



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

**Determination of Customs Values of Soap Noodles Under
Section 25-A of the Customs Act, 1969.**

No.Reg.Misc/34/2007-II

659

Dated: June 21, 2018

(VALUATION RULING NO.1307/2018)

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Soap Noodles are determined as follows:

2. **Background of the Valuation Issue:** Earlier customs values of Soap Noodles were determined vide Valuation Ruling No. 1216/17 dated 10-10-2017. However, Director General of Customs Valuation vide Order-in-Revision No. 11/2018 dated 10-05-2018 remanded back the case to the Director Valuation with the direction to conduct comprehensive valuation exercise for re-determining Customs values of Soap Noodles. Hence an exercise was initiated by this Directorate General to determine the Customs Values of Soap Noodles in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders including importers, representatives from Pakistan Soap Manufacturers Association and representatives from field formations were held on 31-05-2018 and 20-06-2018, to discuss the current international prices of the subject goods. The importers contended that prices in the international market has gradually declined, therefore, while re-determining customs values, the current prices of soap noodles as published in the accredited journals shall be considered. Certain importers and Pakistan Soap Manufacturers Association contended that unscrupulous elements in the trade are misusing the specification given under serial no. 3 of the existing rulings and needs adequate treatment so that the element of mis-declaration in specifications and under-invoicing is addressed. The concerns expressed by the trade were also reflected in the clearance data. Vociferous concerns were expressed regarding vague description / specifications of soap noodles which could not be verified against certain criteria, resultantly numerous traders were indulging in under valuation. After marathon deliberations with stakeholders, all possible options were considered at length. The participants during the last leg of consultations agreed that customs values of soap noodles shall be given in three categories which may include such specifications which can be verified through physical examinations and lab tests and which may include all types of noodles, whether in the shape of lumps, powder, pieces, waste, broken noodles, or broken cake. The prices of different specifications of noodles as published in ICIS (Chemical Prices: Soap Noodles, Asia Pacific) for the past three months was also examined. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject goods.

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 arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of



