

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 Various Spices and Nutmeg
Under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 135/2019)

No. Misc/15/2016-I/

11629

Dated: January 08, 2019

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

2. **Background of the valuation issue:** Earlier customs values of Various Spices and Nutmeg were determined through Valuation Ruling No.1047/2017 dated 16-02-2017. There were several representations from importers and clearance formations, wherein they contended that customs values determined in the existing Valuation Ruling are not reflective of prices in international markets, therefore required to be revised in line with the prevailing prices in the international market. Therefore, this Directorate General initiated an exercise for re-determination of customs values of various Spices and Nutmeg under section 25-A of the custom Act 1969.

3. **Stakeholders' participation in determination of Customs values:** Several meetings with stakeholders, including importers and representatives from field formations, were held in this Directorate General. The importers contended that the customs values of various spices and nutmeg determined vide the exiting Valuation Ruling are high and therefore require fair revision in line with the prevailing prices in the international market. 2

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. The importers of various Spices and representatives from Pakistan Kiryana Merchants Association and field formations attended the meetings. The importers contended that the values of different spices especially black pepper and white pepper have reduced in the international market and therefore the existing ruling needs to be rationalized accordingly. Pakistan Kiryana Merchants Association also submitted their proposals dated 14-12-2018 and 31-12-2018 regarding the values of subject goods and requested for the early issuance of the notification as the importers are suffering hardships during assessment due to high customs



values. The view point of all participants was heard in detail and considered to arrive at fair value 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 variations in declared values at import stage, 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. 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 various Spices and Nutmeg accordingly.

6. **Customs values for Various Spices and Nutmeg:** Various Spices and Nutmeg *hereinafter specified* shall be assessed to duty / taxes at the Customs Values following:

S.No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/KG (On net weight basis)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Long Pepper	0904.1190	0904.1190.1000	All origin	1.90
2.	Black Pepper Whole	0904.1110	0904.1110.1000	All origin	2.30
3.	White Pepper Whole	0904.1120	0904.1120.1000	All origin	3.50
4.	Cloves	0907.1000	0907.1000.1000	All origin	5.00
5.	Small Cardamoms	0908.3120	0908.3120.1000	Guatemala	5.50
6.	Small Cardamoms	0908.3120	0908.3120.1100	India	6.50
7.	Big Cardamoms	0908.3120	0908.3120.1200	All origin	3.00
8.	Mace	0908.2100	0908.2100.1200	All origin	6.00
9.	Cassia / Cinnamon	0906.1900	0906.1900.1000	All origin	1.30
10.	Nutmeg	0908.1100	0908.1100.1000	All origin	3.10
11.	Star Ani Seeds	0909.6100	0909.6100.1000	All origin	1.80
12.	Kalonji	1211.9000	1211.9000.1000	All origin	0.80
13.	Cumin Seed/ Zeera	0909.3100	0909.3100.1000	All origin	1.90
14.	Dhaniya / Coriander Seed	0909.2100	0909.2100.1000	Russia / Bulgaria / Ukraine	0.45
15.	Dhaniya Coriander Seed	0909.2100	0909.2100.1100	India	0.55
16.	Sat Istabgol	1211.9000	1211.9000.1000	India	4.20
17.	Gum Talah	1302.3900	1302.3900.1000	All origin	1.00
18.	Gum Copal	1302.3900	1302.3900.1100	All origin	0.75
19.	Tej Patta	0910.9990	0910.9990.1000	All origin	0.55



20.	Tamarind with Seed	0813.4010	0813.4010.0000	All origin	0.35
21.	Seedlac /Lakh Dana	1301.9020	1301.9020.1000	India	3.00
22.	Asalia Seeds	1211.9000	1211.9000.1100	All origin	0.50


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.1047/2017 dated 16-02-2018.***


(Muhammad Iqbal Muneeb)
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.