

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

**Determination of Customs Value of Potato Frozen French Fries**  
**under Section 25-A of the Customs Act, 1969.**

**(VALUATION RULING NO. 1345 /2018)**

No. Misc/18/2012-I/1558

Dated: December 12, 2018

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Potato Frozen French Fries are determined as follows:

2. **Background of the valuation issue:** Customs values of Potato Frozen French Fries were earlier determined through Valuation Ruling No.1308/2018 dated 03-07-2018. However, various representations were received from the importers for re-determination of value of Potato Frozen French Fries. Hence, an exercise was initiated by this Directorate General to re-determine the customs values of Potato Frozen French Fries.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders, including importers and representatives from field formations, were held on 13-11-2018 and 06-12-2018. The importers contended that the customs values determined vide the exiting Valuation Ruling are high and therefore require fair revision in line with the prevailing prices in the international market. M/s. Venus Pakistan (Pvt) Ltd stated that the food prices of USA are considered to be the cheapest in the world as the US companies produce high quality products on large economies of scale thus reducing their costs. They also requested for the inclusion of their new brands namely Stealth Fries, Lamb Seasoned, Sweet Things, Lamb Supreme, Pennat, Northwest Grown and Crusader Potatoes in the valuation ruling. M/s. Eximpo Cool Chains (Pvt) Limited, Karachi also requested for the inclusion of frozen Belgium Potato Fries of brand Mydible. During the meeting, all the stakeholders agreed that there is no significant difference amongst most of the brands and requested that a ruling shall be issued keeping this factor in view.

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, was found inapplicable in light of the wide variations in declared values at import stage, 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. In line with the statutory sequential order of Section 25, this office then conducted market inquiries using Deductive Value Method under





Sub-Section (7) of the Section 25 of the Customs Act, 1969 and determined customs values of Potato Frozen French Fries accordingly.

5. **Customs values for Potato Frozen French Fries:** Potato Frozen French Fries *hereinafter specified* shall be assessed to duty / taxes at the Customs Values following:

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)
1.	Potato Frozen French Fries Brands: Lamb Weston, JR Simplot, Aviko, Lutos, Country Farm, Farm Frites, Payette Farms & McCain	2004.1000	2004.1000.1000	All origin	1.00
2.	Potato Frozen French Fries All other Brands		2004.1000.1100	All origin	0.95
3.	McCain Brand Value Added Products Potato Bites, Wedges, Veggie Tandoori Nuggets, Mini Roasts, Potato Nuggets, Potato Cheese Shotz, Aloo Tikki, Veggie Fingers, and Smile Fries		2004.1000.1200	All origin	1.75
4.	McCain Brand Spicy Peri Peri Fries		2004.1000.1300	All Origin	2.50
5.	Hash Brown		2004.1000.1400	All Origin	1.51

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 and the same may be communicated to this Directorate General forthwith. In case of consignments imported by air, the assessing officer shall take into account the element of air freight while assessing the goods.


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, 7th Floor, Custom House, Karachi.

11. The Collectors of Customs may kindly ensure that the values given in this Valuation 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the Annexure to this Valuation Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. 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.

12. ***This ruling supersedes Valuation Ruling No.1308/2018 dated 03-07-2018.***

  
(Muhammad Iqbal Muneeb)  
Director 12/12/18

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 (Appraisement), 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 InWeBOC database system and deleting VR No.1308/2018dated 03-07-2018.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & 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, Appraisement (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR website.
22. Guard File.