

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 / AIIA),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 VALUE OF ENERGY DRINKS UNDER
SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1596/2022)

C. No. Misc/07/2017-1/126.

Dated 0302-2022

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

2- **Background of the valuation issue:** Earlier, the customs value of Energy Drinks was determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1260/2018 dated 19-02-2018. The Valuation Ruling was over three (03) years old which needed to be revised in accordance with current market values of the subject goods which had changed significantly. In order to rationalize the import values of subject goods, an exercise was undertaken by the Directorate General of Customs Valuation to re-determine the Customs Values of subject goods in terms of Section 25A of Customs Act, 1969.

3- **Stakeholders' participation in determination of Customs values:** Meetings were held on 08.12.2021 & 25.01.2022 with the stakeholders of subject goods. The stakeholders contended that the existing customs values are on higher side. 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. Only M/s. Red Bull Pakistan (SMC-Private) Ltd submitted requisite documents.

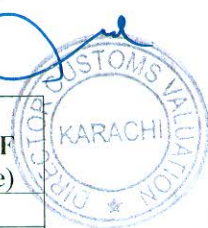
4- **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at customs value of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs 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 Energy Drinks (Expect Alokozay brand of Afghanistan origin imported through land route) – *hereinafter specified* shall be assessed to duty/taxes at the following minimum Customs Values:-

S. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value C&F (US\$/Litre)
(1)	(2)	(3)	(4)	(5)	(6)
1	Epic	2202.1010	2202.1010.1000	Austria	1.51
2	Power Horse	2202.1010	2202.1010.1100	Austria	1.70
3	Red Bull (Silver & Blue Cans)	2202.1010	2202.1010.1200	Austria	Euro 1.14/Litre
4	Carabao	2202.1010	2202.1010.1300	Thailand	1.15
5	Rock Star	2202.1010	2202.1010.1400	United Kingdom	1.69
6	Explosions	2202.1010	2202.1010.1500	United Kingdom	2.06
7	Iru Bru	2202.1010	2202.1010.1600	United Kingdom	1.21
8	Boost	2202.1010	2202.1010.1700	United Kingdom	1.22
9	Lucozade	2202.1010	2202.1010.1800	United Kingdom	1.33
10	Mad Croc	2202.1010	2202.1010.1900	Netherland	1.18
11	Carrefour	2202.1010	2202.1010.2000	Netherland	1.71
12	Speed	2202.1010	2202.1010.2100	Netherland	1.77
13	She-Beauty	2202.1010	2202.1010.2200	Poland	1.62
14	Backer	2202.1010	2202.1010.2300	Korea	1.00
15	Effect	2202.1010	2202.1010.2400	Germany	2.90
16	Ginsing	2202.1010	2202.1010.2500	Korea	1.00
17	Red Line	2202.1010	2202.1010.2600	Korea	1.05
18	Monster	2202.1010	2202.1010.2700	United Kingdom	1.21
19	Bison	2202.1010	2202.1010.2800	South Africa	1.11
20	Big	2202.1010	2202.1010.2900	Poland	1.32
21	Power Cell	2202.1010	2202.1010.3000	U.A.E.	1.17
22	Best in Drink	2202.1010	2202.1010.3100	United Kingdom	1.11
23	Red Impala	2202.1010	2202.1010.3200	Thailand	1.00
24	Code Red	2202.1010	2202.1010.3300	Saudi Arabia	1.08
25	Relentless	2202.1010	2202.1010.3400	Ireland	1.21
26	Tiger Pro	2202.1010	2202.1010.3500	Saudi Arabia	1.08
27	Boom Boom	2202.1010	2202.1010.3600	Saudi Arabia	1.08
28	Booster	2202.1010	2202.1010.3700	U.A.E.	1.20
29	Other	2202.1010	2202.1010.3800	USA/Europe/ Australia	1.65
		2202.1010	2202.1010.3900	Other Origins	1.45



NON CARBONATED ENERGY DRINKS					
30	Fighter Buffalo	2202.9900	2202.9900.1000	Vietnam	1.21
31	Red Bull (Golden Can)	2202.9900	2202.9900.1100	Thailand	1.00
32	Dragon	2202.9900	2202.9900.1200	South Africa	1.00
33	Carabao	2202.9900	2202.9900.1300	Thailand	1.00
34	Other	2202.9900	2202.9900.1400	USA/Europe/ Australia	1.30
		2202.9900	2202.9900.1500	Other Origins	1.20


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.

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.

11- *This ruling supersedes Valuation Ruling No. 1260/2018 dated 19-02-2018.*


(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, Appraisal (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisal (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 & WEBOC 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.