



GOVERNMENT OF PAKISTAN

DIRECTORATE GENERAL OF CUSTOMS VALUATION

CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West) / Port Qasim / MCC Export (Karachi/Port Qasim)/ Preventive, Karachi/Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUE OF CHOCOLATES UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1042/2016)

No. Misc/10/2012-I / 367

Dated: 13-02-2017

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

2. **Background of the Valuation Issue:** Customs values of Chocolate were earlier determined and notified vide Valuation Ruling No.636/2014, dated 29th January, 2014. A number of representations from importers were received stating that changes had occurred in international trading prices of subject goods and that due to the difference between valuation ruling values and actual trading prices, resulting in incentive for smuggling etc. Since prevailing customs values mentioned in the said Valuation Ruling are also over two years old, therefore, the customs values therein need to be revised in view of current international price trends. An exercise to determine the customs value of subject goods was accordingly undertaken.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings for the determination of customs values of Chocolates with stakeholders were held on 18-08-2016 & 22-09-2016 which were duly attended by all the stakeholders. All the stakeholders agitated that the said valuation Ruling be reviewed in the light of prevailing international and local market prices so that import could be increased. 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. The traders further stated that since the subject goods are mainly being sold on super and general stores, therefore, a lot more expenses (shelf rent, marketing expenses, refrigeration cost 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. Prices were accordingly also verified on the basis of location of market in the city and date of expiry of the product in question.

4. **Method Adapted 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 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 Chocolates.

5. Customs Values for Chocolates: Chocolates *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 Value (US\$ per Kg) Net Content
(1)	(2)	(3)	(4)	(5)	(6)
1.	Chocolate Brands Mars, Bounty, Snickers, Twix 18 Grams	1806.3100 1806.3200 1806.9000	1806.3100.1000 1806.3200.1000 1806.9000.1000	All origins	6.00
2.	Chocolate Brands Mars, Bounty, Snickers, Twix 35 Grams	1806.3100 1806.3200 1806.9000	1806.3100.1100 1806.3200.1100 1806.9000.1100	All origins	5.75
3.	Chocolate Brands Mars, Bounty, Snickers, Twix 40 Grams	1806.3100 1806.3200 1806.9000	1806.3100.1200 1806.3200.1200 1806.9000.1200	All origins	5.50
4.	Chocolate Brands Mars, Bounty, Snickers, Twix 54 Grams	1806.3100 1806.3200 1806.9000	1806.3100.1300 1806.3200.1300 1806.9000.1300	All origins	5.25
5.	Chocolate Brands Mars, Bounty, Snickers, Twix 150 Grams Miniature Bags	1806.3100 1806.3200 1806.9000	1806.3100.1400 1806.3200.1400 1806.9000.1400	All origins	5.00
6.	Chocolate Brands Mars, Bounty, Snickers, Twix 270 Grams Miniature Bags	1806.3100 1806.3200 1806.9000	1806.3100.1500 1806.3200.1500 1806.9000.1500	All origins	4.75
7.	Chocolate Brands Mars, Bounty, Snickers, Twix 324 Grams 6 Packs	1806.3100 1806.3200 1806.9000	1806.3100.1600 1806.3200.1600 1806.9000.1600	All origins	4.50



