

(This Ruling has been superseded vide Valuation Ruling No. 1000/2016 dated 22-12-2016)

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

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

**Determination of Customs Values of Chewing-Gum Under Section 25-A of the
Customs Act, 1969**

(VALUATION RULING No. 834/2016)

No. Misc/11/2012-I/8816

Dated, 19-04-2016

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

2. Background of the valuation issue: The Customs Values of Chewing Gum were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 506/2012 dated 19-12-2012 & Valuation Ruling No. 521/2012 dated 28-12-2012. References were received from some importers for revision of valuation ruling as they claimed that international prices of Chewing-Gum were declining. According to determine the true value of chewing-gum in light of current prevailing prices in the international market an exercise to determine the Customs values of subject goods was under taken by this Directorate General.

3. Method adopted to determine Customs values: Valuation methods of Section 25 of the Customs Act, 1969 were adopted and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable as the requisite information required under the law was not available to arrive at the correct transactional value. Identical and similar-goods valuation method, provided in Sub-Sections (5)&(6) of Section 25 ibid were examined sequentially for applicability to determine Customs value of subject goods, this data provided some references however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities commercial levels, imports routed through countries other than the manufacturers etc. and also it was observed that importers usually provide misleading descriptions while declaring their imports, as other types and varieties of similar goods to avoid application of the relevant valuation ruling. Information available was hence found inappropriate. In line with the statutory sequential order of section 25, this office then conducted a market enquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. Consequently, the method provided under section 25(1) of the Customs Act, 1969 was applied and relied upon to derive and determine assessable customs values of chewing-gum.

4. Stakeholders' participation in determination of Customs values: Meeting with stakeholders including importers, local manufacturers and representatives of trade bodies was held on 18.04.2016 to discuss the current international prices of the subject goods. The view point of all participants was heard in detail and considered to arrive at fair value.

5. Customs values for Chewing Gum: Chewing Gum hereinafter specified shall be assessed to duty/taxes at the following Customs Values:-

S. No.	Description of goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)

1.	Chewing Gum Wrigley's Brand Extra Pellet (different flavors)	1704.1000	1704.1000.1000	All origin	10.90
2.	Chewing Gum Wrigley's Brand Extra Professional (different flavors)	1704.1000	1704.1000.1100	All origin	15.90
3.	Chewing Gum Wrigley's Brand Extra Tabs (different flavors)	1704.1000	1704.1000.1200	All origin	13.66
4.	Chewing Gum Lottee Brand Spout Brand	1704.1000	1704.1000.1300	All origin	2.00
5.	Chewing Gum Batook Brand	1704.1000	1704.1000.1400	All origin	1.60
6.	Chewing Gum Other Brands	1704.1000	1704.1000.1500	All origin Excluding USA & Europe	2.20
7.	Chewing Gum Other Brands	1704.1000	1704.1000.1600	USA & Europe	3.15

6. 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.

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 or section 25-D of the Customs Act, 1969.

8. **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 issuance 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 this Directorate General immediately for redressal.

10. This Ruling supersedes Valuation Ruling No. 506/2012 dated 28-12-2012.

(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.

9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
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, to replace the ole
Valuation Ruling No. 625/2013 dated 23-12-2013and for uploading this Ruling in the system.
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, Bohr: Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement,
1st floor, Custom House, Karachi.
21. Guard File.