



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**Determination of Customs Values of Cheese under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1357/2019)

No. Misc/08/2012-I

Dated: March 26, 2019

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

2. **Background of the Valuation Issue:** The customs values of Cheese were earlier notified vide Valuation Ruling No. 1009/2017 dated 11-01-2017 under Section 25-A of the Customs Act 1969. There were several representations from importers wherein they contended that customs values in the existing valuation ruling are not reflective of the prices in the international markets and therefore, need to be reviewed accordingly. Keeping in view the prevailing prices in the international markets, this Directorate General initiated an exercise for re-determination of the Customs Values of Cheese in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' Participation in Determination of Customs Values:** A series of meetings, culminating on final meeting on 21-02-2019 were held with stakeholders, including importers and representatives from field formations. Certain importers contended that the customs values determined vide the existing Valuation Ruling are high and therefore require revision downward in line with the prevailing prices in the international market. They were of the opinion that the notified prices are already on the higher side and any further increase would promote illegal trade. They further contended that the international prices of milk have declined and being a dairy product, the prices of cheese have also declined internationally. However, M/s Interachem, Karachi contended that prices of Mozzarella Cheese, especially of France origin, have increased in international market therefore customs values of cheese should be increased. The stakeholders were requested to furnish all supporting documents and evidences in support of their contentions so that the same could be considered. All the record furnished to this Directorate General was carefully examined to arrive at customs values of 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 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, 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. 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. It was observed that cheese is available in markets in retail packing as well as blocks of more than 2 kg



packing. Therefore, customs values of the subject goods have been determined under section 25(7) of the Customs Act, 1969 accordingly.

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

S. No	Description of goods	H.S. Code	PCT for WEBOC	Origin	Customs Values (C&F) USS/KG Net Contents
(1)	(2)	(3)	(4)	(5)	(6)
1.	Processed Cheese in Slice, Portion & Cubes/Tin: Brands: Happy Cow, President, Arla, Three Cow, LaBella, Al-Marai, Teama, Zott, Taverna, Emborg, Pride	0406.3000	0406.3000.1000	All origin	2.80
2.	Processed Cheese in Slice, Portion & Cubes/Tin: Brand Kraft	0406.3000	0406.3000.1100	All origin	7.00
3.	Processed Cheese in Slice, Portion & Cubes/Tin: Other Brands	0406.3000	0406.3000.1200	All origin	2.90
4.	Cheese/Processed Cheese in Grated, Shredded, Powered & Sticks form Various Brands	0406.3000 0406.2000	0406.3000.1300 0406.2000.1000	All origin	2.95
5.	Cream Cheese / Processed Cream Cheese/ Brands: Puck, Al-Marai, Happy Cow, Arla, President & Three Cow, Taverna, Emborg	0406.3000 0406.1010	0406.3000.1400 0406.1010.1000	All origin	2.80
6.	Cream Cheese / Processed Cream Cheese Brand Kraft	0406.3000 0406.1010	0406.3000.1500 0406.1010.1100	All origin	7.00
7.	Cream Cheese / Processed Cream Cheese, Other Brands	0406.3000 0406.1010	0406.3000.1600 0406.1010.1200	All origin	2.90
8.	Cheddar Cheese Various Brands	0406.9000	0406.9000.1000	All origin	3.00
9.	Cheddar Cheese in Cans/Tins Brand Kraft	0406.9000	0406.9000.1100	All origin	8.00
10.	Mozzarella Cheese Various Brands Packing up to 2 Kg	0406.1010	0406.1010.1300	All origin	3.00
11.	Mozzarella Cheese Various Brands Packing above 2 Kg	0406.1010	0406.1010.1400	All origin	2.85



12.	Cheese/Processed Cheese in Packing above 2 Kg	0406.1010	0406.1090.1500	All origin	2.60
		0406.2000	0406.2000.1100		
		0406.3000	0406.3000.1700		
13.	Blue Veined Cheese	0406.4000	0406.4000.1000	All origin	4.30
14.	Other Cheese	0406.9000	0406.9000.1200	All origin	4.00
		0406.1010	0406.1010.1500		

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. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25-A, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

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. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25-A, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

8. **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.

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. 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.

10. *This ruling supersedes Valuation Ruling No.1009/2017 dated 11-01-2017.*

  
(Shafique Ahmad Latki)  
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.