

(This Ruling has been superseded vide Valuation Ruling No. 957/2016 dated 28-10-2016)

**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 COFFEE IN RETAIL, PACKING
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969
(VALUATION RULING No. 845/2016)**

No. Misc/18/2013-I/8989

Dated: 05-05-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 the Customs values of Coffee in Retail Packing with vegetable fat are determined as Follows:-

2. Background of the valuation issue: The Custom values of Coffee in Retail Packing were determined under Section 25-A of the Customs Act, 1969 vides Valuation Ruling No. 615/2013 dated 29-11-2015. M/s. Nestle Pakistan limited, an importer of coffee has submitted a reference where in they requested for revision of the valuation ruling as they claimed that Coffee Nescafe (3 in 1) has been fixed on a lower side. They also provided coasting sheet of coffee Nescafe (2 in 1) being manufactured locally by the applicant. They also stated that the declared values of commercial Importers are not true customs values and gross under invoicing is being committed. Accordingly to determine the true value of coffee in retail packing 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 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 value method provided in Sub-Sections (5) & (6) of Section 25ibid 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 due to the absence of absolute demonstrable evidence of qualities, and quantities of 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 of 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 provided under section 25(7) of the Customs Act, 1969 was applied and relied upon to derive at and determine assessable customs values of Coffee in Retail Packing.

4. Stakeholders' participation in determination of customs values: Meeting with stakeholders including importers and representatives of trade bodies was held on 02.05.2016 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 Customs value.

5. Customs Values of Coffee in Retail Packing: Coffee in Retail Packing hereinafter specified shall be assessed to duty/taxes at the following Customs values:-

S. No.	Description of goods	Specification	PCT Code	Proposed PCT for WEOC	Origin	Customs Values
--------	----------------------	---------------	----------	-----------------------	--------	----------------

						(C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Nescafe Matinal Coffee	Upto 200 Gram	2101.1120	2101.1120.1000	All origins	9.00
		Above 200 Gram	2101.1120	2101.1120.1100	All origins	8.00
2.	Nescafe Classic Coffee	Upto 200 Gram	2101.1120	2101.1120.1200	All origins	9.00
		Above 200 Gram	2101.1120	2101.1120.1300	All origins	8.00
3.	Nescafe Gold Coffee	Upto 200 Gram	2101.1120	2101.1120.1400	All origins	18.00
		Above 200 Gram	2101.1120	2101.1120.1500	All origins	16.40
4.	Nescafe Coffee 3 in 1	(Net Content 480 gram)	2101.1120	2101.1120.1600	All origins	6.64
5.	Maxwell House Coffee	Upto 200 Gram	2101.1120	2101.1120.1700	All origins	11.00
		Above 200 Gram	2101.1120	2101.1120.1800	All origins	9.00
6.	Maxwell House Selection Coffee	Upto 200 Gram	2101.1120	2101.1120.1900	All origins	19.00
		Above 200 Gram	2101.1120	2101.1120.2000	All origins	16.50
7.	Davidoff Café Coffee	Upto 200 Gram	2101.1120	2101.1120.2100	All origins	25.25
		Above 200 Gram	2101.1120	2101.1120.2200	All origins	22.20
8.	Coffee Break Instant Coffee	Upto 200 Gram	2101.1120	2101.1120.2300	Egypt	7.45
		Above 200 Gram	2101.1120	2101.1120.2400	Egypt	6.32
		3 in 1	2101.1120	2101.1120.2500	Egypt	5.50
9.	Other Brands	Upto 200 Gram	2101.1120	2101.1120.2600	All origins	7.45
		Above 200 Gram	2101.1120	2101.1120.2700	All origins	6.32
		3 in 1	2101.1120	2101.1120.2800	All origins	5.50

6. In cases where declared I 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 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.

9. This Ruling Supersedes Valuation Ruling No. 615/2013 dated 29.11.2013.

(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 (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
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
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, the replace old Valuation Ruling No. 615/2013 dated 29-11-2013 and for uploading this Ruling in the system.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chamber 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 Bohri 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.