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

**The Collectors of Customs,** Collectorate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement JIAP / Export / Export PMBQ), Karachi / / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Giligit - Baltistan / (Appraisement Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

**DETERMINATION OF CUSTOMS VALUE OF COFFEE IN RETAIL PACKING (PCT CODE 2101.1120) UNDER SECTION 25A THE CUSTOMS ACT, 1969.**

**(VALUATION RULING NO 1691 /2022)**

File No. Misc/18/2013-I/1901 Dated: - 24 -08-2022

DIRECTORATE OF CUSTOMS VALUATION KARACHI

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of Coffee is determined as follows: -

2. **Background of the valuation issue:** Earlier, the customs value of the subject goods was determined vide Valuation Ruling No. 957/2016 dated 28-10-2016. The said Valuation Ruling was more than six years old, therefore, an exercise was initiated in this Directorate General for fresh determination of customs value of coffee in retail packing under section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs value:** Meetings with stakeholders were held on 26-05-2022 & 21-06-2022. The importers contended that the good are retail items and sold in frequency at retail outlets and super stores. It was also highlighted that these items are sold on sale at discounted price near the expiry dates. It was further contended by the participants that further expenses like shelf rent, marketing expenses etc. are also added at retail level. The importers were requested to submit the following documents so that correct customs value could be determined:

*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*
*iii) Question through which the actual current value can be ascertained.*
*iv) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.*

*v) Copies of Sales Tax Invoices issued during last four months showing the difference e in price (excluding duty and taxes) to substantiate that the benefit of different in price is passed on to the local buyers.*

4. **Method adopted to determine Customs value:** Valuation methods provided in section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at customs value- of subject goods. The transaction value method as provided in Sub-Section (1) of



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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. Identical / similar goods value methods as provided in 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 a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. The valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, PRAL database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the. Customs Act, 1969 was applied to arrive at assessable customs value of Coffee in Retail Packing.

5. **Customs values for Coffee in retail packing**: Coffee in retail packing ***hereinafter specified*** shall be assessed to duty / taxes at the following Customs Value:

| S. # | Description of Goods | Packing Size | PCT CODE | Proposed PCT CODE for WeBOC | Origin | Customs Value (C&F) US$/KG Net Content |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1 | Nescafe Classic Coffee (in Jar Packing) | Upto 50 Gram | 2101.1120 | 2101.1120.1000 | All Origins | 12.00 |
| | | Above 50 Gram and upto 200 Gram | | 2101.1120.1100 | | 11.00 |
| | | Above 200 Gram | | 2101.1120.1200 | | 10.00 |
| 2 | Nescafe Gold / Gold Blend Decaff Coffee (in Jar Packing) | Upto 50 Gram | 2101.1120 | 2101.1120.1300 | All Origins | 18.00 |
| | | Above 50 Gram and upto 200 Gram | | 2101.1120.1400 | | 15.00 |
| | | Above 200 Gram | | 2101.1120.1500 | | 14.00 |
| 3 | Nescafe Coffee Mixes (3in1/Gold/Ice) | Sachet | 2101.1120 | 2101.1120.1600 | All Origins | 4.00 |
| 4 | Nescafe Classic Coffee (In sachet or pouch Packing) | Sachet | 2101.1120 | 2101.1120.1700 | All Origins | 9.00 |
| | | 50 Gram Pouch | | 2101.1120.1800 | | 9.00 |
| 5 | Nescafe Matinal Coffee | Upto 200 Gram | 2101.1120 | 2101.1120.1900 | All Origins | 8.80 |
| | | Above 200 Gram | | 2101.1120.2000 | | 7.70 |
| 6 | Nescafe Red Mug Coffee / Nescafe Mug for Coffee Lovers / Nascafe Classic Jar with Mug | Upto 200 Gram | 2101.1120 | 2101.1120.2100 | All Origins | 13.20 |
| | | Above 200 Gram | | 2101.1120.2200 | | 11.00 |
| 7 | Nestle Gold Blend Instant Coffee | Upto 200 Gram | 2101.1120 | 2101.1120.2300 | All Origins | 25.30 |
| | | Above 200 Gram | | 2101.1120.2400 | | 23.10 |
| 8 | Nescafe Coffee Mate Various Flavours | 425 Gram | 2101.1120 | 2101.1120.2500 | All Origins | 4.40 |
| 9 | Nescafe Coffee Mate (Various Flavours) Sugur Free | 425 Gram | 2101.1120 | 2101.1120.2600 | All Origins | 6.05 |

