



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

The Collectors of Customs, Collectorate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement JIAP / Export / Export PMBQ), 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.

DETERMINATION OF CUSTOMS VALUE OF QUICK COOKING OATS
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO 1663 /2022)

No.Misc/04/2022-I/648

Dated:- 22-06-2022



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

2. Background of the valuation issue: Reference was received from Collectorate of Customs (Appraisement), Lahore vide letter No. C.No.V-Cus/Misc/G-I/62/2022/237 dated 11-05-2022 to determine the Customs Value of Quick Cooking Oats / Oatmeal. Accordingly, an exercise to determine the Customs value of the subject goods was initiated under section 25A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs value: Meeting was held on 07-06-2022 with the stakeholders of subject goods. The participants submitted that prices are stable in the international market. It was also highlighted that Quick Cooking Oats/ Meal thereof is perishable item and therefore have got limited shelf life, consequently, near the expiry dates, these perishable items are sold on sale at discounted prices. It was further contended by the traders that since the subject goods are mainly being sold on super and general stores, therefore, other expenses (shelf rent, marketing expenses etc.) are contributed at retail level which cannot be managed without adding extra cost. The importers requested that such factors may be considered while determining value of subject goods. All the participants were requested to submit following documents so that correct customs value could be determined:

- i) *Invoices of imports during last three months showing factual value.*
- ii) *Websites, names and E-mail addresses of Known foreign manufactures 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 that the benefit of difference in price is passed on to the local buyers.

4. **Method adopted to determine Customs value:** : 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 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 Quick Cooking Oats/Oat Meal.

5. **Customs value for Quick Cooking Oats/Oat meal**, hereinafter specified shall be assessed to duty / taxes at the following minimum Customs Value: -

Table-I

| S.# | Description of goods | Mode of Packing | PCT Code | Proposed PCT Code for WeBOC | Origin | Customs Value (C&F) (Per/KG) Us\$ |
|-----|--|-------------------|-----------|-----------------------------|----------------|-----------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1 | QUAKER Quick Cooking Oats/Oat Meal | 200 Grams Pouch | 1104.1200 | 1104.1200.1000 | All Origins | 1.76 |
| | | 400 Grams Pouch | | 1104.1200.1100 | | 1.71 |
| | | 400 Grams Tin Can | | 1104.1200.1200 | | 2.27 |
| | | 500 Grams Pouch | | 1104.1200.1300 | | 1.69 |
| | | 500 Grams Tin Can | | 1104.1200.1400 | | 2.20 |
| | | 1000 Grams Pouch | | 1104.1200.1500 | | 1.60 |
| 2 | BRIO'S Quick Cooking Oats/Oat Meal | 200 Grams Pouch | 1104.1200 | 1104.1200.1600 | All Origins | 1.31 |
| | | 400 Grams Pouch | | 1104.1200.1700 | | 1.28 |
| | | 500 Grams Pouch | | 1104.1200.1800 | | 1.26 |
| | | 1000 Grams Pouch | | 1104.1200.1900 | | 1.20 |



