



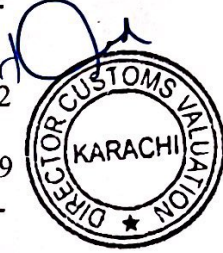
GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

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 (Karachi / Port Qasim) / Transit Trade (Karachi).

DETERMINATION OF CUSTOMS VALUE OF TOFFEES, CANDIES AND SUGAR CONFECTIONARY ITEMS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

C. No. Misc/17/2013-I/167 (VALUATION RULING NO. 1609/2022)

Dated: 16-02-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969 Customs value of (Toffees, candies and sugar confectionary items) is determined as follows:-

2- **Background of the valuation issue:** Earlier, the customs value of Toffees, candies and sugar confectionary items was determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1220/2017 dated 10-11-2017. The Valuation Ruling was more than 4 years old therefore it needed to be revised in accordance with the current market values of the subject goods and the freight element which had changed significantly. The import values were observed to be on lower side vis-à-vis international selling prices (available online) and also on lower side in comparison to the local market prices of subject goods. In order to rationalize the import values of subject goods, 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:** Meetings was held on 06.01.2022 with the stakeholders of subject goods. The stakeholders contended that the existing customs values are almost the same. It was further contended by the stakeholders that since subject goods are mainly being sold in high-end super/ general-stores, therefore, much more expenses (shelf rent, marketing costs, etc.) are incurred at retail level which cannot be managed without adding extra value to the subject goods, hence, the prices get inflated in the retail market. The importers requested that such factors may be considered while determining value of the subject goods. The stakeholders were requested to submit the relevant import 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 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 value for Toffees, candies and sugar confectionary items – hereinafter specified shall be assessed to duty/taxes at following minimum Customs Values:-

Table-I

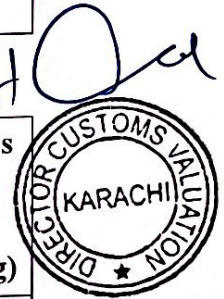
S. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value C&F (US\$/Kg) Net Content
(1)	(2)	(3)	(4)	(5)	(6)
1.	Candy	1704.9090	1704.9090.1000	China	1.30
			1704.9090.1100	Thailand, Taiwan/ Indonesia	1.85
			1704.9090.1200	Saudi Arabia, UAE, Oman/ Turkey	2.04
			1704.9090.1300	Europe / USA	2.45
2.	Toffee	1704.9090	1704.9090.1400	Turkey	3.05
			1704.9090.1500	Thailand, Taiwan/ Indonesia	2.95
			1704.9090.1600	Saudi Arabia, UAE, Oman	2.75
			1704.9090.1700	China	2.70
			1704.9090.1800	Europe / USA	4.00
3.	Compound chocolate substitute	1704.9090	1704.9090.1900	Turkey	4.60
			1704.9090.2000	Europe/USA	5.52
			1704.9090.2100	Other Origins	5.06
4.	Marshmallow	1704.9090	1704.9090.2200	China	2.24
			1704.9090.2300	Thailand, Taiwan/ Indonesia	2.46



			1704.9090.2400	Saudi Arabia, UAE, Oman/ Turkey	2.58
			1704.9090.2500	Europe / USA	3.12
5.	Lolly pop	1704.9090	1704.9090.2600	Europe / USA	2.40
			1704.9090.2700	Turkey	2.10
			1704.9090.2800	China	1.30
			1704.9090.2900	Saudi Arabia	1.40
			1704.9090.3000	Other Origin	2.20
			1704.9090.3100	Europe / USA	3.42
6.	Fruitella	1704.9090	1704.9090.3200	Other Origins	3.12
			1704.9090.3300	Europe / USA	3.57
7.	Polo	1704.9090	1704.9090.3400	Other Origins	3.37
			1704.9090.3500	Europe / USA/	2.50
8.	Jelly	1704.9090	1704.9090.3600	Turkey	1.90
			1704.9090.3700	Indonesia/China	1.75
			1704.9090.3800	Other Origin	2.05

Table-II

S. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value C&F (US\$/Kg)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Candy (Toy type packing)	1704.9090	1704.9090.3900	China	4.05
			1704.9090.4000	Thailand, Taiwan/ Indonesia	4.58
			1704.9090.4100	Saudi Arabia, UAE, Oman/ Turkey	5.08
			1704.9090.4200	Europe / USA	5.60
Note for table-II: The weight of essential Packing/toy type packing to be included at the time of assessment.					



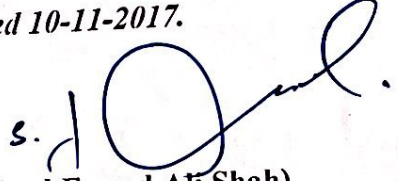
7- In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(1) of Section 25 of the Customs Act, 1969. In 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.

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:** 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.

10- The Collectors of Customs may kindly ensure that the values given in the 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. The Customs values determined in the ruling are for the description and specification as mentioned in Para-6. PCT 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 all formalities relating to importability or any other certifications required thereon.

11- ***This ruling supersedes Valuation Ruling No. 1220/2017, dated 10-11-2017.***


(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.