

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

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File No. DG (V) Val.Rev/31/2022/999.

Dated 30<sup>th</sup> September, 2022

**Order in Revision No. 83 /2022 under Section 25D of the Customs Act, 1969,**  
**against Valuation Ruling No. 1626/2022 Dated 01-04-2022**

- i. This copy is granted free of charge for the private use of the person to whom it is issued.
- ii. An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs.1000/- (Rupees one thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.
- iii. An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.
- iv. If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.

M/s. Multi Trading Co.

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PETITIONER

VERSUS

Director, Customs Valuation, Karachi

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RESPONDENT

Date(s) of hearing

22-09-2022 and 29-09-2022

For the Petitioners

Mr. Farhat Ullah Jafri

For the Respondent

Mr. Osama Zaidi, Valuation Officer

This revision petition was filed under Section 25D of the Customs Act, 1969, against Customs values determined vide Valuation Ruling No. 1626/2022 dated 01.04.2022 issued under Section 25A of the Customs Act, 1969, inter alia, on the following grounds:



2. With reference to the subject matter, application under Sec 25-D of the Customs Act 1969, on behalf of M/S Multi Trading Co. is filed for review in respect of the Fresh Dates at S.No.5 of the table of VR No. 1626/2022 dated 01-04-2022 i.e. other Fresh Dates of Saudi Arabia origin. The VR No. 1626/2022 has been issued in supersession of VR No. 1133/2017 dated 18-04-2017. Being aggrieved of the exorbitant and unjustifiable enhancement of Customs Value in respect of the above referred goods, the review application is filed on behalf of M/s Multi Trading Co on the following facts and grounds.

3. **FACTS**

1) That the Applicant is duly registered and engaged in the import and trading of miscellaneous products including Fresh Dates. The Fresh Dates are mainly imported from Saudi Arabia.

2) That the Applicant enjoys an unblemished reputation in the business circle, having spotless record towards payment of Government legitimate revenue in accordance with law.



- 3) That in the Valuation Ruling No. 1626/2022 dated 01-04-2022 issued in supersession of previously applicable Valuation Ruling No. 1133/2017 dated 18-04-2017, the Customs Value of Fresh Dates at S.No. 5 of the table i.e., other Fresh Dates of Saudi Arabia origin has exorbitantly been increased by as much as 54% when compared to the previous Valuation Ruling No. 1133/2017.
- 4) That the determination of the Customs Value in respect of the goods in question is arbitrary, unpredictable, and unfair, in view of the undeniable downward trend in the International market specially in Saudi Arabia due to COVID-19 since last 3 years.
- 5) That due to COVID-19, Umrah and Hajj was stopped for international pilgrims, on the other hand there was a bumper crop of the subject goods in Saudi Arabia which resulted in decrease of the prices due to the excess stock/growth and shortage of demand. Furthermore, above referred consumer goods having limited shelf life, are sold in frequency at the local retail and commercial level.
- 6) That while reviewing the previous clearance data/goods declarations in respect of the number of consignments of Fresh Dates, imported from Saudi Arabia, it is crystal clear that the Fresh Dates were being imported from Saudi Arabia on transactional values in terms of Section 25(1) of the Customs Act 1969 which are ranging from US\$ 0.35/Kg to US\$ 0.79/Kg. However, the subject goods were being assessed @ US\$ 1.5/Kg in the light of the previous Valuation Ruling No. 1133/2017 dated 18-04-2017. Some of the good declarations and quotation are annexed as C-1 to C-3.

