



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 / Preventive, Karachi / Lahore ( Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

**Determination of Customs Values of Cereal Foods Under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 818 / 2016)

No. Misc/12/2012-I

Dated: March 03, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Cereal Foods are determined as follows : -

2. **Background of the valuation issue** The Customs values of Cereal Foods were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 511/2012 dated 21-12-2012 and Valuation Ruling No. 522/2012 dated 28-12-2012. M/s. Global Marketing Corporation, an importer of cereal foods, filed a Constitution Petition No. 5317/2015 in the Honorable High Court of Sindh, Karachi, against the Customs Value of Cereal Foods determined vide Valuation Ruling 511/2012 dated 21-12-2012. The Honorable High Court of Sindh, Karachi, vide orders No. CP- D-5317/ 2015 dated January 12, 2015 directed to re-determine the values after hearing the petitioner's point of view. Consequently an exercise for determination of customs values of cereal foods was initiated afresh under section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders including importers, and representatives of trade bodies were held on 01.02.2016 and 18-02-2016 to discuss the current international prices of Cereal Foods. All importers were requested to submit the following documents so that correct values of the subject goods 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 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. Different stakeholders attended the meetings. M/s. Global Marketing Corporation stated that they import Cereal Brand "Weetabix", a whole wheat cereal for which the customs values were previously determined on the basis of price similar to that of cereals made from Corn, Cocoa, etc, in the category "Other brands". They contended that their prices shall be rationalized. They also requested that their brand may separately be mentioned along with values to avoid any confusion or clubbing with other corn based cereals. It was observed that though cereal "Weetabix" was wheat based instead of corn based but the prices as reflected in the local market survey of imported cereals did not totally support their contentions. It was, however, unanimously decided that "Weetabix" would be treated as a separate brand/ product in the new Valuation Ruling as it has its own consumer following. Representatives of KCC&I, and MCC Appraisalment, West & East also participated in the aforementioned meetings. The view point of all participants was heard in detail and considered to arrive at fair Customs values. It was also decided that other brands available in the market are also incorporated in the new ruling.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable because required information under the law was not available. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations the same could not be relied upon. In the sequential order this office conducted a market inquiry in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. Stakeholders meeting were also conducted for their input and feedback. On-line values were also checked. Consequently Customs values of Cereal Foods are determined under sub-section (7) of Section 25 of the Customs Act, 1969.

6. **Customs values for Cereal Foods:** Cereal Foods *hereinafter specified shall* be assessed to duty/ taxes at the Customs values given in the following table:-

S. No.	Description of goods	PCT	Proposed PCT for WBOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Cereal Foods Torto Brand i) Cereals ii) Corn Flakes	1904.1010 1904.1090 1904.2000 1904.3000 1904.9000	1904.1010.1000 1904.1090.1000 1904.2000.1000 1904.3000.1000 1904.9000.1000	Malaysia	2.50
2.	Cereal Foods (Weetabix Brand)		1904.1010.1100 1904.1090.1100 1904.2000.1100 1904.3000.1100	UK, EU, USA, Canada, Australia	2.16





			1904.9000.1100		
3.	Cereal Foods (Post Brand)		1904.1010.1200 1904.1090.1200 1904.2000.1200 1904.3000.1200 1904.9000.1200	USA	2.50
4.	Cereal Foods (Kellogg's Brand) "Frosties"		1904.1010.1300 1904.1090.1300 1904.2000.1300 1904.3000.1300 1904.9000.1300	UK, USA, EU, Australia	3.50
			1904.1010.1400 1904.1090.1400 1904.2000.1400 1904.3000.1400 1904.9000.1400	Malaysia, Indonesia, Thailand, Philippine, India	2.94
			1904.1010.1500 1904.1090.1500 1904.2000.1500 1904.3000.1500 1904.9000.1500	Other origin	2.65
5.	Cereal Foods (Kellogg's Brand) "All Bran"		1904.1010.1600 1904.1090.1600 1904.2000.1600 1904.3000.1600 1904.9000.1600	UK, USA, EU, Australia	3.23
			1904.1010.1700 1904.1090.1700 1904.2000.1700 1904.3000.1700 1904.9000.1700	Malaysia, Indonesia, Thailand, Philippine, India	2.58
			1904.1010.1800 1904.1090.1800 1904.2000.1800 1904.3000.1800 1904.9000.1800	Other origin	2.32
6.	Cereal Foods (Kellogg's Brand) "Cocoa Frosties"		1904.1010.1900 1904.1090.1900 1904.2000.1900 1904.3000.1900 1904.9000.1900	UK, USA, EU, Australia	4.25
			1904.1010.2000 1904.1090.2000 1904.2000.2000 1904.3000.2000 1904.9000.2000	Malaysia, Indonesia, Thailand, Philippine, India	3.54
			1904.1010.2100 1904.1090.2100 1904.2000.2100 1904.3000.2100 1904.9000.2100	Other origin	3.19
	Cereal Foods (Kellogg's Brand) "Corn Flakes"		1904.1010.2200 1904.1090.2200 1904.2000.2200 1904.3000.2200 1904.9000.2200	UK, USA, EU, Australia	3.50
7.			1904.1010.2300 1904.1090.2300 1904.2000.2300	Malaysia, Indonesia, Thailand,	2.92



