



GOVERNMENT OF PAKISTAN

DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI

\*\*\*\*\*

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 Values of Branded Milk (Lacnor, Almarai, Soyafresh, etc.)  
under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1373 / 2019)

No. Misc/23/2016-I / 2019

Dated: May 15, 2019

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Tetra Pack Branded Milk (Lacnor, Almarai, Soyafresh, etc.) are determined as follows:

2. **Background of the valuation issue:** Earlier customs values of different brands of Milk e.g. Lacnor, Almarai, Soya fresh, etc. were determined vide Valuation Ruling No.1116/2017 dated 29-03-2017. Several representations were received from importers wherein they contended that the existing valuation ruling is more than two years old and customs values determined therein are not reflective of prices prevailing in the international markets. They requested that customs values may be rationalized in line with the prevailing price trend in the international market. Keeping in view the current prices of the subject item, this Directorate General initiated an exercise for re-determination of customs values of Tetra Pack Milk under section 25-A of the Customs Act 1969 afresh.

3. **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 contended that the prices of Tetra Pack Branded Milk are declining in the international markets and customs values determined vide the exiting Valuation Ruling are on higher side and, therefore, require downward revision. The importers / stakeholders were requested to submit the following documents before or during the course of stakeholders meetings:

- i. Invoices of imports during last three months showing customs value.
- ii. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. During the meetings, the importers contended that the actual value of subject goods is lower than the values notified vide existing valuation ruling. They further stated that there are extra expenses in shape of logistics and handling because of perishable nature of goods. They contended that such allied expenses were earlier not accounted for while issuing the existing valuation ruling which may be considered now. The view point of all participants was heard in detail and considered to arrive at Customs value for subject goods.



5. **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. Identical / similar goods value methods 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 Tetra Pack Branded Milk (Lacnor, Almarai, Meadow Fresh, Soyafresh, Emborg, Rainbow Milk etc.) accordingly.

6. **Customs values for Branded Milk** (Lacnor, Almarai, Meadow Fresh, Soyafresh, Emborg, Rainbow Milk etc.) *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:

Sr. No.	Description of goods	H.S. Code	Proposed PCT for WEBOC	Origin	Customs Values (C&F) USS/Liter
(1)	(2)	(3)	(4)	(5)	(6)
1.	Lacnor Milk (Skimmed/Low Fat/Full Fat)	0401.1000 0401.2000 0401.4000 0401.5000	0401.1000.1000 0401.2000.1000 0401.4000.1000 0401.5000.1000	All origin	0.75
2.	Lacnor Flavored Milk	2202.9900	2202.9900.1000	All origin	0.90
3.	Almarai Milk (Skimmed/Low Fat/ Full Fat)	0401.1000 0401.2000 0401.4000 0401.5000	0401.1000.1100 0401.2000.1100 0401.4000.1100 0401.5000.1100	All origin	0.75
4.	Almarai Flavored Milk	2202.9900	2202.9900.1100	All origin	0.90
5.	Meadow Fresh Milk (Skimmed/Low Fat/ Full Fat)	0401.1000 0401.2000 0401.4000 0401.5000	0401.1000.1200 0401.2000.1200 0401.4000.1200 0401.5000.1200	All origin	0.85
6.	Meadow Fresh Flavored Milk	2202.9900	2202.9900.1200	All origin	0.90
7.	Soyafresh Soya Milk (Various Flavours)	2202.9900	2202.9900.1300	All origin	0.90
8.	Emborg Fresh Milk (Skimmed/Low Fat/ Full Fat)	0401.1000 0401.2000 0401.4000 0401.5000	0401.1000.1300 0401.2000.1300 0401.4000.1300 0401.5000.1300	All origin	0.75
9.	Rainbow Fresh Milk (Skimmed/Low Fat/ Full Fat)	0401.1000 0401.2000 0401.4000 0401.5000	0401.1000.1400 0401.2000.1400 0401.4000.1400 0401.5000.1400	All origin	0.75



10.	Other Brands (Skimmed Milk/Low Fat/ Full Fat)	0401.1000	0401.1000.1500	All origin	0.85
		0401.2000	0401.2000.1500		
		0401.4000	0401.4000.1500		
		0401.5000	0401.5000.1500		
11.	Other Brands Flavored Milk	2202.9900	0402.9900.1400	All origin	0.95
12.	Other Brands Soya Milk (Various flavours)	2202.9900	2202.9900.1500	All origin	0.95

7. 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.

8. **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, 7th Floor, Custom House, Karachi.

10. 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.

11. *This ruling supersedes Valuation Ruling No.1116/2017 dated 29-03-2017.*

  
(Shaifque 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. Chief Collector of Customs (Quetta).