



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 COFFEE IN RETAIL PACKING
(PCT CODE 2101.1120) UNDER SECTION 25A THE CUSTOMS ACT, 1969.

(VALUATION RULING NO 1691/2022)

File No. Misc/18/2013-I /901

Dated: - 24-08-2022



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

2. **Background of the valuation issue:** Earlier, the customs value of the subject goods was determined vide Valuation Ruling No. 957/2016 dated 28-10-2016. The said Valuation Ruling was more than six years old, therefore, an exercise was initiated in this Directorate General for fresh determination of customs value of coffee in retail packing under section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs value:** Meetings with stakeholders were held on 26-05-2022 & 21-06-2022. The importers contended that the goods are retail items and sold in frequency at retail outlets and super stores. It was also highlighted that these items are sold on sale at discounted price near the expiry dates. It was further contended by the participants that further expenses like shelf rent, marketing expenses etc. are also added at retail level. The importers were requested to submit the following documents so that correct customs value could be determined:

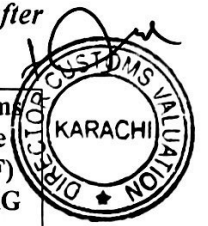
- i) *Invoices of imports during last three months showing factual value.*
- ii) *Websites, names and E-mail addresses of known foreign manufacturers of the item in question.*
- iii) *Question through which the actual current value can be ascertained.*
- iv) *Copies of Contracts made / LCs opened during the last three months showing the value of item in question.*
- v) *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. 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. 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. The 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 Coffee in Retail Packing.

5. **Customs values for Coffee in retail packing:** Coffee in retail packing *hereinafter specified* shall be assessed to duty / taxes at the following Customs Value:

S. #	Description of Goods	Packing Size	PCT CODE	Proposed PCT CODE for WeBOC	Origin	Customs Value (C&F) US\$/KG Net Content
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Nescafe Classic Coffee (in Jar Packing)	Upto 50 Gram	2101.1120	2101.1120.1000	All Origins	12.00
		Above 50 Gram and upto 200 Gram		2101.1120.1100		11.00
		Above 200 Gram		2101.1120.1200		10.00
2	Nescafe Gold / Gold Blend Decaff Coffee (in Jar Packing)	Upto 50 Gram	2101.1120	2101.1120.1300	All Origins	18.00
		Above 50 Gram and upto 200 Gram		2101.1120.1400		15.00
		Above 200 Gram		2101.1120.1500		14.00
3	Nescafe Coffee Mixes (3in1/Gold/Ice)	Sachet	2101.1120	2101.1120.1600	All Origins	4.00
4	Nescafe Classic Coffee (In sachet or pouch Packing)	Sachet	2101.1120	2101.1120.1700	All Origins	9.00
		50 Gram Pouch		2101.1120.1800		9.00
5	Nescafe Matinal Coffee	Upto 200 Gram	2101.1120	2101.1120.1900	All Origins	8.80
		Above 200 Gram		2101.1120.2000		7.70
6	Nescafe Red Mug Coffee / Nescafe Mug for Coffee Lovers / Nascafe Classic Jar with Mug	Upto 200 Gram	2101.1120	2101.1120.2100	All Origins	13.20
		Above 200 Gram		2101.1120.2200		11.00
7	Nestle Gold Blend Instant Coffee	Upto 200 Gram	2101.1120	2101.1120.2300	All Origins	25.30
		Above 200 Gram		2101.1120.2400		23.10
8	Nescafe Coffee Mate Various Flavours	425 Gram	2101.1120	2101.1120.2500	All Origins	4.40
9	Nescafe Coffee Mate (Various Flavours) Sugar Free	425 Gram	2101.1120	2101.1120.2600	All Origins	6.05



10	Nestle Nescafe Mocha / Latte / Cappuccino / Espresso (Various Flavours)	50 Gram Sachet Packing	2101.1120	2101.1120.2700	All Origins	11.00
11	Nestle Nascafe Gold Blend Decaff / Nestle Nescafe Espresso / Nestle Nescafe Blend / Nestle Nescafe Green Blend / Nestle Nescafe Alta Rica / Nestle Nescafe Columbie	100 Gram	2101.1120	2101.1120.2800	All Origins	33.00
12	Nestle Nescafe Latte Caramel	136 Gram	2101.1120	2101.1120.2900	All Origins	14.30
13	Davidoff Café Coffee/ Davidoff Coffee All Blends	Upto 200 Gram	2101.1120	2101.1120.3000	All Origins	22.00
		Above 200 Gram		2101.1120.3100		21.00
14	Bon Aroma Gold Blend	Upto 200 Gram	2101.1120	2101.1120.3200	All Origins	23.00
		Above 200 Gram		2101.1120.3300		22.00
15	Maxwell House Coffee	Upto 200 Gram	2101.1120	2101.1120.3400	All Origins	12.00
		Above 200 Gram		2101.1120.3500		11.00
16	Maxwell House Selection Coffee	Upto 200 Gram	2101.1120	2101.1120.3600	All Origins	22.00
		Above 200 Gram		2101.1120.3700		21.00
17	Coffee Break Instant Coffee	Upto 200 Gram	2101.1120	2101.1120.3800	All Origins	11.00
		Above 200 Gram		2101.1120.3900		10.00
		3in1 Sachet		2101.1120.4000		4.50
18	Kenco Rich Coffee	All Packings	2101.1120	2101.1120.4100	All Origins	20.00
19	Good Day Coffee Cappuccion	All Packings	2101.1120	2101.1120.4200	All Origins	5.50
20	StarBucks Coffee (Various Flavours)	All Packings	2101.1120	2101.1120.4300	All Origins	33.00
21	Torabika Coffee / Klassno Cappuccino Coffee Vero Gusto (3in1 Sachet)	Sachet	2101.1120	2101.1120.4400	All Origins	4.00
22	Other Coffee Brands (3in1 Sachet)	Sachet	2101.1120	2101.1120.4900	All Origins	4.40
23	Indocafe Coffee / Private Club Coffee / Klassno Coffee (All Blends and Flavours)	All Packings	2101.1120	2101.1120.4500	All Origins	4.50
24	Movenpick Coffee	All Packings	2101.1120	2101.1120.4600	All Origins	7.00



Note: The brands of Coffee other than mentioned above will be assessed by the assessment officers under Section 25 of the Customs Act 1969, keeping in view the appropriate brands, mode of packing, blends and flavours.

6. The assessing officers shall take into account first proviso to the sub-section 2 of section 25A of the Customs Act, 1969 which states "provided that where the value declared in a goods declaration, filed under section 79 or section 131 or mentioned in the invoice retrieved from consignment, as the case maybe, is higher than the value determined under sub-section (1), such higher value shall be the customs value". In case of consignments imported by air, the assessing

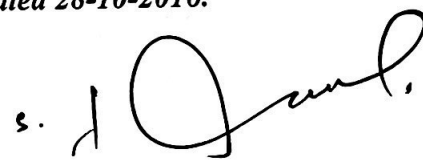
officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

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-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:** 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 redressal. 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.

10- *This ruling supersedes Valuation Ruling No. 957/2016 dated 28-10-2016.*



(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, South (Appraisalment), Custom House, Karachi.
- 4) The Chief Collector of Customs, South (Enforcement), 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.