

The Collector of Customs, Collectorate of Customs, (Appraisalment -West / Appraisalment -East / Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AHA),Lahore / Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot)/ Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment / Enforcement),Peshawar / Enforcement, Dera Ismail Khan / Exports (Karachi / Port Qasim) / Transit Trade (Karachi).

DETERMINATION OF CUSTOMS VALUES OF INSTANT DRY YEAST UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

C. No. Misc/05/2009-1/1028 (VALUATION RULING NO. 1580/2021)

Dated: 13-12-2021



In exercise of the powers conferred under Section 25A of the Customs Act, 1969 Customs values of Instant Dry Yeast are determined as follows:-

2- **Background of the valuation issue:** Earlier, the customs values of Instant Dry Yeast were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1503/2020 dated 14-12-2020 which was set aside through Order in Revision No.40/2021 dated 27.10.2021 issued under Section 25D of the Customs Act,1969 with the direction that *"The Director (Customs Valuation) Karachi to undertake fresh exercise under Section 25A of the Customs Act,1969 to determine the values of Instant Dry Yeast Through Issuance of new Valuation Ruling ,within 45 days, on merit and in accordance with the law after giving a fair opportunity of hearing to the petitioner(s)/stakeholders."* Representations from importers were also received in this office for issuance of fresh Valuation Ruling for the subject goods. In view of the foregoing, an exercise was undertaken by the Directorate General of Customs Valuation to determine the Customs Values of subject goods in terms of Section 25A of Customs Act, 1969.

3- **Stakeholders' participation in determination of Customs values:** Meeting was held on 23.11.2021 with the relevant stakeholders. The stakeholders contended that the existing customs values are on higher side. It was further contended by the stakeholders that subject goods are used in bread making and are sold in frequency at commercial level to the bakers and the local retail level for domestic consumers. They also contended that the local market prices have gone down. The importers further contended that such market factors and the freight element may also be considered while determining the value of the subject goods. The stakeholders were requested to submit the relevant import documents including Sales Tax invoices.

4- **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at 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 because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite

information under law was not available to arrive at the transaction value. Therefore, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries under sub-Section (7) of section 25 of the Customs Act, 1969. However, this method of valuation could not be exclusively relied upon. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969.

5- **Customs values for Instant Dry Yeast – hereinafter specified** shall be assessed to duty/taxes on the following minimum Customs Values:-

S. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value C&F (US\$/Kg)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Instant Dry Yeast Retail Packing (Less than 5kg) Brands AB Mauri, SAF-Instant/	2102.1000	2102.1000.1000	All Origins	2.85
2.	Instant Dry Yeast Retail Packing (Less than 5kg) Other Brands	2102.1000	2102.1000.1100	China	2.45
		2102.1000	2102.1000.1200	Europe/ Americas	2.70
		2102.1000	2102.1000.1300	Other Origins	2.60
3.	Instant Dry Yeast Bulk Packing (More than 5kg) Brands AB Mauri, SAF-Instant/	2102.1000	2102.1000.2000	All Origins	2.57
4.	Instant Dry Yeast Bulk Packing (More than 5kg) Other Brands	2102.1000	2102.1000.2100	China	2.21
		2102.1000	2102.1000.2200	Europe/ Americas	2.43
		2102.1000	2102.1000.2300	Other Origins	2.35


6- In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(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.

7- **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.

8- **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, under Section 25D of the Customs Act, 1969, within 30 days from the date of issue of this ruling before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

09- The Collectors of Customs may kindly ensure that the values given in the 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 Directorate General immediately. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or 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 of the Customs Act, 1969 or any other law in vogue therein.

10- ***This ruling supersedes Valuation Ruling No. 1503/2020 dated 14-12-2020.***

S. 
(Syed Fawad Ali Shah)
Director

Copy for information to:

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