



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West)/ Port Qasim, Export (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 Values of Energy Drinks Under Section
25-A of The Customs Act, 1969**

(VALUATION RULING NO. ¹²⁰³ /2017)

No. Misc/07/2013-I/ ¹¹⁷⁰⁷

Dated: August 22nd 2017

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

2. Background of the valuation issue: Customs Values of various Brands of Energy Drinks from different origins were determined vide Valuation Ruling No. 922/2016 dated 31.08.2016 and those of Code Red Brand (Carbonated Energy drink) were circulated vide VDB No.170/2016 dated 24.01.2017. Since the previous Valuation Ruling was more than one year old, it was deemed expedient to re-determine values of Energy Drinks in line with the international price trends. Hence, an exercise was initiated by this Directorate General to re-determine the customs values afresh.

3. Stakeholders' participation in determination of Customs values: A meeting was scheduled on 25-07-2017 with stakeholders and importers of subject goods which was attended by representatives of clearance Collectorate also. All stakeholders were requested to submit the following documents:

- Invoices of imports during last three months showing factual value.
- Websites names and E-mail addresses of known foreign suppliers of the item in question through which the actual current value can be ascertained.
- Copies of Contracts made/LCs opened during the last three months showing the value of item in question.
- Copies of Sales Tax invoices issued during last four months showing the differences in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

The importers / stakeholders contended that market surveys were earlier conducted from high end retail outlets and requested that different markets be consulted for the survey of subject goods. The importers insisted that since the subject goods are mainly being sold at Super and General Stores, therefore, a lot more expenses (breakage due to shifting from place to place, expiry, self-rent, marketing expenses) etc. are incurred thus increasing their retail price. The view point of all stakeholders was considered before arriving at customs values of Energy Drinks.

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 as the requisite information was not available as per law. Identical / Similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to determine Customs value of the subject goods. This data provided some references, however, it was found that the same cannot be solely relied upon due to variation in the same. In line with the statutory sequential order of Section 25, this office then conducted market inquiries using deductive value method under Sub-Section (7) of Section 25 of the Customs Act, 1969. Most of the reference values were obtained from this method. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. Finally, clearance data, market information and international prices through the internet were examined thoroughly and the information so gathered was utilized and analyzed for determination of Customs Values of Energy Drinks under Section 25(9) of the Customs Act, 1969.

5. Customs values for Energy Drinks: Energy Drinks hereinafter specified shall be assessed to duty and taxes at the following Customs Values:-

S. No	Description of Goods	PCT Code	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US\$/Litre
(1)	(2)	(3)	(4)	(5)	(6)
1.	Epic	2202.1010	2202.1010.1000	Austria	1.25/litre
2.	Power Horse	2202.1010	2202.1010.1100	Austria	1.40/litre
3.	Red Bull (Silver and Blue cans)	2202.1010	2202.1010.1200	Austria	1.65/litre
4.	Carabao	2202.1010	2202.1010.1300	Thailand	0.81/litre
5.	Rock star	2202.1010	2202.1010.1400	United Kingdom	1.40/litre
6.	Explosions	2202.1010	2202.1010.1500	United Kingdom	1.71/litre
7.	Irn Bru	2202.1010	2202.1010.1600	United Kingdom	1.00/litre
8.	Boost	2202.1010	2202.1010.1700	United Kingdom	1.01/litre
9.	Lucozade	2202.1010	2202.1010.1800	United Kingdom	1.10/litre
10.	Mad Croc	2202.1010	2202.1010.1900	Netherland	0.97/litre
11.	Carrefour	2202.1010	2202.1010.2000	Netherland	1.42/litre
12.	Speed	2202.1010	2202.1010.2100	Netherland	1.46/litre
13.	She-Beauty	2202.1010	2202.1010.2200	Poland	1.34/litre
14.	Backer	2202.1010	2202.1010.2300	Korea	0.83/litre
15.	Effect	2202.1010	2202.1010.2400	Germany	2.40/litre
16.	Ginseng	2202.1010	2202.1010.2500	Korea	0.83/litre
17.	Red Line	2202.1010	2202.1010.2600	Korea	0.83/litre

18.	Monster	2202.1010	2202.1010.2700	United Kingdom	1.21/litre
19.	Bison	2202.1010	2202.1010.2800	South Africa	0.92/litre
20.	Big	2202.1010	2202.1010.2900	Poland	1.09/litre
21.	Power Cell	2202.1010	2202.1010.3000	U.A.E	0.97/litre
22.	Best in Drink	2202.1010	2202.1010.3100	United Kingdom	0.92/litre
23.	Red Impala	2202.1010	2202.1010.3200	Thailand	0.81/litre
24.	Code Red	2202.1010	2202.1010.3300	Saudi Arabia	0.90/litre
25.	Other	2202.1010	2202.1010.3400	USA / Europe / Australia	1.55/litre
			2202.1010.3500	Other Origin	1.35/litre
NON CARBONATED ENERGY DRINKS					
26.	Fighter Buffalo	2202.9900	2202.9900.1000	Vietnam	1.00/litre
27.	Red Bull (Golden Can)	2202.9900	2202.9900.1100	Thailand	0.75/litre
28.	Dragon	2202.9900	2202.9900.1200	South Africa	0.80/litre
29.	Other	2202.9900	2202.9900.1300	USA / Europe / Australia	1.20/litre
			2202.9900.1400	Other origin	1.10/litre

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 and the same may be communicated to this Directorate General forthwith. 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-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 issuance 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 this Directorate General immediately. Custom 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 office. The assessment shall be finalized on the bases 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.922/2016, dated 31-08-2016, & VDB No.170/2017 dated 24.01.2017.

(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 values mentioned in Valuation Ruling No.922/2016, dated 31-08-2016 & VDB No.170/2017 dated 24.01.2017 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, Appraisalment, 1st Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File