8.	Ritter Sport Alpine Milk Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.1700 1806.3200.1700 1806.9000.1700	All origins	8.41
9.	Alprose Swiss Prom in 300gms/ Alprose Swiss Butter Sweet 300gms	1806.3100 1806.3200 1806.9000	1806.3100.1800 1806.3200.1800 1806.9000.1800	All origins	4.90
10.	After Eight 200gm	1806.3100 1806.3200 1806.9000	1806.3100.1900 1806.3200.1900 1806.9000.1900	All origins	4.25
11.	After Eight 400gm	1806.3100 1806.3200 1806.9000	1806.3100.2000 1806.3200.2000 1806.9000.2000	All origins	4.00
12.	Celebration Gift Tub 750gms	1806.3100 1806.3200 1806.9000	1806.3100.2600 1806.3200.2600 1806.9000.2600	All origins	10.00
13.	Chocolate Brand Cadbury (Various Flavours/Blends) 41-99 Grams	1806.3100 1806.3200 1806.9000	1806.3100.2700 1806.3200.2700 1806.9000.2700	All origins	5.00
14.	Chocolate Brand Cadbury (Various Flavours/Blends) 100-149 Grams	1806.3100 1806.3200 1806.9000	1806.3100.2800 1806.3200.2800 1806.9000.2800	All origins	4.80
15.	Chocolate Brand Cadbury (Various Flavours/Blends) 200 & above Grams	1806.3100 1806.3200 1806.9000	1806.3100.2900 1806.3200.2900 1806.9000.2900	All origins	4.60
16.	Cadbury Flake Chocolate Bars	1806.3100 1806.3200 1806.9000	1806.3100.3000 1806.3200.3000 1806.9000.3000	All origins	5.00
17.	Cadbury Dairy Milk (fruit & Nut)	1806.3100 1806.3200 1806.9000	1806.3100.3100 1806.3200.3100 1806.9000.3100	All origins	16.00
18.	Delacre Prestige Luxury Belgian Chocolate	1806.3100 1806.3200 1806.9000	1806.3100.3200 1806.3200.3200 1806.9000.3200	All origins	18.00
19.	Ferraro Rocher 300gms	1806.3100 1806.3200 1806.9000	1806.3100.3300 1806.3200.3300 1806.9000.3300	All origins	6.00
20.	Ferraro Rocher 200gms	1806.3100 1806.3200 1806.9000	1806.3100.3400 1806.3200.3400 1806.9000.3400	All origins	5.80
21.	Chocolate Brand Galaxy (Various Flavours/Blends) 15-40 Grams	1806.3100 1806.3200 1806.9000	1806.3100.3500 1806.3200.3500 1806.9000.3500	All origins	12.00
22.	Chocolate Brand Galaxy (Various Flavours/Blends)	1806.3100 1806.3200 1806.9000	1806.3100.3600 1806.3200.3600 1806.9000.3600	All origins	11.00



	41-99 Grams				
23.	Chocolate Brand Galaxy (Various Floavours/Blends) 100-149 Grams	1806.3100 1806.3200 1806.9000	1806.3100.3700 1806.3200.3700 1806.9000.3700	All origins	10.00
24.	Chocolate Brand Galaxy (Various Floavours/Blends) 150-199 Grams	1806.3100 1806.3200 1806.9000	1806.3100.3800 1806.3200.3800 1806.9000.3800	All origins	9.00
25.	Chocolate Brand Galaxy (Various Floavours/Blends) 200 Grams & above	1806.3100 1806.3200 1806.9000	1806.3100.3900 1806.3200.3900 1806.9000.3900	All origins	8.00
26.	Galaxy Jewels Chocolates 400gms	1806.3100 1806.3200 1806.9000	1806.3100.4000 1806.3200.4000 1806.9000.4000	All origins	8.80
27.	Guylian Belgian Chocolates (Various Blends/Flavours)	1806.3100 1806.3200 1806.9000	1806.3100.4100 1806.3200.4100 1806.9000.4100	All origins	25.00
28.	Ghirardelli Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.4200 1806.3200.4200 1806.9000.4200	All origins	40.00
29.	Godiva Chocolatier Assorted Belgian Gift Box	1806.3100 1806.3200 1806.9000	1806.3100.4300 1806.3200.4300 1806.9000.4300	All origins	35.00
30.	Gudrun A Collection of Fine Belgian Chocolates Gift Box	1806.3100 1806.3200 1806.9000	1806.3100.4400 1806.3200.4400 1806.9000.4400	All origins	40.00
31.	Hcharffen Berger 3-Bar Chocolates Assortment Gift	1806.3100 1806.3200 1806.9000	1806.3100.4500 1806.3200.4500 1806.9000.4500	All origins	48.00
32.	Heath Miniature Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.4600 1806.3200.4600 1806.9000.4600	All origins	25.00
33.	Tiffany Chocolate	1806.3100 1806.3200 1806.9000	1806.3100.4700 1806.3200.4700 1806.9000.4700	All origins	4.50
34.	Chocolate Brands Gandour, Anata, Shirin Asal and Shoniz	1806.3100 1806.3200 1806.9000	1806.3100.4800 1806.3200.4800 1806.9000.4800	All origins	4.00
35.	Nestle Crunch 180gms	1806.3100 1806.3200 1806.9000	1806.3100.4900 1806.3200.4900 1806.9000.4900	All origins	8.00
36.	Chocolate Lindt (Various Flavours / Blends) Upto 50 Grams	1806.3100 1806.3200 1806.9000	1806.3100.5000 1806.3200.5000 1806.9000.5000	All origins	17.00



37.	Chocolate Lindt (Various Flavours / Blends) 51-99 Grams	1806.3100 1806.3200 1806.9000	1806.3100.5100 1806.3200.5100 1806.9000.5100	All origins	16.00
38.	Chocolate Lindt (Various Flavours / Blends) 100-149 Grams	1806.3100 1806.3200 1806.9000	1806.3100.5200 1806.3200.5200 1806.9000.5200	All origins	15.00
39.	Chocolate Lindt (Various Flavours / Blends) 150-200 Grams	1806.3100 1806.3200 1806.9000	1806.3100.5300 1806.3200.5300 1806.9000.5300	All origins	14.00
40.	Chocolate Lindt (Various Flavours/Blends) 201-300 Grams	1806.3100 1806.3200 1806.9000	1806.3100.5400 1806.3200.5400 1806.9000.5400	All origins	13.00
41.	Chocolate Lindt (Various Flavours/Blends) 301-500 Grams	1806.3100 1806.3200 1806.9000	1806.3100.5500 1806.3200.5500 1806.9000.5500	All origins	12.00
42.	M&M Chocolate Beens (Various Packings)	1806.3100 1806.3200 1806.9000	1806.3100.5600 1806.3200.5600 1806.9000.5600	All origins	6.10
43.	Milky way 100 gms	1806.3100 1806.3200 1806.9000	1806.3100.5700 1806.3200.5700 1806.9000.5700	All origins	6.95
44.	Quality Street 240/265gms	1806.3100 1806.3200 1806.9000	1806.3100.5800 1806.3200.5800 1806.9000.5800	All origins	4.00
45.	Quality Street Gift Tub 350/ 480gms	1806.3100 1806.3200 1806.9000	1806.3100.5900 1806.3200.5900 1806.9000.5900	All origins	3.90
46.	Quality Street Gift Tub 820/ 850gms	1806.3100 1806.3200 1806.9000	1806.3100.6000 1806.3200.6000 1806.9000.6000	All origins	4.00
47.	Valor Chocolate (Various Flavours/Blends)	1806.3100 1806.3200 1806.9000	1806.3100.6100 1806.3200.6100 1806.9000.6100	All origins	4.80
48.	Loacker Chocolate Bar (Various Flavours/Blends)	1806.3100 1806.3200 1806.9000	1806.3100.6200 1806.3200.6200 1806.9000.6200	All origins	12.00
49.	Toblerone (white)	1806.3100 1806.3200 1806.9000	1806.3100.6300 1806.3200.6300 1806.9000.6300	All origins	6.75
50.	Toblerone (milk)	1806.3100 1806.3200 1806.9000	1806.3100.6400 1806.3200.6400 1806.9000.6400	All origins	6.00
51.	Mixed Minis Chocolate 500 gms	1806.3100 1806.3200 1806.9000	1806.3100.6500 1806.3200.6500 1806.9000.6500	All origins	5.90
52.	Nestle Smarties	1806.3100 1806.3200 1806.9000	1806.3100.6600 1806.3200.6600 1806.9000.6600	All origins	4.75



