



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI

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

**Determination of Customs Value of Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup under Section 25-A of the Customs Act, 1969.**

(VALUATION RULING NO. <sup>1366</sup> / 2019)

No. Misc/08/2014-I/ <sup>11975</sup>

Dated: April 30, 2019

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup are determined as follows:

2. **Background of the valuation issue:** Customs values of Sauces / Salad dressing / Mayonnaise / Mustard and Tomato Ketchup were earlier determined through Valuation Ruling No.1256/2018 dated 08-02-2018. However, some importers filed revision applications under section 25-D of the Customs Act 1969 before the Director General of Customs Valuation Karachi. The Director General vide Office note No. DG (V) Misc/1/2018/694 dated 26-06-2018 directed to conduct afresh exercise to re-determine customs values of Tomato Ketchup (various brands) and also to revisit the issue of bulk packing and discount. Hence an exercise was initiated by this Directorate General to re-determine the customs values of Sauces / Salad Dressing / Mayonnaise Mustard and Tomato Ketchup afresh under section 25-A of the Customs Act, 1969.

**Stakeholders' participation in determination of Customs values:** Several meetings with stakeholders, including importers, and representatives from field formations were held in this Directorate General. The importers requested that the Customs Values determined in the existing Valuation Ruling are required to be revised downward in the light of prevailing international market prices. M/s Venus Pakistan (Pvt) Ltd. stated that the price of Soya Bean Oil is the key factor in the majority of sauces and mayonnaise, which is on the declining trend during the past years. They also requested to include their various brands in the Valuation Ruling. M/s Anjum Chemicals Storage also requested to include their brands of various sauces which they import from Vietnam. M/s Heinz Pakistan Pvt Ltd stated that they import Ketchup with brand Heinz and the current custom values of their brand is high and they are unable to continue their import. The importers requested to rationalize the custom values of their brand to discourage the grey channel. The stakeholders including importers and Pakistan Fruit Processors Association unanimously stated that since ketchup is used in greater quantities by the household consumers, therefore the packing up to 4 Kg is easily available at retail super stores; whereas rest of the sauces are used in smaller quantities and rarely carry packs over 2 Kg. The stakeholders were requested to furnish supporting documents so that their contentions could be considered to arrive at Customs values of the subject goods. The view point of all participants was heard in detail and considered to arrive at the customs value 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, 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 Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup.

5. Customs values for Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup *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	Sauces of Brands; Nando's (all types), Kikkoman and Peri Peri	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1000 2103.2000.1000 2103.3000.1000 2103.9000.1000	All origin	3.10
2	Sauces (all other brands)	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1100 2103.2000.1100 2103.3000.1100 2103.9000.1100	All origin	1.95
3	Salad Dressings / Mayonnaise, (all brands)	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1200 2103.2000.1200 2103.3000.1200 2103.9000.1200	All origin	2.25
4	Mustard (all brands)	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1300 2103.2000.1300 2103.3000.1300 2103.9000.1300	All origin	1.85
5	Tomato Ketchup (all brands)	2103.2000	2103.2000.1400	All origin	1.50
6	A discount of 10% on assessable value is allowed on items from serial no.1 to 4, if packing is 2 Kg and above and on item at Serial no. 5, if packing is 4 Kg and above.				





7	The values determined at S. No. 1 to 5 are for packing in glass bottle, plastic bottle or plastic pouches and calculated on weight of Net Content basis as mentioned on the packing. For 'Sachet' packing of items as mentioned at S. No 1 to 4, the 'Gross weight' may be taken for assessment purposes and no discount on any account shall be allowed.
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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 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.

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:** 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.

9. 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.

10. ***This ruling supersedes Valuation Ruling No.1256/2018 dated 08-02-2018.***

  
(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.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.