



**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 CUSTOM VALUES OF VARIOUS TYPES OF EURO CAKE (HS CODE 1905.9000) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 946/2016)**

No.Misc//06/2009-I

Dated: 05.10.2016

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

**2. Background of the valuation issue:** Valuation Ruling No.305/2011 dated 24-04-2011 was determined under section 25(A) 1969. Since the said valuation Ruling was up to 5 years old and on analysis of import data, the declared values of subject goods imported from U.A.E were found to be on much lower side as compared to the prevailing prices in the international market and local markets. Therefore, in order to rationalize the values of subject goods, an exercise was undertaken by the Directorate General of Customs Valuation, Karachi to determine the Customs Values of various types of Euro Cake, in terms of Section 25-A of the Customs Act, 1969.

**3. Stakeholders' participation in determination of Customs values:** Meetings were held on 19-08-2016 with the stakeholders of subject goods and representatives of clearance Collectorate who participated in the meetings. All the stakeholders strongly contended and requested that the said valuation Ruling may be reviewed in the light of prevailing international and local market prices. It was also highlighted that the subject goods are perishable items and therefore have got limited shelf life, consequently, near the expiry dates, these perishable items are sold on sale and discounted prices. It was further contended by the traders that since the subject goods are mainly being sold on super and general stores, therefore, a lot more expenses (shelf rent, marketing expenses etc.) are contributed at retail level which cannot be managed without adding extra value to the subject goods. The importers contended that all these factors may also be considered in fixing value of subject goods.



4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because it is generally known to all that majority of invoices produced at import stage are manipulated/fabricated and hence the requisite information required under the law was not available to arrive at the correct transaction value. Identical / similar goods value method 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 values of various types of Euro Cake.

5. **Customs values for Euro Cake :** *Euro Cake hereinafter specified* shall be assessed to duty/ taxes at the following Customs Values :-





S.No	Description of Goods	Origin	HS code	Proposed H.S.Code for Weboc	Customs Values (C&F) US\$/Kgs
01	Euro Cake Pound Cake 323 gram	All Origin	1905.9000	1905.9000.1000	US\$ 2.36
02	Euro Cake Swiss 2/pc mini Roll 20/28/30 gram	All Origin	1905.9000	1905.9000.1100	US\$ 1.80
03	Euro Cake Jumbo Croissant 50 gram	All Origin	1905.9000	1905.9000.1200	US\$ 2.48
04	Euro Cake Muffin 40 gram	All Origin	1905.9000	1905.9000.1300	US\$ 3.10
05	Euro Cake Snack Cakes Sugar Free 176 gram	All Origin	1905.9000	1905.9000.1500	US \$ 4.83
06	Euro Cake Banana Pudding Cake 210 gram	All Origin	1905.9000	1905.9000.1600	US \$ 3.20
07	Euro Cake Swiss Roll 300 gram	All Origin	1905.9000	1905.9000.1800	US \$ 2.54
08	Euro Cake Twin Cake 360 gram	All Origin	1905.9000	1905.9000.1900	US \$ 2.12

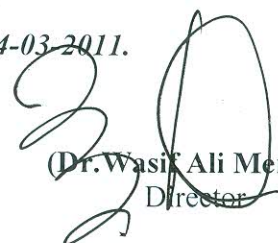
6. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling request formalities relating to importability or other certifications required thereon.

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

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 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, 7<sup>th</sup> 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.

10. *This ruling supersedes Valuation Ruling No.305/2011 Dated,24-03-2011.*

  
(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.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
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 in One Customs & WeBOC database system and deleting Valuation Ruling No.305/2011, dated 24-03-2011.
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, Appraisalment, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File.