4. GROUNDS

- A. That the issuance of VR. No. 1626/2022 dated 01-04-2022, in supersession of VR No. 1133/2017 dated 18-04-2017, exhibiting exorbitant increase in the Customs Value of the goods at S.No. 5 of the table of VR No. 1626/2022 i.e., other Fresh Dates of Saudi Arabia origin, is arbitrary, untenable, and unjustifiable.
- B. That the abnormal increase in the value of above referred Fresh Dates is unjustifiable, untenable, and unfair in view of the undeniable downward trend in the International market and specifically in Saudi Arabia since last 3 years due to COVID-19 which has left the market in dismay.
- C. That due to the COVID-19 Umrah and Hajj was stopped for the International pilgrims since last 3 years as such the huge sale of Fresh Dates to the pilgrims was also stopped which caused abnormal decrease in the value of the subject goods due to the shortage of demand.
- D. That on the other hand there was bumper crop of the above referred goods which also resulted in decrease of the price of the subject good. Furthermore, subject consumer goods having limited shelf life cannot be kept in stock for a long time therefore, the same are sold in frequency on the decreased prices at the local retail and commercial level.
- E. That while reviewing the previous clearance data/goods declarations in respect of the number of consignments of Fresh Dates, imported from Saudi Arabia, it is crystal clear that the Fresh Dates were being imported from Saudi Arabia on the actual transactional values in terms of Section 25(1) of the Customs Act 1969 which are ranging from US\$ 0.35/Kg to US\$ 0.79/Kg. However, the subject goods were being assessed @ US\$ 1.5/Kg in the light of the previous





Valuation Ruling No. 1133/2017 dated 18-04-2017. Some of the good declarations and quotation are annexed as C-1 to C-3.

G. That the Customs Value of US\$ 1.5/Kg determined in the previous VR No. 1133/2017 was already on the higher side in view of the foregoing facts and circumstances in Saudi Arabia and the actual transactional values of the subject goods were even very much lower than the Customs Value of US\$ 1.5/Kg determined in the previous Valuation Ruling No. 1133/2017. As such instead of decreasing the value of US\$ 1.5/Kg, further enhancement of value at US\$ 2.31/Kg in respect of the above referred goods is unjustified and unfair.

5. **PRAYER**

In view of the foregoing facts and circumstances, it is most humbly prayed that the Competent Authority may graciously be pleased to revise the exorbitant and excessive Customs Value i.e. US\$ 2.31/kg in respect of other Fresh Dates of Saudi Arabia origin at S.No. 5 of the table of VR No. 1626/2022 and a fresh Customs Value in respect of the above referred goods may very kindly be redetermined by considering the actual transaction value in terms of Section 25(1) of the Customs Act 1969."

2. The respondents were asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:-

**"FACT OF THE CASE"**

Earlier, the Customs values of Fresh Dates were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1133/2017 dated 18-04-2017. The Valuation Ruling was approximately five (05) years old. Quetta Chamber of Commerce & Industry (QCC&I) and Sarhad Chamber of Commerce & Industry filed representations before the FBR. A meeting was held on 09-02-2022 in FBR Headquarters which was chaired by the Chairman, FBR and attended by Member Customs (Policy), Director General of Customs Valuation and other participants including the representatives of both the Chambers. Keeping in view difference between freight from land and sea routes, quality of goods and other socio-economic factors, the Board forwarded a record note No.8(1)SS(Val.Audit)/2022 dated 28-02-2022. Accordingly, 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 the Customs Act, 1969. Meeting was held on 17-02-2022 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 due to COVID-19, Umra and Hajj stopped to international pilgrims. Furthermore, there was bumper crop of subject goods in the exporting countries which resulted in decrease in the prices. It was also highlighted that subject goods are consumer goods having limited shelf life and are sold in frequency at the local retail and commercial level. The importers requested that such factors may be considered while determining the values of the subject goods. The stakeholders were requested to submit the following relevant import documents:

- 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 that the benefit of difference in price is passed on to the local buyers.

However, after following, exhausting and examining all the valuation methods as envisaged under Section 25A and utilizing and analyzing whole the information so gathered, Customs values of Fresh Dates were determined in terms of Section 25(9) and notified in terms of Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1626/ 2022 dated 01-04-2022 under Section 25A of the Customs Act, 1969, for uniform assessment all over the country.

