

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS (VALUATION)  
CUSTOM HOUSE, KARACHI  
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File No. DG (V)Val.Rev/78/I/2022 /297

Dated 14<sup>th</sup> March, 2023

**Order in Revision No. 12 /2023 under Section 25D of the Customs Act, 1969,  
against Valuation Ruling No. 1710/2022 Dated 14-12-2022**

- 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. Taimour Sea Foods & Others

VERSUS

PETITIONERS

Director, Customs Valuation, Karachi

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RESPONDENT

Date(s) of hearing

09-03-2023

For the Petitioners

Mr. Jalal Khan, Proprietor  
M/s Al-Wahab Enterprises

For the Respondent

Mr. Usman Ghani, Valuation Officer

This revision petition was filed under Section 25D of the Customs Act, 1969, against Customs values determined vide Valuation Ruling No. 1710/2022 dated 14.12.2022 issued under Section 25A of the Customs Act, 1969, inter alia, on the following grounds:

"2. In this connection it is regretted to inform that we do not agree with the aforesaid fresh valuation ruling because the same was issued without any notice and without consultation with genuine importers, Traders, Stakeholders who imports above commodity in huge volume regularly. Furthermore, impugned Valuation Ruling was issued without consideration of International Markets trends and prices. Fact of the matter is that if we peruse the International market trends prices of commodities, covered under impugned valuation ruling, have witnessed a rapid downfall trend and currently the goods are being sold at much lower prices than the assessed value proposed in aforesaid fresh Valuation Ruling.

3. The arbitrary enhancement of assessed value will severely injure the business of genuine importers and cause serious impediments in the conduction of otherwise smooth business. Besides that, the same will extenuate the smuggling which will ultimately result into colossal losses to the revenue interest the state exchequer. Smuggling will be natural outcome of unjustified hike in value; resultantly, genuine and law-abiding Importers will be wipe out of market as such, they will no more be in a position to compete in the local market viz-a-viz smuggled goods.



4. In view of the above submissions, you kind honor is requested to please consider above circumstances and revise aforesaid fresh Valuation Ruling in the light of current International markets prices/criteria as soon as possible so that the genuine Importers may heave a sigh of relief and become able to survive in already fragile market and secure legitimate revenue for the state exchequer.

5. An early response in this regard is solicited which shall be highly appreciated."

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

**"BRIEF FACTS OF THE CASE"**

i) Earlier, the Customs values of Frozen Pangasius Fish Fillets, Rohu Unprocessed Fish, Salmon Fish Whole, Frozen Salmon Fillet Fish were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1399/2019 dated 30-10-2019. The existing valuation ruling was more than three (03) years old and the Customs values determined therein were not reflective of the prevailing international market. Therefore, an exercise has been undertaken by this Directorate General to determine the same. The meeting was convened on 08-12-2022 and 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 meetings. The importers were requested to submit their proposals as well as following import documents before or during the course of the stakeholders' meeting so that customs value could be determined: -

- Invoices of imports made during last three months showing factual value
- Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- Copies of contracts made / LCs opened during the last three months showing value of item in question and ;
- Copies of Sales Tax paid Invoices issued during last four months showing the difference in price (excluding duty & taxes) to substantiate their contentions.

ii) However, after exhausting all valuation methods as envisaged under Section 25 of the Customs Act, 1969, and evaluating/analyzing whole the information so gathered, the customs values were determined in terms of sub-Section (7) read with Section 25(9) of Section 25 of the Customs Act, 1969, and notified in terms of Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1710/2022 dated 14-12-2022, accordingly for uniform assessment all over the country.


**PARAWISE COMMENTS**

Para (1) Denied. It is submitted that the impugned Valuation Ruling was issued after considering the representation of the petitioners and viewpoint of all the stakeholders. The record of the impugned Valuation Ruling No.1399/ 2019 dated 30-10-2019 and arguments put forward by the Appellants and Respondents were considered during process of revision by the Director General of Customs Valuation. The Appellants were asked to furnish relevant documents so as to enable that forum to verify the truth and accuracy of their contentions but no corroboratory import documents were provided by any of them. No evidence was placed on record to indicate any deviation from the existing laws/provisions as envisaged in Section 25 read with Section 25-A of the Customs Act, 1969. The petitioners could not substantiate their claim with supporting documents on record. No supporting documents/evidences have been provided by the Appellants to reject the department's views and in support of their contention. As such Valuation Ruling No.1710/2022 dated 14-12-2022 has lawfully and justifiably been issued in terms of Section 25-A of the Customs Act, 1969. Moreover, Paras-(4&5) states that the said ruling has been issued in terms of sub-Section (7) read with Section 25(9) of the Customs Act, 1969, after analyzing and evaluating the whole information so gathered for the purpose of determining of Customs values.



Further, the customs value of under-reference goods 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 requisite import documents or any evidence to substantiate their cause of grievance and to enable this forum to verify the truth and accuracy of the transaction value of the applicant. As such the same is not against the principles of law rather the same is based on factual ground realities of the case.

