



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

Phone: 021-99214144

No. Misc/12/2012-I/1269

Dated: 03.12.2024

VALUATION RULING NO. 1923/2024

1. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
2. The revision petition against this Valuation Ruling can be filed, under Section 25D of the Customs Act, 1969 within 30 days before the Director General, Customs Valuation.
3. The values in valuation ruling shall be applicable to the given description and specification of goods.

Subject: DETERMINATION OF CUSTOMS VALUE OF CEREAL FOODS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

1.	Valuation Ruling	Re-determination of Valuation Ruling No. 1795/2023 dated 31.07.2023
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 29.05.2024, 06.06.2024 & 24.10.2024

3. **Background of the Issue:** The Directorate General of Customs Valuation, Karachi received representation to include the values of Cereal Foods in bulk packaging, therefore, in pursuance of analysis of import data, current market trends, the difference in market prices and customs values, an exercise for the determination of customs values of subject goods was initiated under Section 25 and 25A of the Customs Act, 1969.

4. **Analysis to determine Customs Values:** During the meeting, the valuation issues related to the subject goods were discussed in detail. The importers argued that they import cereal foods in bulk quantities, typically packed in 9 kg packages, which are then re-packed locally under a local brand. They requested the inclusion of separate values for bulk packaging. Subsequently, a thorough market inquiry, along with comprehensive data, was conducted to transparently determine the values of the subject goods. Besides, ninety (90) days' clearance data was also retrieved and the same was scrutinized. Subsequently, market inquiry has been conducted and examined in the light of this Directorates Office Order No. 17/2014 dated 19-03-20214 and in terms of Section 25 (7) of the Customs Act, 1969.

5. **Method(s) adopted to determine Customs values:** To determine the transaction value of goods, the valuation methods, provided in Section 25 of the Customs Act, 1969,

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were applied in sequential order. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable as declared values did not correspond to market prices. Similarly, the data of identical and similar goods as per sections 25(5) & (6) ibid provided some references of demonstrable evidence of qualities and quantities of the same commercial level, however, it could not be solely relied upon. Meanwhile, a market inquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted as per procedure of Office Order No. 17/2014 dated 19-03-2014 wherein various markets were visited and the actual prices of subject goods were acquired. As a result, after adjusting the amounts of profits, the C&F value was determined under Section 25(7) read with Section 25(9) of the Customs Act, 1969 further read with customs rule 121(2) of the Customs Rules, 2001, which are as under:

6. **Customs values of Cereal Foods** - In view of above the transaction value of the following goods has been determined and hereinafter specified shall be the Customs value for assessment of duty & taxes given against them in the Table below:

S#	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) in USS /kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Cereal Foods (Torto Brand) i) Cereals ii) Corn Flakes		1904.1010.1000 1904.1090.1000 1904.2000.1000 1904.3000.1000 1904.9000.1000	Malaysia	2.93
2	Cereal Foods (Weetabix Brand)		1904.1010.1100 1904.1090.1100 1904.2000.1100 1904.3000.1100 1904.9000.1100	UK, USA, Canada, Australia	2.93
3	Cereal Foods (Post Brand)	1904.1010 1904.1090 1904.2000 1904.3000 1904.9000	1904.1010.1200 1904.1090.1200 1904.2000.1200 1904.3000.1200 1904.9000.1200	USA	3.38
4	Cereal Foods (Kellogg's Brand) "Frosties"		1904.1010.1300 1904.1090.1300 1904.2000.1300 1904.3000.1300 1904.9000.1300	UK, USA, EU, Australia	4.10
			1904.1010.1400 1904.1090.1400 1904.2000.1400 1904.3000.1400 1904.9000.1400	Malaysia, Indonesia, Thailand, Philippine	3.45
			1904.1010.1500 1904.1090.1500 1904.2000.1500 1904.3000.1500 1904.9000.1500	Other Origin	3.12



