

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

**Determination of Custom Values of Skimmed Milk Powder & Instant Milk Powder**  
**under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1430/2019)

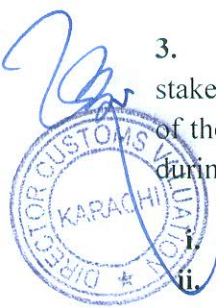
No. Misc/28/2007-I

Dated: 26-11-2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, customs value of 'Skimmed Milk Powder and Instant Milk Powder' are determined as follows:

2. **Background of the Valuation Issue:** Customs values of aforementioned items were earlier determined through Valuation Ruling No. 1239/2018 dated 03-01-2018. The values given in the valuation ruling, being too old, needed re-determination because the said values did not reflect true prevailing prices in international markets. Therefore, this Directorate General initiated an exercise for determination of the customs values of Skimmed Milk Powder & Instant Milk Powder in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' Participation in Determination of Customs Values:** Meeting with stakeholders including importers was held on 19-11-2019, to discuss the current international prices of the subject goods. The stakeholders were requested to submit the following documents before or during the course of the stakeholders' meetings so that customs values could be determined:

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- i. Invoices of imports during last three months showing factual 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 contention.

4. The participants mostly agreed that the prices of subject commodities have shown upward trends in international markets. When enquired if there was any accredited publication which depicts international values, the response of participants was in negative. The participant stated that mostly, skimmed milk is imported in bulk and is used mainly in preparation of confectionary items.

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 arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variations of values displayed in the import data. Moreover, substantial documents were not provided by any stakeholder to arrive at true transaction value. Thereafter, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case. The

Wide variations in declarations were observed. Information available was hence, found inappropriate. In line with the statutory sequential order of Section 25, this office conducted market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969. Resultantly, Customs values of subject goods, have been determined under section 25 (7) of the Customs Act, 1969 accordingly.

**6. Customs Values for Skimmed Milk Powder & Instant Milk Powder:** Skimmed Milk Powder & Instant Milk Powder hereinafter *specified* shall be assessed to duty/ taxes at the following customs values:

S.No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ per Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Skimmed Milk Powder (In Bulk Packing)	0402.1000	0402.1000.1000	New Zealand, Australia, Europe, Canada and USA	US\$ 2.34/Kg
		0402.1000	0402.1000.1100	Iran	US\$ 1.80/Kg
		0402.1000	0402.1000.1200	Other origins	US\$ 2.09/Kg
02.	Skimmed Milk Powder (In Retail Packing Upto 5Kgs/Pack)	0402.1000	0402.1000.1300	New Zealand, Australia, Europe, Canada and USA	US\$ 2.68/Kg
		0402.1000	0402.1000.1400	Iran	US\$ 1.90/Kg
		0402.1000	0402.1000.1500	Other origins	US\$ 2.60/Kg
03.	Instant Milk Powder with vegetable fat (In Bulk Packing)	1901.9020	1901.9020.1000	All origins	US\$ 1.90/Kg
		1901.9090	1901.9090.1000		
04.	Instant Milk Powder with vegetable fat (In Retail Packing Upto 5Kgs/Pack)	1901.9020	1901.9020.1100	All origins	US\$ 2.15/Kg
		1901.9090	1901.9090.1100		

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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the air freight while applying the customs values determined in this ruling.

**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-Section (4) of Section 25-A of the Customs Act, 1969.

