



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

Phone: 021-99214144

No. Misc/10/2024-I/1270

Dated: 03.12.2024

VALUATION RULING NO. 1924/2024

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 This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.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 MEAT & BONE MEAL (FEED GRADE) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

1.	Valuation Ruling	Re-determination of Publication Valuation Reference dated 26.12.2022
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 07.11.2024 and 13.11.2024

3. **Background of the Issue:** The existing Publication Valuation Reference dated 26.12.2022 was related to three origins only i.e., Paraguay, Oman and Kuwait. Whereas, the Directorate received a letter dated 18.10.2024 from Collectorate of Customs Appraisalment (SAPT) regarding incorporation of Brazilian origin in current PVR given the substantial import from Brazil. 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 exercise, Importers contended that the existing customs values are on higher side given the international prices of subject goods. They further contended that the item is an internationally traded commodity whose prices fluctuate based on production, demand, and supply. They argued that the goods have always been imported at prevailing international prices, with declared values rising in line with market trends, indicating no intention of under-invoicing. Overall, the value ranged from \$275 to \$570, and the current value of \$360 reflects the prevailing market conditions.



The importers claimed that the Export GDs, import through LCs, and bank contracts confirm the accuracy of the declared values. Most importers are industrial exporters, using the product for in-house consumption in the animal feed industry, and are among the largest players globally, with no history of under-invoicing. Regarding Brazilian-origin products, the importers argued that due to their large production and supply, offer better prices in the international market. Finally, they suggested that the data, including export records, can be verified to support the authenticity of the declared values. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings. Ninety (90) days' clearance data has been retrieved and the same has been 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, 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(5) & (6) of the Customs Act, 1969, which are as under:

6. **Customs values of Meat & Bone Meal (Feed Grade):** - 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	HS Code	HS Code Extension	Origin	Customs Values C&F USS/Kg
1	2	3	4	5	6
1	Meat & Bone Meal (Feed Grade)	2309.9000	2309.1000	All origin	0.45



7. In cases, where declared values or values in invoice retrieved from the consignment, 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. Tahir 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.