

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 MILK PREPARATION FOR
INFANT USE UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1725 /2023)

Misc/31/2013-1/0033.

Dated: 09-01-2023

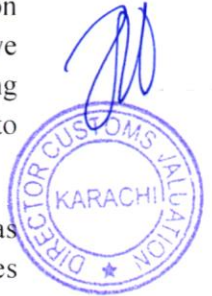
In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Milk Preparation for Infant Use are determined as follows:

Background of the valuation issue: Earlier, the Customs values of Milk Preparation for Infant Use were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1148/2017 dated 04-05-2017. The existing valuation ruling was more than five (05) years old and the Customs values determined therein were not reflective of prevailing international market. Therefore, an exercise has been undertaken by this Directorate to determine the same.

2. **Stakeholders' participation in determination of Customs values:** Meeting was convened on 20-12-2022 which was attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting. They submitted their proposals by stating that the prices of impugned goods have increased globally since the issuance of the existing Valuation Ruling. They also pointed out anomaly in the existing VR that Belarus is a country in Europe but it is separately mentioned from Europe and the Customs values of subject goods from Belarus in the existing Valuation Ruling are lower as compared to that of Europe. They suggested to include Belarus in European Category in the new Valuation Ruling. All stakeholders also suggested to increase the Customs values of subject goods up to 10% from the existing Valuation Ruling and further added that their declared values are always higher than the values determined by the existing Valuation Ruling.

3. **Analysis / Exercise done to determine Customs Values:** Ninety (90) days' clearance data has been retrieved and the same has been scrutinized in view of the input / views by the stakeholders.

4. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the



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 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 values of subject goods. It is observed that there are evidences of identical / similar goods in the ninety (90) days' data which are processed under Section 25(1) of the Customs Act, 1969 and are higher than the values determined vide the existing Valuation Ruling. On the basis of available data / information collected and exercise conducted, the Customs values of Milk Preparation for Infant Use have been determined under sub-section (5), read with Section 25(9), of Section 25 of the Customs Act, 1969.

5. **Customs values of Milk Preparation for Infant Use** - Milk Preparation for Infant Use, hereinafter specified, shall be assessed to duty / taxes at the Customs values as per the following table:

S#	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) in US\$ /kg
1	2	3	4	5	6
1	Milk Preparation for Infant Use	1901.1000	1901.1000.1000	Europe, Australia, New Zealand	7.00
	. Infant Formula	1901.1000	1901.1000.1100	Far East	6.50
	. Follow Up Formula . Grown Up Formula	1901.1000	1901.1000.1200	All Other Origins	7.00
2	Milk Preparation for Infant Use	1901.1000	1901.1000.1300	Europe, Australia, New Zealand	8.50
	. Lactose Free Formula	1901.1000	1901.1000.1400	Far East	8.00
		1901.1000	1901.1000.1500	All Other Origins	8.00
3	Milk Preparation for Infant Use	1901.1000	1901.1000.1600	Europe, Australia, New Zealand	9.00
	. Premature Formula	1901.1000	1901.1000.1700	Far East	8.50
		1901.1000	1901.1000.1800	All Other Origins	8.50
4	Infant Milk Formula (Soft Pack)	1901.1000	1901.1000.1900	All Origins	6.50



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 officers 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 is