### **PARAWISE COMMENTS**

**Para (1&2)** Need no comments being introduction of the petitioners and mention of their imports,

**Para (3&4)** Not agreed. It is submitted that the said Valuation Ruling was issued after thorough investigation and all aspects were considered. In this regard it is submitted that this Directorate General has determined the minimum Customs values in the Valuation Ruling No.1626/ 2022, dated 01-04-2022 for level playing field and for uniform assessment all over the Customs Stations of the country. Provisions of Section 25(1) to 25(9) were duly exhausted while issuing the said Valuation Ruling. Import data of previous 90 days was analyzed and evaluated and after gathering all information, the Customs values have been determined in terms of Section 25(9) of the Customs Act, 1969, vide above referred Valuation Ruling. Further, record of previous Valuation Ruling No.1133/2017 dated 18-04-2017 was also duly considered during the process of determination of Customs values in the impugned Valuation Ruling No.1626/2022 dated 01-04-2022. All aspects of the surrounding the import were properly considered while issuing the impugned valuation ruling. As such the same had lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969, by the Respondent above named.

**Para (5&6)** Not Agreed. It is submitted that the Petitioner has simply claimed for the acceptance of their declaration but did not submit any tangible documents in support to justify their declarations disclosing full and accurate details relating to the value of the imported goods as per Para-108 of Customs Rules, 2001. As such the transaction value cannot be accepted in absence of any relevant import evidences and documents etc. It is submitted that the Customs value of under reference goods had been determined strictly in accordance with the provisions of Section 25 of the Customs Act, 1969. Moreover, the petitioner, on the other hand, did not submit the requisite import documents or any evidence to substantiate their cause of grievance and to enable this forum to verify the truth and accuracy of transaction value of the applicant. As per Rule-109 of the Valuation Rules issued under S.R.O. No.450(I)/2001, dated 18-06-2001 (Chapter-IX), in the absence of valid import documents, the burden to prove the correctness of transaction value shifts to the importers / applicants. As such the same is not against the principles of law rather the same is based on factual ground realities. Further, it is submitted that all the valuation methods as envisaged under Section 25 of the Customs Act, 1969, were duly exhausted and examined and after giving reasons for rejection of valuation methods Customs values were finally determined in terms of Sub-Section (9) of the Customs Act, 1969. The said Valuation Ruling No.1626 / 2022, dated 01-04-2022 had lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969, for uniform assessment all over the country.





## **GROUND**

It is submitted that the meetings with the stakeholders was held on 17-02-2022. The meeting was attended by the different commercial Importers of under reference goods. The participants were requested to provide import documents like copies of contracts made /LCs, Sales Tax Paid Invoices to substantiate their contention of decrease in market prices. Yet they did not provide required the documents before meeting. Again during the meeting the participants were requested to submit: -

- i. Invoices of imports made 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 value of item in question and ;
- iv. Copies of Sales Tax paid Invoices issued during last four months showing the difference in price to substantiate that the benefit of difference in price was passed on to the local buyers.

**Para (1&2)** Instead of furnishing any documentary evidence about downfall in prices in international market, they relied upon their rhetoric of decline in international market prices. They were repeatedly requested to furnish sales tax invoices alongwith monthly sales tax return filed with Inland Revenue Department as sales tax invoices are authentic document to ascertain local market price and as the Customs has authority in terms of sub-Section (11) of Section 25 of the Customs Act, 1969, to call any documents to satisfy themselves about the truthfulness or accuracy of any information or declaration made to Customs for valuation purpose. None of them submitted sales tax invoices alongwith monthly sales tax return, on one excuse or the other. Since the matter was lingering on, it was decided to proceed on merits in the light of available record as well as local market enquiry conducted by the Department.

