



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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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 CUSTOMS VALUE OF BEVERAGES(AERATED WATERS) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 974/2016)

No.Misc/19/2013-1

9921

Dated: 22-11-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Beverages (Aerated Waters) are determined as follows: -

2. **Background of the valuation issue:** Customs values of subject Beverages (Aerated Waters) were determined and notified vide Valuation Ruling No.572/2013, dated 13-08-2013, dated 13<sup>th</sup> August, 2013. Since prevailing customs value mentioned in the said Valuation Ruling is more than three years old, therefore, the customs values therein needs to be revised in view of current international price trends. This prompted an exercise to determine the customs value of the goods.

3. **Stakeholders' participation in determination of Customs values:** Meetings for the determination of customs values of Beverages (Aerated Waters) with stakeholders were held on 09-06-2016 and 12-07-2016 which were duly attended by Importers and representatives of clearance Collectorate. Local manufactures of Beverages, however, did not appear in the subject meetings. All the stakeholders strongly contended and requested that the said valuation Ruling may be reviewed in the light of prevailing international and local market prices. It was also highlighted that the subject goods are perishable items and therefore have got limited shelf life, consequently, near the expiry dates, these perishable items are sold on sale and 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 rent, marketing expenses, and refrigeration cost etc.) 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 fixing value of subject goods.

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 because it is generally known to all that majority of invoices produced at import stage are manipulated and hence the requisite information required 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 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 Beverages (Aerated Waters)

5. **Customs values for Beverages (Aerated Waters):** Beverages (Aerated Waters) *hereinafter* specified shall be assessed to duty / taxes at the following Customs Values:-

S. No	Description of Goods	Specifications	Origin	PCT	Proposed PCT for Weboc	Custom Values (C&F) USS Net Content
01	Soft Drinks Pepsi,Coke,Miranda,Fanta,Sprite,7-up,ETC 150 ml	150 ml	All Origin	2202.1010	2202.1010.1000	US \$ 0.14/150ml= US \$ 0.93/Liter
02	Soft Drinks Pepsi,Coke,Miranda,Fanta,Sprite,7-up,ETC 300 ml	300 ml	All Origin	2202.1010	2202.1010.1200	US\$ 0.12/300ml= US\$ 0.40 / liter
03	Soft Drinks Pepsi, Coke, Miranda, Fanta, Sprite, 7-up, ETC, 330 ml	330/ml	All Origin	2202.1010	2202.1010.1300	US\$ 0.18/330 ml= US\$ 0.54/ liter
04	Soft Drinks Pepsi, Coke, Miranda, Fanta, Sprite, 7-up,ETC 355 ml	355 ml	All Origin	2202.1010	2202.1010.1300	US\$ 0.20/ 355ml= US\$ 0.56/ liter
05	Schweppes Canada Soda 300 ml	300 ml	All Origin	2202.1010	2202.1010.1400	US\$ 0.20/ 300ml= US \$ 0.66/liter
06	Evervess Club Soda 300 ml	300 ml	All Origin	2202.1010	2202.1010.1400	US\$ 0.18/ 300ml= US \$ 0.60/liter
07	Other	All	All Origin	2202.1010	2202.1010.1500	US\$ 0.76/ liter

*(Handwritten signature)*



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.

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.

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 issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> 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 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 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. 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 Valuation Ruling No.572/2013, dated 13-08-2013.*

  
(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.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta