

*(This Ruling has been revised / superseded vide Valuation Ruling No.1239/2018 dated 03-01-2018)*

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

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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 SKIMMED MILK POWDER & INSTANT MILK POWDER (H.S CODE No. 0402.1000, 1902.9020, 1902.9090) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING No. 843/2016)**

No. Misc/08/2007-I/8955

Dated: 02-05-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 the Customs values of Milk Powder and instant Milk with vegetable fat are determined as Follows:-

**2. Background of the valuation issue:** The Customs value of Skimmed Milk Powder and Instant Milk with vegetable fat were determined under Section 25-A of the Customs Act, 1969, vide Valuation Ruling No.780/2015 dated 09.12.2015. References were received from some Importers for revision of valuation ruling as they claimed the international prices of Milk Powder and instant Milk with vegetable fat were declining. Accordingly in determine the true value of Skimmed Milk Powder and instant Milk with vegetable fat in light of current prevailing prices in the international market, an exercise of determine the Customs values of subject goods was under taken by this Directorate General.

**3. Method adopted to determine customs values:** Valuation methods provided in 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 because it is generally known to all that majority of invoices produced at import stage are manipulated/fabricated and hence the requisite information required under the law was not available to arrive at the correct transaction value. Identical/similar goods valuation method provided in Sub-Sections (5) & (6) of Section 25ibid were examined sequentially for applicability to determine Customs Value at subject goods, this data provided some references however it was found that the same could not be solely relied upon due to the absence of absolute demonstrable evidence of qualities, commercial level etc and also it was observed that importers usually provided misleading description while declaring their imports as other types and varieties of similar goods to avoid the valuation ruling. Information available was hence, found inappropriate. In line with the statutory sequential order or Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969 Consequently, the Method as provided under section 25(7) of the Customs Act, 1969 was applied and relied upon to derive at and determine assessable customs values of Skimmed Milk Powder and instant Milk with vegetable fat.

**4. Stakeholders' participation in determination of customs values:** Meeting with stakeholders including importers, and representatives of trade bodies was held on 25-04-2016 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 Custom value.

**5. Customs Values for Milk Powder:** Skimmed Milk Powder and instant Milk with vegetable fat hereinafter specified shall be assessed to duty/taxes on the Customs values.

S. No.	Description of	PCT Code	Proposed PCT	Origin	Customs
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	goods		for WEBOC		Values (C&F) US\$ per Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Skimmed Milk Powder (In Bulk Packing)	0402.1000	0402.1000.1000	New Zealand, Australia, West Europe, Canada and USA	US\$ 2.45/Kg
		0402.1000	0402.1000.1100	Iran	US\$ 1.80/Kg
		0402.1000	0402.1000.1200	Other Origins	US\$ 2.25/Kg
02.	Skimmed Milk Powder (In Retail Packing Upto 5Kgs/Pack).	0402.1000	0402.1000.1300	New Zealand, Australia, West Europe, Canada and USA	US\$ 2.65/Kg
		0402.1000	0402.1000.1400	Iran	US\$ 2.05/Kg
		0402.1000	0402.1000.1500	Other Origins	US\$ 2.55/Kg
03.	Instant Milk Powder with Vegetable Fat (In Bulk Packing)	1901.9020 1901.9090	1901.9020.1000 1901.9090.1000	All origins	US\$ 1.75/Kg
04.	Instant Milk Powder with Vegetable Fat (In Retail Packing Upto 5Kg/Pack)	1901.9020 1901.9090	1901.9020.1100 1901.9090.1100	All origins	US\$ 1.85/Kg

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. The Customs Values determined in the ruling are for the descriptions and specification as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling value are made accessible to the assessing officers. The assessment shall be finalized in the correct classification after fulfilling requisite formalities relating to importability or any other certifications required therein.

**7. Validity of 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 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, 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 with respect may kindly be brought to the notice of Directorate General immediately for redressal.

10. *This Ruling Supersedes Valuation Ruling No. 780/2015 dated 09.12.2015.*

**(DR.WASIF ALI MEMON)**  
Director