GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI
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The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West)/ Port Qasim / Export (Karachi/Port Qasim)/ Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination of Custom Values of Skimmed Milk Powder & Instant Milk Powder under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO.1239/2018)

No. Misc/28/2007-I 132 Dated:- 3rd January, 2018.

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, customs value of 'Skimmed Milk Powder & Instant Milk Powder' (H.S. Code. 0402.1000, 1902.9020, 1902.9090) is determined as follows:

2. **Background of the Valuation Issue:** The customs values of Skimmed Milk Powder & Instant Milk Powder were earlier determined vide Valuation Ruling No. 843/2016 dated 02-05-2016. Meanwhile, several representations were received from commercial importers wherein they claimed that value of the subject items need to be re-determined keeping in view decreasing trend in international prices. Therefore, this Directorate General initiated an exercise for determination of the customs values of Skimmed Milk Powder & Instant Milk Powder in terms of Section 25-A of the Customs Act, 1969, afresh.

DIRECTOR CUSTOMS VALUATION KARACHI

3. **Stakeholders' Participation in Determination of Customs Values:** Meeting with stakeholders including importers and representatives from field formations were held on 28.12.2017, to discuss the current international prices of the subject goods. All the stakeholders requested that the existing valuation ruling may be reviewed in the light of prevailing international market prices. The view point of all the participants was heard in detail and considered to arrive at Customs values of the Skimmed Milk Powder & Instant Milk Powder.

4. **Method adopted to determine Customs Values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was not inapplicable at this stage. Identical/similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs values of Skimmed Milk Powder & Instant Milk Powder have been determined under Section 25(7) of the Customs Act, 1969.

5. **Customs Values for Skimmed Milk Powder & Instant Milk Powder:** Skimmed Milk Powder & Instant Milk Powder hereinafter *specified* shall be assessed to duty/ taxes at the following customs values:

S. No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US$ per Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Skimmed Milk Powder (In Bulk Packing)	0402.1000	0402.1000.1000	New Zealand, Australia, West Europe, Canada and USA	US$ 1.95/Kg
		0402.1000	0402.1000.1100	Iran	US$ 1.50/Kg
		0402.1000	0402.1000.1200	Other origins	US$ 1.78/Kg
02.	Skimmed Milk Powder (In Retail Packing Upto 5Kgs/Pack).	0402.1000	0402.1000.1300	New Zealand, Australia, West Europe, Canada and USA	US$ 2.22/Kg
		0402.1000	0402.1000.1400	Iran	US$ 1.72/Kg
		0402.1000	0402.1000.1500	Other origins	US$ 2.14/Kg
03.	Instant Milk Powder with vegetable fat (In Bulk Packing)	1901.9020 1901.9090	1901.9020.1000 1901.9090.1000	All origins	US$ 1.70/Kg
04.	Instant Milk Powder with vegetable fat (In Retail Packing Upto 5Kgs/Pack)	1901.9020 1901.9090	1901.9020.1100 1901.9090.1100	All origins	US$ 1.80/Kg

DIRECTOR CUSTOMS VALUATION KARACHI

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 25-A of the Customs Act, 1969.

8. **Revision of the Value Determined vide this Valuation Ruling:** A revision petition may be filed against this ruling, as provided under Section 25-D 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 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.

10. ***This ruling supersedes Valuation Ruling No. 843/2016, dated 02.05.2016***

(Muhammad Iqbal Muneeb)
Director

Copy for information to: -

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisement), 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 Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &WeBOC database system and deleting values mentioned in Valuation Ruling No.843/*2016, dated 02-05-2016*, from the system on the date of issuance of this ruling.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. The Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement, 1st Floor, Custom House, Karachi.
21. The Webmaster Federal Board of Revenue, Islamabad.
22. Guard File