**Para (3&4)** In this regard it is submitted that this Directorate General has determined the minimum Customs values in the Valuation Ruling No.1626/2022, dated 01-04-2022 for level playing field and for uniform assessment all over the Customs Stations of the country. Import data of previous 90 days was analyzed and evaluated and after gathering all information, the Customs values have been determined in terms of Section 25(9) of the Customs Act, 1969, vide above referred Valuation Ruling. It is submitted that this Directorate General convened meeting for the determination of under reference items and all stakeholders were duly invited. As such the Respondent has acted according to law while issuing the said ruling. It is submitted that the Respondent had correctly and lawfully issued Valuation Ruling in terms of Section 25A and the same was based on factual grounds of the case. It is submitted that the said Valuation Ruling has lawfully been issued in terms of Section 25-A by the Respondent after extensive exercises and holding meeting with relevant stakeholders of the said goods. As such the Respondent has acted in accordance with law and under powers vested upon him under the law.

**Para (5&6)** It is submitted that Para-(2) to (4) clearly states whole the process of issuance of said Valuation Ruling. Moreover, Para-(4) states that the said ruling has not been issued only on the basis of local market enquiry rather all the information so gathered was evaluated and analyzed for the purpose of determination of Customs values. The petitioner, on the other hand, did not submit requisite import documents or any evidence to substantiate their cause of grievance and to enable this forum to verify the truth and accuracy of transaction value of the applicant. As per Rule-109 of the Valuation Rules issued under SRO No.450(1)/2001, dated 15-06-2001 (Chapter-IX), in the absence of valid import documents, the burden to prove



*correctness of transaction value shifts to the importers/applicants. Moreover, the customs values were determined after properly following and exhausting all the valuation methods in sequential manner and giving reasons for rejection therein and finally the values were determined in terms of Section 25(9) of the Customs Act, 1969, for uniform assessment purposes.*

### **PRAYER**

1) *In view of above narrated facts, it is submitted that the petitioner is required to get clear the goods as per Valuation Ruling issued under Section 25-A of the Customs Act, 1969, which is legal and lawful. The Valuation Ruling No.1626/2022, dated 01-04-2022 has lawfully been issued after considering all the facts and figures and after following valuation methods sequentially. As such the same may be allowed to hold field for uniform assessment all over the country. The assessments made on the basis of Valuation Ruling are correct and petitioners are liable to pay duty / taxes as per Valuation Ruling. On the other side the petitioner failed to furnish the requisite documents particularly copies of Sales Tax Paid Invoices issued during the last four months showing the values of suppliers (excluding duty & taxes) to substantiate their contentions. Moreover, at the time of exercise of Section 25A and meetings, the petitioner did not provided requisite import documents to the Respondent in support to justify their contention which are essentially required for determination of customs values.*

2) *In view of above, it is respectfully prayed that the said Valuation Ruling may be allowed to hold field for assessment being lawful and valid. Further, transaction value cannot be accepted in absence of any tangible import documents. As such no relief is warranted to be given to the petitioner and assessments are liable to made as per said Valuation Ruling. In the light of above submissions and factual position, the under reference petition being not maintainable is liable to be dismissed and rejected accordingly."*

### **ORDER**

3. Hearings in the case were scheduled on 22-09-2022 and 29-09-2022 where both the petitioner and respondent department were heard in detail. The petitioner contended that the Customs values of Fresh Dates determined vide impugned Valuation Ruling (VR) No.1626/2022 dated 01-04-2022, wherein at S.No.5 of the table i.e. "Other Varieties/Types" of Saudi Arabia origin has exorbitantly increased by as much as 54% when compared to the previous Valuation Ruling No.1133/2017. They further contended that the determination of the Customs values in respect of the goods in question is arbitrary, unpredictable, and unfair, in view of the downward trend in the international market especially in Saudi Arabia due to COVID-19 since last 3 years. The Customs values determined vide impugned VR are on higher side and not prevalent in the international markets. Furthermore, prices in the international markets depicted a downward trend. They stated that the Customs values of US\$ 1.5/Kg determined in the previous VR No.1133/2017 was already on the higher side in view of the foregoing facts and circumstances in Saudi Arabia and the actual transactional values of the subject goods were even very much lower than the Customs values of US\$ 1.5/Kg determined in the previous Valuation Ruling No. 1133/2017. As such instead of decreasing the values of US\$ 1.5/Kg, further





enhancement of value @ US\$ 2.31/Kg in respect of the subject goods is unjustified and unfair whereas the Customs values of other serial numbers of the Table of the impugned VR have been slightly decreased.