| | | | | | | |
|---|---|-------------------|-----------|----------------|----------------|------|
| 3 | Herman Quick Cooking Oats/Oat Meal | 300 Grams Pouch | 1104.1200 | 1104.1200.2000 | All Origins | 1.20 |
| | | 400 Grams Pouch | | 1104.1200.2100 | | 1.15 |
| | | 400 Grams Tin Can | | 1104.1200.2100 | | 1.65 |
| | | 500 Grams Pouch | | 1104.1200.2200 | | 1.10 |
| | | 500 Grams Tin Can | | 1104.1200.2300 | | 1.60 |
| | | 1000 Grams Pouch | | 1104.1200.2400 | | 1.05 |
| 4 | Nature's Own Brand / Nature's Home Brand Quick Cooking Oats/Oat Meal | 200 Grams Pouch | 1104.1200 | 1104.1200.2500 | All Origins | 0.98 |
| | | 200 Grams Tin Can | | 1104.1200.2600 | | 1.55 |
| | | 400 Grams Pouch | | 1104.1200.2700 | | 0.93 |
| | | 400 Grams Tin Can | | 1104.1200.2800 | | 1.30 |
| | | 500 Grams Pouch | | 1104.1200.2900 | | 0.90 |
| | | 500 Grams Tin Can | | 1104.1200.3000 | | 1.35 |
| | | 1000 Grams Pouch | | 1104.1200.3100 | | 0.85 |
| 5 | Jenan / Oateo Quick Cooking Oats/Oat Meal | 200 Grams Pouch | 1104.1200 | 1104.1200.3200 | All Origins | 1.20 |
| | | 400 Grams Pouch | | 1104.1200.3300 | | 1.15 |
| | | 400 Grams Tin Can | | 1104.1200.3400 | | 1.69 |
| | | 500 Grams Pouch | | 1104.1200.3500 | | 1.10 |
| | | 500 Grams Tin Can | | 1104.1200.3600 | | 1.58 |
| | | 1000 Grams Pouch | | 1104.1200.3700 | | 1.05 |
| 6 | Other Brands Quick Cooking Oats/Oat Meal | 200 Grams Pouch | 1104.1200 | 1104.1200.3800 | All Origins | 1.30 |
| | | 200 Grams Tin Can | | 1104.1200.3900 | | 1.70 |
| | | 300 Grams Pouch | | 1104.1200.4000 | | 1.25 |
| | | 300 Grams Tin Can | | 1104.1200.4100 | | 1.65 |
| | | 400 Grams Pouch | | 1104.1200.4200 | | 1.20 |
| | | 400 Grams Tin Can | | 1104.1200.4300 | | 1.60 |
| | | 500 Grams Pouch | | 1104.1200.4400 | | 1.15 |
| | | 500 Grams Tin Can | | 1104.1200.4500 | | 1.60 |
| | | 1000 Grams Pouch | | 1104.1200.4600 | | 1.12 |
| 7 | Quick Cooking Oats/Oat Meal in Bulk Packing (All Brands) | 20 Kg or Above | 1104.1200 | 1104.1200.4700 | All Origins | 0.68 |

Table-II

| S.# | Description of goods | Brands | Mode of Packing | PCT Code | Proposed PCT Code for WEOC | Origin | Customs Value (C&F) (Per/KG) |
|-----|--|--------------------|-----------------|-----------|----------------------------|----------------|------------------------------|
| (1) | (2) | | (3) | (4) | (5) | (6) | (7) |
| 1 | Organic Gluten Free Quick Cooking Oats/Oat Meal | QUAKER | All Packings | 1104.1200 | 1104.1200.4800 | All Origins | 4.50 |
| | | Bob's Red Mill | | | 1104.1200.4900 | | 3.31 |
| | | Wonder Elements | | | 1104.1200.5000 | | 2.19 |
| | | Other Brands | | | 1104.1200.5100 | | 1.95 |

6. 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.

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-Sections (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: 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.

9. The Collectors of Customs may kindly ensure that the values given in this 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 for redressed. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. 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 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.


(Syed Fawad Ali Shah)
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., 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 (Central), Lahore.
- 6) The Chief Collector of Customs (North), Islamabad.
- 7) The Chief Collector of Customs, (Enforcement), Custom House, Quetta.
- 8) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 9) The Director General, PCA& Internal Audit, Karachi.
- 10) The Director General, IOCO, Karachi
- 11) The Director General, Transit Trade, Custom House Karachi
- 12) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 13) The Director, Transit Trade, Custom House Karachi
- 14) The Director, Directorate of Customs Valuation, Lahore / Peshawar / Quetta.

- 15) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 16) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 17) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 18) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 19) The Webmaster, Federal Board of Revenue, Islamabad.
- 20) Guard File.