



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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, Directorate General of Transit Trade, Karachi.

DETERMINATION OF CUSTOMS VALUE OF MILK PREPARATION FOR INFANT USE UNDER SECTION 25-A OF CUSTOMS ACT, 1969.

(VALUATION RULING NO. 1148 2017)

No. Misc/31/2013-I

Dated: May 04th, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 Customs values of Milk Preparation For Infant Use are determined as follows:-

2. **Background of the Valuation Issue:** The Customs values of Milk Preparation for Infant Use were determined and notified vide Valuation Ruling No.624/2013, dated 23rd December 2013 and its addendum dated 20-01-2014. Since prevailing customs values mentioned in the said Valuation Ruling were over three years old, therefore, the customs values therein needed to be revised in view of current international price trends. Hence, an exercise to determine the customs values of subject goods was initiated.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings for determination of customs values of Milk Preparation For Infant Use were scheduled on 03-01-2017 and 27-04-2017 which were, duly attended by stakeholders, and representatives of importers. The stakeholders were requested to submit the following documents:-

- i) Copy of G.Ds & invoices of imports during last three months showing factual value.
- ii) Website names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii) Copy of Contract or any other document through which price has been finalized with the supplier of the goods.
- iv) Copy of L/Cs and contract made during the last three months showing the values of the item in question.
- v)

The current international prices of the subject goods were discussed with the stakeholders and they unanimously agreed that the values should be increased upwards rationally. The view point of all participants was heard in detail and considered to arrive at the assessable value of subject goods.

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 was not available as per law. 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 could not be solely relied upon due to variation in the same. In line with the statutory sequential order of Section 25, this office conducted market inquiries as stipulated under Sub-Section (7) of the Section 25 of the Customs Act, 1969. This method yielded most of the reference values. 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, clearance data, market information and



international prices through the internet were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, section 25(9) of the Customs Act, 1969 was applied to arrive at assessable customs values of Milk Preparation for Infant Use.

5. **Customs values for Milk Preparation For Infant Use:** Milk Preparation For Infant Use *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)	(4)	(5)	(5)	(6)
1.	Milk Preparation for Infant Use • Infant Formula • Follow Up Formula • Grown Up Formula	1901.1000	1901.1000.1000	Europe	6.25
		1901.1000	1901.1000.1100	Far East	5.75
2.	Milk Preparation for Infant Use • Lactose Free Formula	1901.1000	1901.1000.1200	Europe	7.25
		1901.1000	1901.1000.1300	Far East	6.75
3.	Milk Preparation for Infant Use • Premature Formula	1901.1000	1901.1000.1400	Europe	8.25
		1901.1000	1901.1000.1500	Far East	7.50
4.	Infant Milk Formula (Soft Pack)	1901.1000	1901.1000.1600	Belarus	4.00

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.

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.

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.624/2013, dated 23-12-2013 and its Addendum dated 20-01-2014.*


(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 (Appraisement), 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 values mentioned in Valuation Ruling No.624/2013, dated 23-12-2013 and its Addendum dated 20-01-2014, from the system on the date of issuance 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, Appraisement, 1st Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File.