

The Collector of Customs. Collectorate of Customs,(Appraisement -West / Appraisement -East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisement / Enforcement),Quetta / Gawadar / (Appraisement / Enforcement / AHA),Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot)/ Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement),Peshawar / Enforcement, Dera Ismail Khan / Exports (Karachi Port Qasim) / Transit Trade (Karachi).

DETERMINATION OF CUSTOMS VALUES OF PET FOOD (CAT AND DOG FOOD) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1570/2021)

C. No. Misc/34/2016-I / 1976.

Dated: 25-11-2021




In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 Customs values of Pet Food (Cat And Dog Food) are determined as follows:-

- 2- **Background of the valuation issue:** Earlier, the customs values of Pet Food (Cat and Dog Food) were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.977/2016 dated 24-11-2016 and Order in Revision No.289/2017 dated 16.01.2017 issued under Section 25D of the Customs Act,1969. The Valuation Ruling was more than 4 years old therefore it needed to be revised in accordance with the current market values of the subject goods and the freight element which had changed significantly. The import values were observed to be on lower side vis-à-vis international selling prices (available online) and also on lower side in comparison to the local market prices of subject goods. In order to rationalize the import values of subject goods, an exercise was undertaken by the Directorate General of Customs Valuation to determine the Customs Values of subject goods in terms of Section 25A of Customs Act, 1969.
- 3- **Stakeholders' participation in determination of Customs values:** Meetings were held on 28-06-2021, 28.09.2021 & 28-10-2021 with the stakeholders of subject goods. The stakeholders contended that the existing customs values are almost the same. It was further contended by the stakeholders that since subject goods are mainly being sold in high-end super/ general-stores, therefore, much more expenses (shelf rent, marketing costs, etc.) are incurred at retail level which cannot be managed without adding extra value to the subject goods, hence, the prices get inflated in the retail market. The importers requested that such factors may be considered while determining value of the subject goods. The stakeholders were requested to submit the relevant import documents.
- 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 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 because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite

information under law was not available to arrive at the transaction value. Therefore, 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 same provided some reference values but could not be exclusively and solely relied upon. 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 however, this method of valuation could not be exclusively relied upon. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969.

5- **Customs values for Pet Food (Cat and Dog Food) – hereinafter specified** shall be assessed to duty/taxes@ following minimum Customs Values:-



S. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value C&F (US\$/Kg)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Pro Pac Cat & Dog Food	2309.1000	2309.1000.1400	All Origins	2.05
2.	Sport Mix Cat & Dog Food	2309.1000	2309.1000.1500	All Origins	2.05
3.	Purina Cat & Dog Food	2309.1000	2309.1000.1600	All Origins	2.25
4.	Bakers (Purina) Treats/Toffees/Sticks	2309.1000	2309.1000.1700	All Origins	3.06
5.	Bonio (Purina) Treats/Toffees/Sticks	2309.1000	2309.1000.1800	All Origins	3.06
6.	Other Brands Treats/Biscuits /Toffees/Sticks	2309.1000	2309.1000.1900	All Origins	7.84
7.	Calnutrika Cat & Dog Food	2309.1000	2309.1000.2000	All Origins	2.46
8.	IAMS Cat & Dog Food	2309.1000	2309.1000.2100	All Origins	2.07
9.	Karlie Flamingo Cat & Dog Foods	2309.1000	2309.1000.2200	All Origins	2.46
10.	Other Brands of Cat & Dog Food (Pet Food)	2309.1000	2309.1000.1000	Europe / North America	1.75
		2309.1000	2309.1000.1100	Thailand / China	1.45
		2309.1000	2309.1000.2300	Other Origins	1.35

6- The values of subject items are determined on basis of net content (mentioned on the packing), value of essential packing (container in which subject goods are primarily packed/preserved) has been included in the above determined values.

