

**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 OLIVES (HS CODE 2005.7000)**  
**UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

**(VALUATION RULING NO.1611 / 2022)**

C. No. Misc/18/2013-I

1257

Dated: 11 -03-2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969 Customs value of Olives is determined as follows:-

2- **Background of the valuation issue:** Earlier, the customs value of Olives was determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.956/2016 dated 26-10-2016. Since the valuation ruling was more than five years old, an exercise was carried out by this Directorate General to determine the customs value of olives according to the prevailing international price trend of these goods.

3- **Stakeholders' participation in determination of Customs values:** Meeting was held on 03-02-2022 with the stakeholders of subject goods. All the stakeholders contended that prices are stable in the international market. It was also highlighted that the subject goods are perishable items and therefore have got limited shelf life, consequently, near the expiry dates, these perishable items are sold on sale and discounted prices. It was further contended by the traders that since the subject goods are mainly being sold on super and general stores, therefore, further expenses like shelf rent, marketing expenses etc. are added at retail level. It was also indicated that a bumper crop of olives have been produced in the countries of origin which has downward impact on value. The importers contended that all these factors may also be considered in determining value of subject goods.

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 determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the



absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that same importers provide misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, PRAL database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the. Customs Act, 1969 was applied to arrive at assessable customs value of Olives.

5- **Customs value for Olives – hereinafter specified** shall be assessed to duty/taxes at the following minimum Customs Values:-

Sr. No.	Item Description & Specification	Brands	PCT Code	PCT for WeBOC	Origin	Customs Values C&F (US\$/KG) On Drained Weight
(1)	(2)	(4)	(5)	(6)	(7)	(8)
1	Olives (Up to 250 Grams)	Borges	2005.7000	2005.7000.1000	All Origins	3.98
		Figaro		2005.7000.1100	All Origins	3.59
		Delmonte		2005.7000.1200	All Origins	3.54
		Others		2005.7000.1300	All Origins	3.23
2	Olives (251-500 Grams)	Borges		2005.7000.1400	All Origins	3.76
		Figaro		2005.7000.1500	All origins	3.44
		Delmonte		2005.7000.1600	All Origins	3.19
		Others		2005.7000.1700	All Origins	3.01
3	Olives (501-1000 Grams)	Borges		2005.7000.1800	All Origins	3.33
		Figaro		2005.7000.1900	All Origins	3.05
		Delmonte		2005.7000.2000	All Origins	2.89
		Others		2005.7000.2100	All Origins	2.69
4	Olives (Above 1 Kg)	Borges		2005.7000.2200	All Origins	2.77
		Figaro		2005.7000.2300	All Origins	2.53
		Delmonte		2005.7000.2400	All Origins	2.20
		Others		2005.7000.2500	All Origins	2.05

6- In cases where declared values are higher than the Customs values determined in this Ruling, 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




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, 7<sup>th</sup> Floor, Custom House, Karachi.

9- 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-5. 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.

10- *This ruling supersedes Valuation Ruling No. 956/2016 dated 26-10-2016.*

  
(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.