Para (2) 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 correct customs values in the Valuation Ruling No.1710/2022, dated 14-12-2022 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 sub-Section (7) read with Section 25(9) of the Customs Act, 1969, vide above referred Valuation Ruling. Moreover, it is not correct that customs values had been fixed by the Respondent as concept of "fixation of value" no more exists in the Customs Tariff rather presently customs values are being determined in terms of Section 25A of the Customs Act, 1969, for uniform assessment all over the customs stations of the country. 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 along with 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 along with 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. The said Valuation Ruling No.1710/2022, dated 14-12-2022 has lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969, for uniform assessment all over the country.



Para (3) 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 petitioners, 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 (7) read with Section 25(9) of the Customs Act, 1969. The said Valuation Ruling No.1710/2022, dated 14-12-2022 had lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969, for uniform assessment all over the country.

Para (4) In this regard it is submitted that this Directorate General has determined the correct customs values in the Valuation Ruling No.1710/2022, dated: 14-12-2022 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 sub-Section (7) read with 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 25A by the Respondent after extensive exercises and holding meetings 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.

### **PRAYER**

a) It is respectfully submitted that the customs values of the subject goods were determined as per valuation methods laid down in Section 25 of the Customs Act, 1969 vide Valuation Ruling No.1710/2022 dated 14-12-2022. The Respondent have acted lawfully and the Valuation Ruling No.1710/2022, dated 14-12-2022 has correctly and justifiably been issued in terms of Section 25-A of the Customs Act, 1969. 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 provide requisite import documents to the Respondent in support to justify their contention which is essentially required for the determination of customs values.

b) In view of the above, it is respectfully prayed that the said Valuation Ruling may be allowed to hold the 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 petitioners and assessments are liable to be made as per said Valuation Ruling and the under reference petition being not maintainable is liable to be dismissed and rejected accordingly."

### **ORDER**

3. Hearing in this case was held on 09-03-2023 on which date the petitioner (M/s Al-Wahab Enterprises) and the respondent department were heard in detail. The main contention of the petitioner is that the respondent department issued the impugned Valuation Ruling No.1710/2022 dated 13-12-2022, without any consultation with the stakeholders. Moreover, the values mentioned in the impugned Valuation Ruling (VR) do not reflect the prevailing international market prices. The petitioner reiterated the same arguments as written in his revision petition.

4. On the other hand, the departmental representative (DR) explained that earlier, the Customs values of impugned goods were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1399/2019 dated 30-10-2019 and the same was more than three (03) years old, and the Customs values determined therein were not reflective of the prevailing international market. Therefore, an exercise has been undertaken by the respondent department to re-determine the same. The meeting was convened on 08-12-2022 and was attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the meeting. The importers were requested to submit their proposals as well as import-related documents before or during the stakeholders' meeting so that Customs value could be determined. The DR further submitted that the Customs values of the subject goods were determined as per valuation methods laid down in Section 25 of the Customs Act, 1969 vide Valuation Ruling No.1710/2022 dated 14-12-2022 and the respondent department acted lawfully and the impugned VR has correctly and justifiably been issued in terms of Section 25-A of the



Customs Act, 1969. The petitioners 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 the exercise of Section 25A and meeting, the petitioners did not provide requisite import documents to the respondent department in support to justify their contention which is essentially required for the determination of Customs values. Therefore, after exhausting all valuation methods as envisaged under Section 25 of the Customs Act, 1969, and evaluating/analyzing whole the information so gathered, the Customs values were determined in terms of sub-Section (7) read with Section 25(9) of Section 25 of the Customs Act, 1969, and notified the Customs values vide Valuation Ruling No.1710/2022 dated 14-12-2022 for uniform assessment across the country.

5. Following the petitioners' arguments and scrutiny of the case record, it is apparent that with a view to satisfy the precept of Natural Justice, the department sought to consult the relevant stakeholders and the meeting was held on 08-12-2022 while issuing the impugned Valuation Ruling. The DR further stated that ninety (90) days' import clearance data was examined and after that market inquiry was also conducted and finally the Customs values of impugned goods were determined in terms of sub-Section (7) read with sub-Section (9) of Section 25 of the Customs Act, 1969 for uniform assessment across the country vide impugned VR within the legal domain of the ibid Act. Hence, I, therefore, find no reason to interfere with the impugned Valuation Ruling No.1710/2022 dated 14-12-2022. The petitions being devoid of any merit and legal contents are hereby rejected accordingly.

6. Being identical on facts and law point, this order shall apply mutatis mutandis, to the following (02) revision petitions:

1. M/s. Coastal Fishco
2. M/s. Al-Wahab Enterprises

  
(Gul Rehman)  
Director General

Registered copy to:

S.No.	Petitioners
1	M/s. Taimour Sea Foods, House LY II-34, Gali No.3, Haji Zar Khan, Miran Pir, Musa Lane, Agra Taj Colony, Karachi.
2	M/s. Coastal Fishco, Moosa Lane Street No.6, 3 <sup>rd</sup> Floor, Fateh Khan Manzil, Karachi.Cell: 0322-3076784
3	M/s. Al-Wahab Enterprises, House No. 1669, Street No.58, Bahria Town, Rawalpindi, Tel: 021-32466321

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, Islamabad.
- 4) The Director General, PCA & Internal Audit, Custom House, Karachi.
- 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 Appraisement, (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, Appraisement (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, Lahore.
- 16) 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 (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) The President, FPCC&I/KCC&I, Karachi
- 20) Assistant Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC Database System.
- 21) Guard File.

