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

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 / AIIA),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 SNACKS/ CHIPS AND NACHOS/TORTILLA/CHEESE BALLS MADE OF CORN POWDER/ FLOUR AND WHEAT POWDER/ FLOUR UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.1641/ 2022)

C. No. V.Khi/14/Snacks/25A/I/426. Dated:29-04-2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969 Customs values of Snacks/ Chips and Nachos/Tortilla/ Cheese balls Made of Corn Powder/Flour and Wheat Powder/Flour are determined as follows: -

2- **Background of the valuation issue:** Earlier, the customs values of Snacks/ Chips Made of Corn Powder/Flour and What Powder/Flour were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1511/2021 dated 08-02-2021 which was set aside through Order in Revision No.35/2021 dated 11.10.2021 issued under Section 25D of the Customs Act,1969 with the following remarks "*The documentation submitted by the petitioners during the hearing is indicative, that the value determined is not reflective of the market position and needs to be revisited.*" Representations from importers were also received in this office for issuance of fresh Valuation Ruling for the 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 afresh 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 09.11.2021, 22-11-2021,02-12-2021 and 06-04-2022 with the stakeholders of subject goods. The stakeholders contended that the existing customs values are on higher side. It was further contended by the stakeholders that subject goods are sold in frequency at the local retail level. It was submitted that the values of raw material like sweet corn etc. may also be considered to arrive at fair customs value. The stakeholders were requested to submit the relevant import documents including Sales Tax invoices. The Stakeholders did not provide the complete documents including sales tax invoices despite repeated requests.

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 Snacks/ Chips and Nachos/Tortilla/Cheese balls Made of Corn Powder/Flour and Wheat Powder/Flour – *hereinafter specified*** shall be assessed to duty/taxes at following minimum Customs Values:-

Table-I

S. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value C&F (US$/Kg) (Net Content)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Snacks/ Chips Made of Corn Powder/Flour and Wheat Powder/Flour Brand Doritos (All Flavours)	1904.1090 1904.9000 1905.9000	1904.1090.1400 1904.9000.1400 1905.9000.1400	All Origins	9.26
2.	Snacks/ Chips Made of Corn Powder/Flour and Wheat Powder/Flour Brand Cheetos (All Flavours)	1904.1090 1904.9000 1905.9000	1904.1090.1500 1904.9000.1500 1905.9000.1500	All Origins	8.69
3.	Snacks/ Chips Made of Corn Powder/Flour and Wheat Powder/Flour Brand Munchies (All Flavours)	1904.1090 1904.9000 1905.9000	1904.1090.1600 1904.9000.1600 1905.9000.1600	All Origins	6.96
4.	Snacks/ Chips Made of Corn Powder/Flour and Wheat Powder/Flour All Other Brands (All Flavours)	1904.1090 1904.9000 1905.9000	1904.1090.1700 1904.9000.1700 1905.9000.1700	All Origins	3.75

Table-II

S. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value C&F (US$/Kg) (Net Content)
(1)	(2)	(3)	(4)	(5)	(6)
1	Tortilla / Nachos/ Cheese Balls (All Brands/All Flavours) (Other than items /chips/snacks mentioned at Table-I above)	1904.1090 1904.9000 1905.9000	1904.1090.1800 1904.9000.1800 1905.9000.1800	All Origins	1.75

Customnews.pk

6- In cases where declared 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

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-Section (4) of Section 25A of the Customs Act, 1969, read with Rule 107(a), chapter ix, of the Customs Rules, 2001.

8- **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, under Section 25D 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 the 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. The Customs values determined in the ruling are for the description and specification as mentioned in Para-5. PCT 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 all formalities relating to importability or any other certifications required thereon.

*10- **This ruling supersedes Valuation Ruling No. 1511/2021 dated 08-02-2021.***

(Syed Fawad Ali Shah)
Director

Copy for information to:

1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
2) The Director General, Customs Valuation, Custom House, Karachi.
3) The Chief Collector of Customs, Appraisement (South), Custom House, Karachi.
4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
5) The Chief Collector of Customs, Appraisement (Central), Custom House Lahore.
6) The Chief Collector of Customs, Enforcement (Central), Custom House Lahore.
7) The Chief Collector of Customs (North), Custom House Islamabad.
8) The Chief Collector of Customs, Balochistan, Custom House, Quetta.
9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
10) The Director General, Intelligence and Investigation-FBR, Islamabad.
11) The Director General, PCA& Internal Audit, Karachi.
12) The Director General, IOCO, Karachi
13) The Director General, Transit Trade, Custom House Karachi
14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
15) The Director, Transit Trade, Custom House Karachi
16) The Director, Directorate of Customs Valuation, Lahore / Peshawar / Quetta.

Customs News.pk

17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &WEBOC database system.
18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta &Peshawar.
20) The Karachi Customs Agents Group, Bohri Road, Karachi.
21) The Webmaster, Federal Board of Revenue, Islamabad.
22) Guard File.

Customsnews.pk