

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

Determination of Customs Value of Chewing Gum and Mints under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 1325 / 2018)

No. Misc/11/2012-I/ 1322

Dated: September 14, 2018

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

2. **Background of the valuation issue:** Earlier Customs values of Chewing Gum were determined through Valuation Ruling No.1000/2016 dated 22.12.2016. However, various representations were received from the importers for re-determination of value of chewing gum and mint. Hence, an exercise was initiated by this Directorate General to re-determine the customs values of chewing gum and mints.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders, including importers and representatives from field formations, were held on 07-03-2018, 05-07-2018 and 04-09-2018 to discuss the current international prices of the subject goods. Importers of different types of Wrigley's brand stated that values already determined are correctly reflecting transaction values. Certain other brands importers requested to include their items in the ruling and presented documents in support of their contentions. The importer of Batook brand claimed that customs values already determined in the existing Ruling are high and contended that this brand is being brought into our country from illegal channels causing loss to the exchequer. The stakeholders were requested to furnish all supporting documents and evidences in support of their contentions so that the same could be considered. All the record furnished to this Directorate General has carefully examined to arrive at customs values of subject goods.

5. **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 declared values at import stage, 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 was 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. 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 the Section 25 of the Customs Act, 1969 and determined customs values of Chewing Gum and Mints accordingly.



6. **Customs values for Chewing Gum and Mints:** Chewing Gum and Mints *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:

S. No.	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) USS/Kg Net Weight
(1)	(2)	(3)	(4)	(5)	(6)
1.	Chewing Gum Wrigley's Brand Extra Pallet various flavors	1704.1000	1704.1000.1000	All origin	10.82
2.	Chewing Gum Wrigley's Brand Extra Professional various flavors	1704.1000	1704.1000.1100	All origin	15.88
3.	Chewing Gum Wrigley's Brand Extra Tab various flavors	1704.1000	1704.1000.1200	All origin	15.00
4.	Chewing Gum Wrigley's Brands Other than "Extra" Sugar Free various flavors	1704.1000	1704.1000.1300	All origin	16.00
5.	Chewing Gum Orbit Brand various flavors	1704.1000	1704.1000.1400	All origin	17.00
6.	Chewing Gum Wrigley's Brand 5 Gum various flavors	1704.1000	1704.1000.1500	All origin	14.00
7.	Chewing Gum Brand Lotte /Spout	1704.1000	1704.1000.1600	All origin	2.40
8.	Chewing Gum Batook Brand	1704.1000	1704.1000.1700	All origin	1.65
9.	Chewing Gum Brand Mentos Gum Spearmint Sugar free	1704.1000	1704.1000.1800	All origin	12.00
10.	Chewing Gum Brand Mentos Chewy Dragees Spearmint Roll	1704.1000	1704.1000.1900	All origin	10.00
11.	Chewing Gum Brand Happy dent various flavors	1704.1000	1704.1000.2000	All origin	5.45
12.	Chewing Gum Brand Trident various flavors	1704.1000	1704.1000.2100	All origin	9.00
13.	Chewing Gum Brand Trident Sugar free Various flavors	1704.1000	1704.1000.2200	All origin	10.35
14.	Chewing Gum Strawberry Twist	1704.1000	1704.1000.2300	All origin	7.12



15.	Chewing Gum Brand Marukawa Fusen Gum	1704.1000	1704.1000.2400	Japan	1.90
16.	Chewing Gum Brand Hubba Bubba Bubble Gum	1704.1000	1704.1000.2500	All origin	10.00
17.	Nicotine Chewing Gum Various Brands & Flavors	1704.1000	1704.1000.2600	All origin	65.00
18.	Chewing Gum Brand Eclipse Various Flavors & Sugar Free	1704.1000	1704.1000.2700	All origin	20.00
19.	Brand Altoids various Flavors & Sugar Free	1704.1000	1704.1000.2800	All origin	20.00
20.	Brand Tic Tac Mints various Flavors	1704.1000	1704.1000.2900	All Origin	5.25
21.	Chewing Gum Brand 7 Stick Various Flavors & Sugar Free	1704.1000	1704.1000.3000	All Origin	7.70
22.	Chewing Gum Brand Smint Various Flavors & Sugar Free	1704.1000	1704.1000.3100	All Origin	15.00
23.	Chewing Gum Brand Dr. Xylitol Various Flavors & Sugar Free	1704.1000	1704.1000.3300	All origin	8.00
24.	Chewing Gum Other Brands	1704.1000	1704.1000.3400	USA / Europe & South Africa	18.00
		1704.1000	1704.1000.3500	China	1.90
		1704.1000	1704.1000.3600	Other Origin	15.00



7. 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 element of air freight while assessing the goods.

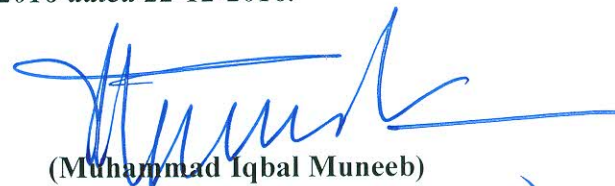
8. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

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 this Valuation 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. Customs values determined in the ruling are for the description and specification as mentioned in the Annexure to this Valuation Ruling. HS Codes are

mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. 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.

11. ***This ruling supersedes Valuation Ruling No.1000/2016 dated 22-12-2016.***


(Muhammad Iqbal Muneeb)

Director

15/9/17

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 WeBOC database system and deleting VR 1000/2016 dated 22-12-2016.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & 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 (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR website.
22. Guard File.