GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS (VALUATION)
7TH FLOOR, CUSTOM HOUSE, KARACHI

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The Collectors of Customs, Collectorates 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 (Port Qasim/Custom House, Karachi)/Transit Trade, Karachi.

DETERMINATION OF CUSTOMS VALUES OF CUMIN SEEDS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1697 / 2022)

No. Misc/15/2016 (Gr-I)/1919. Dated: 28 -11- 2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs Values of Cumin Seeds are determined as follows:

Background of the valuation issue: Earlier, the Customs values of Spices, Herbs & Edible Gums including Cumin Seeds (Sr. No 12) were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1649/2022 dated 17-05-2022, which was set-aside by the Director General of Customs Valuation vide O-in-R No. 67/2022 dated 02.08.2022 with the direction to re-determine the Custom values of Spices, Herbs & Edible Gums. Moreover, M/S Gul Traders submitted his case before the Honorable High Court of Baluchistan, Quetta that the Cumin Seeds imported from Afghanistan are of inferior quality as compared to those imported via sea from other regions and claimed that the Customs Values of Cumin Seeds determined under the impugned Valuation Ruling could not be applicable to those Cumin Seeds imported from Afghanistan. Accordingly, the Hon'able Baluchistan High Court's Order in CP No. 650/2022 dated 12.09.2022 was pleased to give the direction "to resolve the issue strictly in accordance with law". Therefore, an exercise was initiated by this Directorate General to determine Custom values of Cumin Seeds in terms of Section 25A of the Customs Act, 1969.

2. **Stakeholders' participation in determination of Customs values:** Meeting was convened on 27.10.2022 which was attended by the relevant stakeholders. The issues pertaining to the valuation of Cumin Seeds were deliberated upon in detail in the afore-referred meeting. During the meeting, the petitioner i.e. M/s Gul Traders (Quetta) was requested to provide Sale Tax Invoices of Cumin Seeds sold by him to his buyers so that correct determination of values of the impugned goods could be made. This request was followed by reminders but no response is received so far.

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3. **Analysis / Exercise done to determine Customs Values**: M/s Gul Traders contended that Cumin Seeds imported from Afghanistan are of inferior quality as compared to those imported via sea from other origins. In this regard, Ninety (90) days' data was retrieved and same was scrutinized. Market inquiry has been conducted and examined in the light of this Directorate's Office Order no. 17/2014 dated 19.03.2014 and in terms of Section 25 (7) read with Section 25 (9). Furthermore, Cumin Seed Sample (2kg) imported from Afghanistan was collected from Custom House Chaman, Collectorate of Customs (Appraisement), Quetta and another sample imported via sea route was obtained to ascertain the comparative quality of both. These samples were submitted in PCSIR Laboratories Complex, Karachi for Lab tests. The Lab report of Cumin Seed sample received from Collectorate of Customs (Appraisement), Quetta is reproduced as under:

> *"The sample is found inferior in quality with respect to its total ash requirement specified in PPFR-2018".*

4. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in their sequential order to arrive at the Customs value of subject goods. The transaction value method as provided in sub-section (1) Section 25 the Customs Act, 1969, was found inapplicable due to wide variation of values in import data. Moreover, the requisite information under law was not available to arrive at correct/transaction value. Therefore, identical/similar goods value methods provided in Section 25(5) (6) ibid were examined for applicability to determine customs value of subject goods. The data provided some reference; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities, variation in declaration, variety and specifications. Information available was, hence, found inappropriate. In line with statutory sequential order of Section 25 of the Customs Act, 1969, this Directorate conducted market survey under sub-Section (7), read with Section 25 (9), of Section 25 of the Customs Act, 1969. Various Wholesale and retail markets were visited to observe the actual prices of Cumin Seeds. On the basis of available data / information collected Lab reports and exercise conducted, the values of Cumin Seeds have been determined under sub-Section (7), read with Section 25 (9), of Section 25 of the Customs Act, 1969.

5. **Customs values of Cumin Seeds:** Cumin Seeds, hereinafter specified, shall be assessed to duty/taxes on the Customs values:

S. No.	Description of Goods	Origin	PCT Code	Proposed PCT for WeBOC	Customs Value (C&F) US$ /KG
(1)	(2)	(3)	(4)	(5)	(7)
1	Cumin Seeds	Afghanistan	0909.3100	0909.3100.1000	1.30
1	Cumin Seeds	Iran	0909.3100	0909.3100.2000	1.66
2	Cumin Seeds	Other Origins	0909.3100	0909.3100.3000	1.85

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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 difference between air freight and sea freight while applying the Customs values in this Ruling.

7. **Validity of this Valuation Ruling:** This Ruling, containing the Customs Values for assessment of subject imported goods, shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

8. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, 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 its issuance, 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 concerning assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in the table under para 05 of this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

10. ***This ruling rescinds the Customs Values of Cumin Seeds (Sr No. 12) determined under Valuation Ruling No.1649/2022 dated 17-05-2022 and all previous Valuation Advises issued by local Valuation Committees of Collectorates of Quetta and Peshawar.***

(Fayaz Rasool Maken)
Director

Copy for information to:

1. The Member Customs (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, Baluchistan, Custom House, Quetta.
9. The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.

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10. The Director General, Intelligence and Investigation (Customs) FBR, Islamabad.
11. The Director General, PCA & Internal Audit, Karachi.
12. The Director General, IOCO, Karachi.
13. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
14. The Director, Transit Trade, Custom House, Karachi.
15. The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
16. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in
    One Customs & WeBOC database system.
17. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
18. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
19. The Karachi Customs Agents Association, Bohri Road, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.
21. Guard File.

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