53.	Willie's Chocolate 50gms	1806.3100 1806.3200 1806.9000	1806.3100.6700 1806.3200.6700 1806.9000.6700	All origins	6.00
54.	Fai Don Chocolate	1806.3100 1806.3200 1806.9000	1806.3100.6800 1806.3200.6800 1806.9000.6800	All origins	3.75
55.	Tayas Chocolate	1806.3100 1806.3200 1806.9000	1806.3100.6900 1806.3200.6900 1806.9000.6900	All origins	3.60
56.	Chocolate Hershey's Various Flavours/Blends)	1806.3100 1806.3200 1806.9000	1806.3100.7000 1806.3200.7000 1806.9000.7000	All origins	11.00
57.	Leonidas Belgian Chocolate	1806.3100 1806.3200 1806.9000	1806.3100.7100 1806.3200.7100 1806.9000.7100	All origins	40.00
58.	Merci European Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.7200 1806.3200.7200 1806.9000.7200	All origins	40.00
59.	Nestle Swiss White Chocolate Tablet/Nestle Swiss Milk Chocolate with Hazelnut Tablet/ Nestle Swiss Milk Chocolate Tablet	1806.3100 1806.3200 1806.9000	1806.3100.7400 1806.3200.7400 1806.9000.7400	All origins	12.00
60.	Le Choco Lounge Truffles	1806.3100 1806.3200 1806.9000	1806.3100.7500 1806.3200.7500 1806.9000.7500	All origins	60.00
61.	Mark & Spencer Milk Dark and White Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.7600 1806.3200.7600 1806.9000.7600	All origins	35.00
62.	Valrhona French Gourmet Chocolate	1806.3100 1806.3200 1806.9000	1806.3100.7700 1806.3200.7700 1806.9000.7700	All origins	40.00
63.	Seattle Chocolates Gift Box	1806.3100 1806.3200 1806.9000	1806.3100.7800 1806.3200.7800 1806.9000.7800	All origins	60.00
64.	Mariach Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.7900 1806.3200.7900 1806.9000.7900	All origins	60.00
65.	Royal Belgian Thin Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.8000 1806.3200.8000 1806.9000.8000	All origins	30.00
66.	Hershey's Pot of Gold Milk & Dark Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.8100 1806.3200.8100 1806.9000.8100	All origins	20.00
67.	Milka Milk Chocolates	1806.3100 1806.3200 1806.9000	1806.3100.8200 1806.3200.8200 1806.9000.8200	All origins	7.00
68.	Kinder Bueno (Wafer)	1806.3100 1806.3200	1806.3100.8300 1806.3200.8300	All	3.00



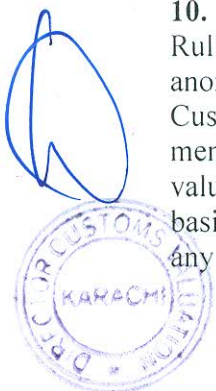
		1806.9000	1806.9000.8300	origins	
69.	Kinder T-4 (50gms)	1806.3100 1806.3200 1806.9000	1806.3100.8400 1806.3200.8400 1806.9000.8400	All origins	4.00
70.	Kinder T-8 (100gms)	1806.3100 1806.3200 1806.9000	1806.3100.8500 1806.3200.8500 1806.9000.8500	All origins	3.75
71.	Rapsodi Vigos Compound Chocolate (1kg/packet)	1806.3100 1806.3200 1806.9000	1806.3100.8600 1806.3200.8600 1806.9000.8600	All origins	2.00
72.	Cagla Brand Compound Chocolate	1806.3100 1806.3200 1806.9000	1806.3100.8700 1806.3200.8700 1806.9000.8700	All origins	3.25
73.	Kit Kat Bars	1806.3100 1806.3200 1806.9000	1806.3100.8800 1806.3200.8800 1806.9000.8800	All origins	4.00

6. These values do not cover alcohol-filled chocolates due to importability concerns. 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, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling. Furthermore, in case an imported consignment of subject goods contains items that are not covered by this valuation ruling, the same may be processed under section 25 of the Customs Act, 1969 or under section 81 of the Act.

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 25-A of the Customs Act, 1969. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25-A, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

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 issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7th 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 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 especially with reference to filled with any



prohibitive item thereon in chocolates. 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.

11. ***This ruling supersedes Valuation Ruling No.636/2014, dated 29-01-2014.***

(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), 1st 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.636/2014, dated 29-01-2014 from the system on the date of issue of this ruling.
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, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. 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, Appraisalment, 1st Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File