



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 BRANDED LIQUID MILK UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 1640/2022)

No. Misc/23/2016-1/423.

Dated: 29-04-2022



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

2. **Background of the valuation issue:** Earlier, customs value of different brands of Branded Milk e.g. Lacnor, Almarai, Soya fresh, etc. was determined vide Valuation Ruling No.1373/2019 dated 15.05.2019. The said Valuation Ruling was approximately three years old. Quetta Chamber of Commerce and Industry (QCCI) and Sarhad Chamber of Commerce and Industry filed representations before the FBR. A meeting was held on 09-02-2022 in FBR headquarters which was chaired by the Chairman FBR and attended by Member (Customs-Policy), Director General Customs Valuation and other participants including the representatives of both the chambers. Keeping in view difference between freight from land and sea routes, quality of goods and other socio-economic factors, the Board forwarded a record note NO. 8(1) SS (VAL & AUDIT) 2022, dated 28-02-2022. Accordingly, an exercise was undertaken by the Directorate General of Customs Valuation to determine afresh the Customs Values of subject goods in terms of Section 25A of Customs Act, 1969.
3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with the stake holders including importers were held on 16-03-2022 & 17-04-2022, to discuss the current international prices of subject goods. The 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. **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 Branded Milk :** Branded Liquid Milk *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:

Sr. No.	Description of goods	H.S. Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/Liter
(1)	(2)	(3)	(4)	(5)	(6)
1	Fresh Milk (Skimmed/Low Fat/Full Fat)	0401.1000 0401.2000 0401.4000 0401.5000	0401.1000.1000 0401.2000.1000 0401.4000.1000 0401.5000.1000	All origin	1.60
2	Flavored Milk (All Brands / All Flavours)	2202.9900	2202.9900.1000	All origin	1.85
3	Soya Milk (All Brands / All Flavours)	2202.9900	2202.9900.1100	All origin	1.93

Note:
Reduction of 10% shall be admissible on total of above value on account of freight charges , if goods are imported through land route.



6. In cases where declared transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the air freight while applying the Customs values determined in this Ruling.

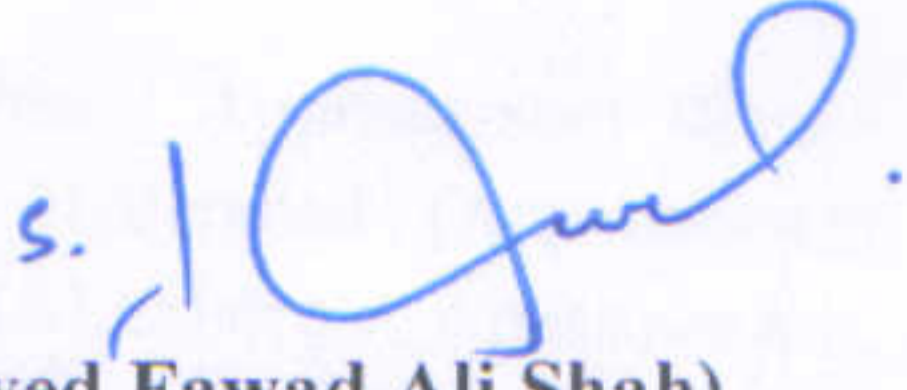
7. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Section (4) of Section 25A of the Customs Act, 1969, read with Rule 107(a), Chapter IX, of the Customs Rules, 2001.

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.

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.1373/2019 dated 15-05-2019.*


(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.