



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

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The Collectors of Customs, Model Customs Collectorates, Appraisement & Facilitation (East / West) / Port Muhammad Bin Qasim / JIAP, Karachi (Appraisement & Facilitation / Enforcement & Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisement / Preventive) / Peshawar (Appraisement & Facilitation/ Enforcement & Compliance) / Gawadar / Gilgit-Baltistan / Export (Karachi / Port Qasim)

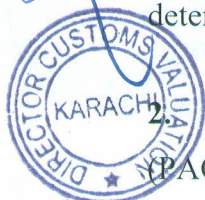
**DETERMINATION OF CUSTOMS VALUES OF PALM FATTY ACID DISTILLATE, PALM ACID OIL (PAO), MIXTURE OF FATTY ACIDS (MOFA), RESIDUE OF FATTY SUBSTANCES (ROFS), SOAP & GUM STOCK / SLUDGE OF SOAP STOCK / PITCH OIL / ALKALINE RESIDUE & INEDIBLE ANIMAL OR VEGETABLE OILS & FATS PCTS 3823.1910, 3823.1920, 3823.1990, 1522.0010, 1522.0090 & 1518.0000 UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.**

(VALUATION RULING NO. **1521** / 2021)

C. No. Misc/04/2018-II/**188**.

Dated: **09** -03-2021

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Palm Fatty Acid Distillate (PFAD), Palm Acid Oil (PAO), Mixture of Fatty Acids (MoFA), Residue Of Fatty Substances (RoFS), Soap & Gum Stock / Sludge Of Soap Stock / Pitch Oil / Alkaline Residue & Inedible Animal Or Vegetable Oils & Fats falling under PCTs 3823.1910, 3823.1920, 3823.1990, 1522.0010, 1522.0090 & 1518.0000 respectively are determined as follows:




**Background of the valuation issue:** Earlier the Customs values of Palm Acid Oil (PAO), Mixture of Fatty Acids (MoFA) & Residue of Fatty Substances (RoFS), PCTs 3823.1920, 3823.1990, 1522.0010 were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling Nos. 1347/2018 dated 18-12-2018, 1346/2018 dated 18-12-2018 & 336/2011 dated 13-06-2011 respectively. Representations were received from several stakeholders including M/s Pakistan Soap Manufacturers Association (PSMA) as well as Pakistan Edible Oil Refinery's Association that the international prices of the abovementioned goods are showing upward trend in international market and the Rulings be revised accordingly. Therefore, this Directorate General initiated an exercise for determination of Customs Values of the subject goods in terms of Section 25-A of the Customs Act, 1969.



**3. Stakeholders' participation in determination of values:** Meeting was scheduled and held on 04-03-2021 that was attended by different stakeholders including the representatives from Pakistan Soap Manufacturers Association (PSMA) and Pakistan Edible Oil Refiners Association (PEORA). The participants were requested to submit following documents before or during the course of meeting so that customs values could be determined: -

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

During the meeting, the stakeholders intimated that the values of Palm Fatty Acid Distillate (PFAD) are published in the Reuter's which is an accredited publication and should be linked with it. A unanimous proposal was also put forward that the value of Reuter's for said product be made basis of Valuation of remaining products/by products keeping in view international price trends, constituent materials and other aspects. Detailed deliberations were held and finally, unanimous formulas regarding valuation on the basis of Reuter's price for (PFAD) was agreed to arrive at values of other products.



**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 arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information under law was not available to arrive at the transaction value. Therefore, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries under sub-Section (7) of section 25 of the Customs Act, 1969, however, this method of valuation could not be exclusively relied upon. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as



conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969.

**5. Customs values for Palm Fatty Acid Distillate (PFAD), Palm Acid Oil (PAO), Mixture of Fatty Acids (MoFA), Residue Of Fatty Substances (RoFS), Soap & Gum Stock / Sludge Of Soap Stock / Pitch Oil / Alkaline Residue & Inedible Animal Or Vegetable Oils & Fats of PCTs 3823.1920, 3823.1990, 1522.0010, 1522.0090 & 1518.0000 respectively hereinafter specified shall be assessed to duty/taxes on the minimum Customs values as under:**

S. No	Description of goods	Origin	PCT	Proposed PCT for WeBOC	Customs Values (C&F) US\$ /MT
1	2	3	4	5	6
1.	Palm Fatty Acid Distillate (PFAD)	Malaysia / Indonesia	3823.1910	3823.1910.1000	Reuter's price + US\$ 40/MT on account of freight
2.	Palm Acid Oil	Malaysia / Indonesia	3823.1920	3823.1920.1000	70% of Reuter's price of (PFAD) + US\$ 40/MT on account of freight
3.	Mixture of Fatty Acid	Malaysia / Indonesia	3823.1990	3823.1990.1000	
4.	Residue of Fatty Substance	All Origins	1522.0010	1522.0010.1000	
6.	Inedible Animal or Vegetable Oil & Fats	All Origins	1518.0000	1518.0000.1000	60% of Reuter's price of (PFAD) + US\$ 40/MT on account of freight
	Soap & Gum Stock / Sludge of Soap Stock / Pitch Oil / Alkaline Residue etc.	All Origins	1522.0090	1522.0090.1000	
Note: (i) If above goods are imported from origins other than Malaysia / Indonesia an amount of US\$ 100/MT shall be subtracted from the values of respective goods only for Serial No. 1 & 2 of the above table.					
(ii) The Customs Values determined above are for imports in bulk. In case the goods are imported in drums packing US\$ 10/MT may be added for assessment purpose.					

**6.** In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(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.

**7. Validity of this Valuation Ruling:** The value 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. Review of the value determined vide this Valuation Ruling:** A review 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, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> 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. The Customs 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 assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or other certifications 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 of the Customs Act, 1969 or any other law in vogue therein.

**10.** This Valuation Ruling supersedes Valuation Ruling Nos. 1347/2018 dated 18-12-2018, 1346/2018 dated 18-12-2018 & 336/2011 dated 13-06-2011.

  
(Shafique Ahmed Latki)  
Director

**Copy for information to:**

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment & Facilitation), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement & Compliance), 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, (Enforcement & Compliance), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, PCA& Internal Audit, Karachi.
10. The Director General, IOCO, Karachi
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation, Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. The Karachi Customs Agents Group, Bohri Road, Karachi.
17. The Webmaster, Federal Board of Revenue, Islamabad.
18. Guard File.