

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.

DETERMINATION OF CUSTOMS VALUES OF BETEL NUTS (ARECA NUTS) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO ¹⁵⁵⁷/2021)

No. Misc/32/2013-I-Part-II/ **1734**

Dated: 20-09-2021

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Betel Nuts are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of Betel Nuts were determined vide Valuation Ruling No. 816/2016, dated 25-02-2016 whereby the value was fixed at US\$ 1.2/KG & US\$ 1.4/KG for different origins. However, the said Valuation Ruling was withdrawn, vide Letter C.No./32/2013-I, dated 06-03-2021, by this Directorate because of meager/ insignificant import and subsequent duty/ taxes collected on the import of the subject goods. Later on, a reference was received from the Collectorate of Customs Appraisement (East), vide letter No. SI/MISC/54/KAPE/AC-1/2021(East), dated 29-06-2021, for issuance of fresh Valuation Ruling in view of higher price trends of Betel Nuts in national and international markets. Therefore, an exercise to determine the Customs values of the subject goods afresh was initiated under section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings were held on 16-07-2021, 05-08-2021 & 24-08-2021, which were attended by various stakeholders including the representatives of trade bodies i.e. FPCC&I & KCC&I, manufacturers, importers as well as representatives of Clearance Collectorates. All the participants were requested to submit following documents so that correct customs values could be determined:-

- i) Invoices of imports during last three months showing factual value.
- ii) Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.



4. During the meeting, stakeholders i.e. commercial importers as well as manufacturers suggested that value of Betel Nuts may not be enhanced as the item is prone to smuggling; which is, of course, out of the purview of this Directorate to take action against. The representative of the Collectorate of Customs Appraisalment (East), Karachi submitted that values of the subject goods range widely in national as well as international markets. The documents submitted by the stakeholders, arguments advanced during meeting, local/ international price trends and imports data were examined for determination of customs value of subject goods.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction value method provided in Section 25 (1) of the Act *ibid* was found inapplicable because the required information under the law was not available. Therefore, Identical and Similar goods value methods as provided in Sub-sections (5) & (6) of Section *ibid* were examined for applicability to the valuation issue in the instant case. The wide variations in declarations were observed. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25 this office conducted market inquiries as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969, but could not yield reliable results as prices varied according to selling points in the market. Online values were also checked. Computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods because of variation in the countries of origins, ports of shipments given the nature of the item being traded globally. All the information so gathered was evaluated and, analyzed for the purpose of determination of customs values. Consequently, reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, for the determination of customs values.

6. **Customs values hereinafter specified** shall be assessed to duty / taxes at the following minimum Customs Values:-

S. No	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(3)	(4)	(5)	(6)
1.	Betel Nuts (ARECA NUTS)	0802.8000	0802.8000.1000	Indonesia/ Malaysia/ Singapore/ Vietnam	2.25
			0802.8000.2000	Thailand	3.15



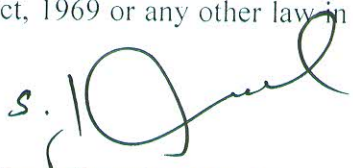
7. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

8. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is

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 value determined vide this Valuation Ruling:** 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 issuance of this ruling, 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 for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS 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 certification 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.


(Syed Fawad Ali Shah)
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Intelligence and Investigation (Customs)-Federal Board of Revenue, Islamabad.
- 3) The Director General, Customs Valuation, Custom House, Karachi.
- 4) The Director General (Reforms & Automation), Custom House, Karachi.
- 5) The Director General, PCA & Internal Audit, Custom House, Karachi.
- 6) The Director General, IOCO, Custom House, Karachi.
- 7) The Director General, Transit Trade, Custom House, Karachi.
- 8) The Chief Collector of Customs (North), Custom House, Islamabad.
- 9) The Chief Collector of Customs Enforcement (Central), Custom House, Lahore.
- 10) The Chief Collector of Customs Appraisement, (Central), Custom House, Lahore.
- 11) The Chief Collector of Customs, Balochistan, Custom House, Quetta.
- 12) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 13) The Chief Collector of Customs, Appraisement (South), Custom House, Karachi.
- 14) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 15) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
- 16) The Director, Transit Trade, Custom House Karachi
- 17) The Director, Directorate of Customs Valuation, Lahore.
- 18) The Secretary (Valuation & Audit), Federal Board of Revenue, Islamabad.
- 19) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 20) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 21) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 22) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 23) The Webmaster, Federal Board of Revenue, Islamabad.
- 24) Guard File.