		1904.3000.2300 1904.9000.2300	Philippine, India	
		1904.1010.2400 1904.1090.2400 1904.2400.2400 1904.3000.2400 1904.9000.2400	Other origin	2.63
8.	Cereal Foods (Nestle Brand) "Corn Flakes"	1904.1010.2500 1904.1090.2500 1904.2000.2500 1904.3000.2500 1904.9000.2500	UK, USA, EU, Australia	3.14
		1904.1010.2600 1904.1090.2600 1904.2000.2600 1904.3000.2600 1904.9000.2600	Malaysia, Indonesia, Thailand, Philippine, India	2.51
		1904.1010.2700 1904.1090.2700 1904.2000.2700 1904.3000.2700 1904.9000.2700	Other origin	2.26
9.	Cereal Foods (Nestle Brand) "KoKo Krunch"	1904.1010.2800 1904.1090.2800 1904.2000.2800 1904.3000.2800 1904.9000.2800	UK, USA, EU, Australia	3.60
		1904.1010.2900 1904.1090.2900 1904.2000.2900 1904.3000.2900 1904.9000.2900	Malaysia, Indonesia, Thailand, Philippine, India	3.00
		1904.1010.3000 1904.1090.3000 1904.2000.3000 1904.3000.3000 1904.9000.3000	Other origin	2.70
10.	Cereal Foods (Nestle Brand) "Milo"	1904.1010.3100 1904.1090.3100 1904.2000.3100 1904.3000.3100 1904.9000.3100	UK, USA, EU, Australia	3.60
		1904.1010.3200 1904.1090.3200 1904.2000.3200 1904.3000.3200 1904.9000.3200	Malaysia, Indonesia, Thailand, Philippine, India	3.00
		1904.1010.3300 1904.1090.3300 1904.2000.3300 1904.3000.3300 1904.9000.3300	Other origin	2.70
11.	Cereal Foods (Other Brand)	1904.1010.3400 1904.1090.3400 1904.2000.3400 1904.3000.3400 1904.9000.3400	UK, USA, EU, Australia	2.60
		1904.1010.3500 1904.1090.3500	Malaysia, Indonesia,	2.15





		1904.2000.3500 1904.3000.3500 1904.9000.3500	Thailand, Philippine, India	
		1904.1010.3600 1904.1090.3600 1904.2000.3600 1904.3000.3600 1904.9000.3600	Other origin	2.00

7. 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 Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air or land route, the Assessing Officer shall take into account the differential between air freight or land route freight and sea freight while applying the Customs values determined in this Ruling.

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-Sections (1) or (3) of Section 25-A or section 25-D of the Customs Act, 1969.

9. **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 issuance of this Ruling, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> 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 this Directorate General immediately for redressal.

11. *This Ruling supersedes Valuation Ruling No. 511/2012 dated 21-12-2012 and Valuation Ruling No. 522/2012 dated 28-12-2012.*

( Dr. Wasif Ali Memon )  
Director

Copy for information to : -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.

4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading this Ruling in One Customs and WeBOC database system and deleting Valuation Ruling no 511/2012 dated 21-12-2012 and Valuation Ruling No.522/2012 dated 28-12-2012.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisement, 1<sup>st</sup> floor, Custom House, Karachi.
21. Guard File.