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 / SAPT / Appraisement – Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad/ (Appraisement/Enforcement), Quetta/Gawadar/ Khuzdar, (Appraisement/ Enforcement/ AIIA), (Appraisement – East/West), Lahore, Faisalabad/ Appraisement, Sargodha/ Enforcement, 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 TOFFEES, CANDIES AND SUGAR CONFECTIONERY ITEMS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1832 /2023)

C.No. Misc/17/2013-I/1102 Dated: 04 -12-2023

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Toffees, Candies & Sugar Confectionery items are determined as follows:

2. **Background of the valuation issue: :** Earlier, the Customs values of Toffees, Candies & Sugar Confectionery items were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1600/2022 dated 16-02-2022. An exercise has been undertaken by this Directorate to re-determine the Customs values afresh in line with values prevalent in the international market.

3. **Stakeholders' participation in determination of Customs values:** Meeting was convened on 08-11-2023 which was attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting. The stakeholders requested to determine the Customs values afresh in accordance with the trend of values in the international market as the values have declined considerably.

4. **Analysis / Exercise done to determine Customs Values:** Ninety (90) days' clearance data has been retrieved and the same has been scrutinized. Moreover, import data of Candies, Toffees and Confectionery items was compared with data of Afghan Transit Trade for the same period. After analysis, it has transpired that the total import value of Candies, Toffees and Confectionery items imported into Pakistan decreased from 3.84 million US Dollars to 2.02 million US Dollars (90% decrease) from FY 2021-22 to 2022-23 while, for Afghanistan, total import value under Transit trade substantively increased from 1.96 million US Dollars to 5.09 million US Dollars (160 % increase) during the same period.

5. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, are duly considered 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 absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to

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determine Customs values of subject goods. However, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was also examined for applicability to determine Customs values of subject goods. The assessed values in similar goods import data of Toffees, Candies & Sugar Confectionery items of various forms for the last 90 days of various origins reflected values as per previous VR No. 1600/2022 dated 16-02-2022. However, Declared Values (DV) of similar goods had showed consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted but could yield results to some extent because of variation in market prices. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of Toffees, Candies & Sugar Confectionery items. The available data / information collected was thoroughly scrutinized and freight value at the time of previous VR No. 1600/2022 dated 16-02-2022 and prevailing freight values have been examined which are reduced. Finally, the Customs values of the subject goods have been determined under Section 25(9), read with Section 25(7), and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

6. **Customs values of Toffees, Candies & Sugar Confectionery items:** Toffees, Candies & Sugar Confectionery items, shall be assessed to duty / taxes at the Customs values as per following Table:

Table-I

S.No.	Description Of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value (C & F) (US$/KG) Net Content
(1)	(2)	(3)	(4)	(5)	(6)
1	Candy	1704.9090	1704.9090.1000	China	1.2
			1704.9090.1100	Thailand, Taiwan/ Indonesia/ Vietnam	1.5
			1704.9090.1200	Saudi Arabia, UAE, Oman/Turkey	1.6
			1704.9090.1300	Europe/ USA	2.00
2	Toffee	1704.9090	1704.9090.1400	Turkey	2.75
			1704.9090.1500	Thailand, Taiwan/ Indonesia	2.70
			1704.9090.1600	Saudi Arabia, UAE, Oman	2.50
			1704.9090.1700	China	2.40
			1704.9090.1800	Europe/ USA	3.50

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3	Compound Chocolate Substitute	1704.9090	1704.9090.1900	Turkey	4.20
			1704.9090.2000	Europe/ USA	5.00
			1704.9090.2100	Other Origins	4.75
4	Marshmallow	1704.9090	1704.9090.2200	China	1.75
			1704.9090.2300	Thailand, Taiwan/ Indonesia	1.92
			1704.9090.2400	Saudi Arabia, UAE, Oman/Turkey	2.05
			1704.9090.2500	Europe/ USA	2.50
5	Lollypop	1704.9090	1704.9090.2600	Europe/ USA	2.10
			1704.9090.2700	Turkey	1.90
			1704.9090.2800	China	1.20
			1704.9090.2900	Vietnam	1.30
			1704.9090.3000	Saudi Arabia	1.30
			1704.9090.3100	Other Origins	2.00
6	Fruitella	1704.9090	1704.9090.3200	Europe/ USA	3.10
			1704.9090.3300	Other Origins	2.90
7	Polo	1704.9090	1704.9090.3400	Europe/ USA	3.25
			1704.9090.3500	Other Origins	3.15
8	Jelly	1704.9090	1704.9090.3600	Europe/ USA	2.00
			1704.9090.3700	Turkey	1.60
			1704.9090.3800	Indonesia/ China	1.50
			1704.9090.3900	Other Origins	1.70

Table-II

S.No.	Description Of Goods	PCT	Prposed PCT for WeBOC	Origin	Customs Value (C & F) (US$/KG)
(1)	(2)	(3)	(4)	(5)	(6)
1	Candy with Toy	1704.9090	1704.9090.4000	China	2.25
			1704.9090.4100	Thailand, Taiwan/ Indonesia / Vietnam	2.40
			1704.9090.4200	Saudi Arabia, UAE, Oman/Turkey	2.50
			1704.9090.4300	Europe/ USA	2.75
2	Jelly with Toy	1704.9090	1704.9090.4400	China	2.40
			1704.9090.4500	Europe/ USA	2.70
			1704.9090.4600	Other Origins	2.50

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7. 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.

8. **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.

9. **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.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. Customs values determined in the Ruling are for the description and specification as mentioned in the table 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 certifications 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 therein.

11. ***This Valuation Ruling supersedes the Valuation Ruling No.1600/2022 dated 16-02-2022.***

(Fayaz Rasool Maken)
Director

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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.
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 Director, 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 Group, Bohri Road, Karachi.
20) The Webmaster, Federal Board of Revenue, Islamabad.
21) Guard File.

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