



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

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 VALUE OF SAUCES/SALAD DRESSING /
/MAYONNAISE/MUSTARD AND TOMATO KETCHUP UNDER
SECTION 25-A OF THE CUSTOMS ACT, 1969.**

(VALUATION RULING NO. 1215 / 2017)

No. Misc/08/2014-I/ 1952

Dated 5-10-2017

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs value of Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup is determined as follows:

2. **Background of the valuation issue:** Customs values of Sauces / Salad Dressing/ Mayonnaise / Mustard and Tomato Ketchup were earlier determined through Valuation Ruling No.952/2016 dated 13.10.2016. There was representation from commercial importer for determination of customs value of subject items a fresh. Commercial importer claimed that the prices of Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup are lower in the International markets than the customs value determined in the existing valuation ruling, which is over one year old, hence it is required to be revised in the light of honorable High Court of Sind, at Karachi's orders dated 10.11.2015 in Constitutional Petition No. D-6918/2015. Since 90 days have passed and representations were received from commercial importer regarding values determined in the valuation ruling dated 13.10.2016, hence an exercise was initiated to re-determine the values of subject items.

3. **Stakeholders' participation in determination of Customs values:** Meetings were held on 25-09-2017 and 03-10-2017, with stakeholders of subject items. The representatives of MCC Appraisement (West) Karachi also participated in the meetings. The commercial importers requested that the said valuation ruling may be reviewed in the light of prevailing international market prices. They contended that the Customs Values determined in the valuation ruling dated 13.10.2016 are required to be revised downward; otherwise these products will find their way into market through illegal routes which will create a grey area and adversely affect the bona-fide trade of our country. It was also highlighted that the subject

goods are perishable nature and have limited shelf life. Consequently, near the expiry dates these products are sold on sale/ discounted prices. It was also pointed out by the importers that the subject items are being sold mainly on super and general stores; therefore, a lot more expenses like shelf rent, marketing expenses etc are incurred at retail level which cannot be managed without adding extra value to the subject goods. The importers contended that all these factors may be considered while determining the Customs value of subject goods. On the other hand, the local manufacturers specially Tomato Ketchup manufacturer contended that there is no radical change in the prices of subject items in international market and requested to maintain the same as determined vide Valuation Ruling No.952/2016 dated 13.10.2016. The view point of all participants was heard in detail and considered to arrive at Customs value of Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, was found inapplicable in light of the wide variety of invoices submitted at import stage, the veracity of which could not be ascertained fully, hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide 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 the importers usually provided 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 the 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 Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup. 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 Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup.

5. **Customs values for Sauces /Salad Dressing/Mayonnaise/Mustard & Tomato Ketchup :** Sauces / Salad Dressing / Mayonnaise / Mustard and Tomato Ketchup *hereinafter specified* shall be assessed to duty / taxes at the Customs Values following :-

S. No.	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/Kg Net Weight
(1)	(2)	(3)	(4)	(5)	(6)
1	Sauces of Brands; Nando's (all types), Kikkoman and Peri Peri.	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1000 2103.2000.1100 2103.3000.1200 2103.9000.1300	All origin	3.00
2	Sauces of Brands; American Garden / American Kitchen/ Suree /Mama Sita/ Amoy/ Heinz /Magic time/ Omaz/ Delicio/ L&P/ HP/ Remia/ Razmin/ Herman and Ragu	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1100 2103.2000.1200 2103.3000.1300 2103.9000.1400	All origin	1.85
3	Sauces of other Brands	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1200 2103.2000.1300 2103.3000.1400 2103.9000.1500	All origin	2.25
4	Salad Dressings/Mayonnaise / Mustard of Brands; American Garden, American Kitchen ,Mama Sita, Colman's, French's, Heinz, Magic Time, Omaz, Delicio, L&P, H.P, Amoy, Herman and Ragu.	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1300 2103.2000.1400 2103.3000.1500 2103.9000.1600	All origin	2.15
5	Salad Dressings/ Mayonnaise / Mustard of other Brand	2103.1000 2103.2000 2103.3000 2103.9000	2103.1000.1400 2103.2000.1500 2103.3000.1600 2103.9000.1700	All origin	2.40
6	Tomato Ketchup (Heinz , Magic Time, Delicio and American Kitchen Brands)	2103.2000	2103.2000.1600	All origin	1.40
7	Tomato Ketchup (Other Brands)	2103.2000	2103.2000.1700	All origin	1.45
8	20% discount if imported in bulk packing (Above 2Kgs).				

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. 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, 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.

10. ***This Ruling supersedes*** Valuation Ruling No.952/2016 dated 13-10-2016.


(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 & We BOC database system and deleting Valuation Ruling No.952/2016 dated 13-10-2016.
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, and / MCC, Appraisalment, 1st Floor, Custom House, Karachi.
21. Guard File.