4. On the other hand, the departmental representative (DR) explained in detail the valuation methodologies adopted by them to arrive at the Customs values determined vide impugned VR. In support of department's contention, the DR presented various details of the valuation working using the sequential methodology prescribed in Section 25 of the Act *ibid*, which has already been elaborated in para-4 of the impugned valuation ruling. The DR added that the meeting was attended by stakeholders and they were requested to submit requisite documents but they did not submit requisite import documents or any evidence to substantiate their cause of grievance and to enable this forum to verify the truth and accuracy of transaction value of the applicant. As per Rule-109 of the Valuation Rules issued under SRO No.450(1)/2001, dated 18-06-2001 (Chapter-IX), in the absence of valid import documents, the burden to prove correctness of transaction value shifts to the importers/applicants. However, their views were heard in detail to arrive at Customs values of subject goods. The DR explained that the Customs values of Fresh Dates for "*Other Varieties/Types*" of Saudi Arabia origin been rationalized as per local market prices through impugned VR.

5. After listening to the detailed discussions/arguments of both the parties and perusal of the case record, it is apparent that the department had duly consulted the stakeholders while issuing the impugned VR. The importers were given sufficient time and opportunity to give their inputs including documentary proof/evidence to substantiate their transaction value but they failed to provide any material documentary proof in support of their declared values. On the other hand, the DR provided details of market inquiry as available on record to substantiate the Customs values determined by them. It is observed that the importers (petitioner) are unable to shed the burden of proof in terms of Rule 109 of Chapter-IX of Customs Rules, 2001 (SRO 450(I)/2001 dated 18-06-2001). Therefore, there is no reason to interfere with the impugned Valuation Ruling No.1626/2022 dated 01-04-2022. The revision petition is, accordingly, rejected.



(Gul Rehman)  
Director General

Registered copy to:

M/s. Multi Trading Co,  
Office No. 103, 1<sup>st</sup> Floor, Zainab Market Center, Plot No. SR-1/8/9/D, Quarters,  
Off: M.A. Jinnah Road, Saddar Town, Karachi South, Karachi.

Copy to:

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Intelligence and Investigation (Customs)-FBR, Islamabad.
- 3) The Director General (Reforms & Automation Customs)-FBR, Islamabad.
- 4) The Director General, PCA & Internal Audit, Islamabad
- 5) The Director General, IOCO, Custom House, Karachi.
- 6) The Director General, Transit Trade, Custom House, Karachi.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Enforcement (Central), Custom House, Lahore.
- 9) The Chief Collector of Customs Appraisalment, (Central), Custom House, Lahore.
- 10) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 11) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 12) The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
- 13) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
- 15) The Director, Directorate of Customs Valuation, Karachi / Lahore / Quetta / Peshawar.
- 16) The Collector of Customs, Collectorate of Customs, (Appraisalment - West / Appraisalment - East/  
Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad /  
(Appraisalment / Enforcement), Quetta / Gwadar / (Appraisalment / Enforcement / AIIA), Lahore /  
Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad /  
Gilgit -Baltistan / (Appraisalment / Enforcement), Peshawar / Exports (Port Muhammad Bin Qasim /  
Custom House), Karachi.
- 17) The Secretary (Valuation & Audit), Federal Board of Revenue, Islamabad.
- 18) All Additional Directors / Deputy Directors / Assistant Directors, Customs Valuation, Karachi
- 19) Assistant Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in  
One Customs & WEOC Database System.
- 20) Guard File.

