



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, MCC Appraisement (East / West)/ Port Qasim, Karachi, MCC Preventive, Karachi/Lahore/Quetta/Peshawar, MCC Appraisement Lahore/ Quetta / Peshawar/ Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Gawadar/ Gilgit-Baltistan, MCC Exports, Port M. Bin Qasim and MCC Exports, Custom House, Karachi.

Determination of Customs Values of Aseptic Packaging Material for Liquid Food/Beverages under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. ¹³⁸¹/2019)

No. Misc/09/2011-III /2193

Dated: 12th July, 2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Aseptic Packaging Material for Liquid Food/Beverages are determined as follows:-

2. **Background of the valuation issue:** The customs values of Aseptic Packaging Material for Liquid Food/Beverages were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No.516/2012 dated 27-12-2012. As the Valuation Ruling was more than six years old, an exercise was conducted to analyze the international prices of the subject goods. During the course of investigation, it was observed that the price of subject goods in the international market have shown upward trend and therefore, an exercise was initiated to determine the customs values of aforementioned goods under Section 25A of the Customs Act, 1969.


3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were scheduled on 15-05-2018, 05-07-2018, 05-09-2018, 25-09-2018, 20-12-2018 08-01-2019 and 28-03-2019. The stakeholders were requested to furnish the following documents before or during the course of above said meetings:-

- 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 values of supplies (excluding duty and taxes) to substantiate their contentions.

4. During the course of meetings, the importers and local manufactures submitted their import documents as well as their calculation sheets of costing of the respective items. The importers opined that price have shown downward trend due to import orders of higher

quantities. The manufacturers, on the other hand, provided their working paper which showed increase in value of the subject goods.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act *ibid* was found inapplicable because required information under the law was not available. Identical / Similar Goods Value Method provided in Section 25(5) and (6) of the Act provided some reference values of the subject goods and found applicable for valuation of the subject item. Since the subject goods are imported for industrial purpose only, and not for sale in the open market, local market survey under sub-Section (7) of Section 25 of the Customs Act, 1969 could not be conducted to obtain the prices and work back the same under deductive valuation method. Computed valuation method, as envisaged under sub-section (8) of Section 25 *ibid* also could not be applied, as the cost of raw materials 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. Online (internet) enquiry had also been conducted which revealed wide variation in prices which were negotiable on the basis of quantities of the goods. All the available information was analyzed and evaluated. Consequently, reliance was placed upon sub-Section (5)&(6) of Section 25 of the Customs Act, 1969, and minimum customs values of Aseptic Packaging Material for Liquid Food/Beverages were determined under Section 25(5) & (6) of Section 25 of the Act *ibid*.

 **Customs Values of Aseptic Packaging Material for Liquid Food/Beverages:** The 'Aseptic Packaging Material for Liquid Food/Beverages' of China origin *hereinafter* specified shall be assessed to duty/taxes at the following minimum customs values.

S.No.	Description	PCT	Proposed for WeBOC	Origin	Customs Values (C&F) in US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Aseptic Packaging Material for Liquid Food/Beverages	4811.5990	4811.5990.1000	China	2.86

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. In case of consignment imported by air, the assessing officer shall take into account the differential between the air freight and sea freight while applying the customs values in this ruling.

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 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 Valuation Ruling supersedes Valuation Ruling No.516/2012 dated 27-12-2012.***


(Shafique Ahmad Latki)
Director

Copy for information to:

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs (Quetta).
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
10. The Director General, Post Clearance Audit (PCA), Islamabad.
11. The Director General, Internal Audit (Customs), Karachi.
12. The Director General, IOCO, Karachi.
13. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system and deleting the Valuation Ruling No.516/2012, dated 27-12-2012 from the system.
15. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
17. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.