



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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 CHOCOLATE SPREAD
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969



(VALUATION RULING NO. 1627/2022)

No. Misc/04/2018-I/351.

Dated: 06-04-2022

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

2. **Background of the Valuation Issue:** : Earlier, the customs value of Chocolate Spread was determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1361/2019 dated 09-04-2019. Since the valuation ruling was more than three (03) years old, an exercise was carried out by this Directorate General to determine afresh the customs value of subject goods under Section 25A of the Customs Act, 1969.
3. **Stakeholders' Participation in Determination of Customs Values:** meeting with stakeholders was held on 01-03-2022. The importers / stakeholders were requested to submit the following documents before or during the course of stakeholders meetings:
 - i. Invoices of imports during last three months showing customs 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 their contentions.
4. The stake holders of imported chocolate spread requested to issue Valuation Ruling in the light of prevailing international and local market prices for uniformity of assessment. Some of the importers submitted that their declared values are fair and may be considered at the time of fresh determination of value. However, they did not produce relevant documents in support of their contentions. The view point of all participants was heard in detail and considered to arrive at Customs Value of the subject goods.
5. **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 address the valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, was found inapplicable due to wide variation of values displayed in the import data, hence requisite information was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide 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 wide variations in declarations. Information available was hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries under Sub-Section (7) of the Section 25 of the Customs Act, 1969 and determined customs values of Chocolate Spread under section 25(7) of the Customs Act, 1969 accordingly.

6. **Customs Value for Chocolate Spread:** Chocolate Spread *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:

S. No	Description of goods	H.S. Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/KG
(1)	(2)	(3)	(4)	(5)	(6)
1	Chocolate Spread (All Flavours) Brands: Keto Dark Chocolate, Twix, M&M's	1806.9000	1806.9000.1000	All origins	15.23
2	Chocolate Spread (All Flavours) Bounty, Disano, Maltesers, Moven Pick, Hershey's		1806.9000.1100	All origins	10.84
3	Chocolate Spread (All Flavours) Brands: Cadbury, Galaxy, Nocilla, Stute		1806.9000.1200	All origins	6.09
4	Chocolate Spread (All Flavours) Brands: Nutella, American Kuisine, Choco hazelnut, Choctella, Tesco, Cebe Nussa, Crunchy.		1806.9000.1300	All origins	4.06
5	Chocolate Spread (All Flavours) Brands: Crunchy, Nutcity, Apella, Bital, Orbital, Sorbon, Baraka, Hazeltella, Nutkao, Nutcity, Brunik, Levin, Nocolato, Naturella, Chocozella Choco Spread, Herman, Vigos Nowella.		1806.9000.1400	All origins	3.12
6	Chocolate Spread (All Flavours) Brands: Alba, Choc Knock, Nature's Home, Alba Bread Stick		1806.9000.1500	All origins	2.01
7	Chocolate Spread (Other Brands)		1806.9000.1600	All origins	2.95

7. In cases where declared 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



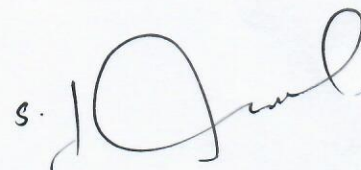
determined in this Ruling. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25A, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

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, read with Rule 107(a), Chapter IX, of the Customs Rules, 2001.

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 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 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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.

11- *This ruling supersedes Valuation Ruling No.1361/2019 dated 09-04-2019.*



(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, Appraisement (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisement (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 / Peshawar / Quetta.
- 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.