DIRECTORATE OF CUSTOMS VALUATION KARACHI

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|---|---|---|---|---|---|---|
| 10 | Nestle Nescafe Mocha / Latte / Cappuccino / Espresso (Various Flavours) | 50 Gram Sachet Packing | 2101.1120 | 2101.1120.2700 | All Origins | 11.00 |
| 11 | Nestle Nascafe Gold Blend Decaff / Nestle Nescafe Espresso / Nestle Nescafe Blend / Nestle Nescafe Green Blend / Nestle Nescafe Alta Rica / Nestle Nescafe Columbie | 100 Gram | 2101.1120 | 2101.1120.2800 | All Origins | 33.00 |
| 12 | Nestle Nescafe Latte Caramel | 136 Gram | 2101.1120 | 2101.1120.2900 | All Origins | 14.30 |
| 13 | Davidoff Café Coffee/ Davidoff Coffee All Blends | Upto 200 Gram | 2101.1120 | 2101.1120.3000 | All Origins | 22.00 |
| | | Above 200 Gram | | 2101.1120.3100 | | 21.00 |
| 14 | Bon Aroma Gold Blend | Upto 200 Gram | 2101.1120 | 2101.1120.3200 | All Origins | 23.00 |
| | | Above 200 Gram | | 2101.1120.3300 | | 22.00 |
| 15 | Maxwell House Coffee | Upto 200 Gram | 2101.1120 | 2101.1120.3400 | All Origins | 12.00 |
| | | Above 200 Gram | | 2101.1120.3500 | | 11.00 |
| 16 | Maxwell House Selection Coffee | Upto 200 Gram | 2101.1120 | 2101.1120.3600 | All Origins | 22.00 |
| | | Above 200 Gram | | 2101.1120.3700 | | 21.00 |
| 17 | Coffee Break Instant Coffee | Upto 200 Gram | 2101.1120 | 2101.1120.3800 | All Origins | 11.00 |
| | | Above 200 Gram | | 2101.1120.3900 | | 10.00 |
| | | 3in1 Sachet | | 2101.1120.4000 | | 4.50 |
| 18 | Kenco Rich Coffee | All Packings | 2101.1120 | 2101.1120.4100 | All Origins | 20.00 |
| 19 | Good Day Coffee Cappuccion | All Packings | 2101.1120 | 2101.1120.4200 | All Origins | 5.50 |
| 20 | StarBucks Coffee (Various Flavours) | All Packings | 2101.1120 | 2101.1120.4300 | All Origins | 33.00 |
| 21 | Torabika Coffee / Klassno Cappuccino Coffee Vero Gusto (3in1 Sachet) | Sachet | 2101.1120 | 2101.1120.4400 | All Origins | 4.00 |
| 22 | Other Coffee Brands (3in1 Sachet) | Sachet | 2101.1120 | 2101.1120.4900 | All Origins | 4.40 |
| 23 | Indocafe Coffee / Private Club Coffee / Klassno Coffee (All Blends and Flavours) | All Packings | 2101.1120 | 2101.1120.4500 | All Origins | 4.50 |
| 24 | Movenpick Coffee | All Packings | 2101.1120 | 2101.1120.4600 | All Origins | 7.00 |

Note: The brands of Coffee other than mentioned above will be assessed by the assessment officers under Section 25 of the Customs Act 1969, keeping in view the appropriate brands, mode of packing, blends and flavours.

DIRECTOR CUSTOMS VALUATION KARACHI

6. The assessing officers shall take into account first proviso to the sub-section 2 of section 25A of the Customs Act,1969 which states *"provided that where the value declared in a goods declaration, filed under section 79 or section 131 or mentioned in the invoice retrieved from consignment, as the case maybe, is higher than the value determined under sub-section (1), such higher value shall be the customs value"*. In case of consignments imported by air, the assessing



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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:** A revision petition may be filed against this Ruling, as provided 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 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 for redressal. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. 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 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.

*10- **This ruling supersedes Valuation Ruling No. 957/2016 dated 28-10-2016.***

**(Syed Fawad Ali Shah)**
Director

Copy for information to: -

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



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

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