All origin	7.70



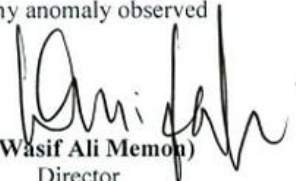
	Kingline etc.)					
9.	Sary Natural Honey	Sary	0409.0000	0409.0000.1800	All origin	3.70
10.	Dabur Honey	Dabur	0409.0000	0409.0000.1900	All origin	4.50
11.	Tropicana Any Brand Sugar Free Honey	Tropicano	0409.0000	0409.0000.2200	All origin	5.50
12.	Bihophar Black Forest Honey / Summer Flower	Bihophar	0409.0000	0409.0000.2300	All origin	8.20
13.	Honey (Regular / Plain / Natural) Other Brands	Other Brands	0409.0000	0409.0000.2600	All origin	5.50
14.	Honey (Various Flavors) Other Brands	Other Brands	0409.0000	0409.0000.2700	All origin	9.00
15.	Manuka Normal Honey	Manuka	0409.0000	0409.0000.2400	All origin	22.00
16.	Manuka Honey (Various Blends)	Manuka	0409.0000	0409.0000.2500	All origin	32.00

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. 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. Furthermore, if a new brand is imported which is not covered in the instant ruling, and is required to be assessed on values other than mentioned herein, the clearance Collectorates may assess the same under section 25 of Customs Act, 1969 if convinced, otherwise may be forwarded to this Directorate General under the provisional assessment regime.

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.


(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.