5	Cereal Foods (Kellogg's Brand) "All Bran"		1904.1010.1600 1904.1090.1600 1904.2000.1600 1904.3000.1600 1904.9000.1600	UK, USA, EU, Australia	4.35
			1904.1010.1700 1904.1090.1700 1904.2000.1700 1904.3000.1700 1904.9000.1700	Malaysia, Indonesia, Thailand, Philippine	3.45
			1904.1010.1800 1904.1090.1800 1904.2000.1800 1904.3000.1800 1904.9000.1800	Other Origin	3.15
6	Cereal Foods (Kellogg's Brand) "Cocoa Frosties"		1904.1010.1900 1904.1090.1900 1904.2000.1900 1904.3000.1900 1904.9000.1900	UK, USA, EU, Australia	3.99
			1904.1010.2000 1904.1090.2000 1904.2000.2000 1904.3000.2000 1904.9000.2000	Malaysia, Indonesia, Thailand, Philippine	3.36
			1904.1010.2100 1904.1090.2100 1904.2000.2100 1904.3000.2100 1904.9000.2100	Other Origin	3.05
7	Cereal Foods (Kellogg's Brand) "Corn Flakes"	1904.1010 1904.1090 1904.2000 1904.3000 1904.9000	1904.1010.2200 1904.1090.2200 1904.2000.2200 1904.3000.2200 1904.9000.2200	UK, USA, EU, Australia	4.10
			1904.1010.2300 1904.1090.2300 1904.2000.2300 1904.3000.2300 1904.9000.2300	Malaysia, Indonesia, Thailand, Philippine	3.45
			1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	Other Origin	3.12
8	Cereal Foods (Nestle Brand) "Corn Flakes"		1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	UK, USA, EU, Australia	2.99
			1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	Malaysia, Indonesia, Thailand, Philippine	2.36
			1904.1010.2400 1904.1090.2400 1904.2000.2400	Other Origin	2.15



			1904.3000.2400 1904.9000.2400		
9	Cereal Foods (Nestle Brand) "Koko Crunch"		1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	UK, USA, EU, Australia	4.23
			1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	Malaysia, Indonesia, Thailand, Philippine	3.51
			1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	Other Origin	3.19
10	Cereal Foods (Nestle Brand) "Milo"	1904.1010 1904.1090 1904.2000 1904.3000 1904.9000	1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	UK, USA, EU, Australia	4.23
			1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	Malaysia, Indonesia, Thailand, Philippine	3.51
			1904.1010.2400 1904.1090.2400 1904.2000.2400 1904.3000.2400 1904.9000.2400	Other Origin	3.19
11	Cereal Foods (Other Brands)		1904.1010.2500 1904.1090.2500 1904.2000.2500 1904.3000.2500 1904.9000.2500	UK, USA, EU, Australia	3.06
			1904.1010.2600 1904.1090.2600 1904.2000.2600 1904.3000.2600 1904.9000.2600	Malaysia, Indonesia, Thailand, Philippine	2.60
			1904.1010.2700 1904.1090.2700 1904.2000.2700 1904.3000.2700 1904.9000.2700	Other Origin	2.50
12	Cereal Foods in Bulk / Wholesale Packing of 9 Kgs and above (Unbranded & Plain Packing)		1904.1010.2700 1904.1090.2700 1904.2000.2700 1904.3000.2700 1904.9000.2700	All Origins	2.45

7. In cases, where declared values or values in invoice retrieved from the consignments, as the case may be, are higher than the customs values determined in this valuation ruling,



the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.

8. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.

9. The VR shall be applicable for the description and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.

10. The Collectorates of customs shall ensure the implementation of VR and in case of any anomaly may be brought to the notice of this Directorate immediately.


(Dr. Tahid Qureshi)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Appraisalment-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisalment / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisalment / Enforcement / AIIA), (Appraisalment-East / West, Lahore / Faisalabad Appraisalment / Enforcement, Sargodha / Enforcement & Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.