

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1570/2021 dated 25-11-2021)*

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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 Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

**DETERMINATION OF CUSTOMS VALUES OF PET FOOD (CAT AND DOG FOOD)  
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING No. 977/2016)**

No. Misc/34/2016-I/9940

Dated: 24<sup>th</sup> November, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 Customs values of Pet Food (Cat And Dog Foods) are determined as follows:-

**2. Background of the valuation issue:** This Directorate General during routine analysis of import data observed that volume of import of subject items has increased over time, however, the same are being cleared against guideline price issued by a clearance Collectorate. The import values were observed to be on lower side vis-a-vis international selling prices, available online, and also on lower side in comparison to the local market prices of subject goods. It was observed that the subject goods were being cleared by clearance Collectorate upto US \$ 0.50/Kg; therefore, needed assessable values be rationalized as per the international and local market prices. Therefore, in order to rationalize the import values of subject goods, an exercise was undertaken by the Directorate General of Customs Valuation, Karachi to determine the Customs Values of subject goods in terms of Section 25-A of Customs Act, 1969.

**3. Stakeholders' participation in determination of Customs values:** Meeting was held on 25-10-2016 with stakeholders of subject goods and representatives of clearance Collectorates were also participated. All the stakeholders contended that the existing clearance values were correct and that they purchase the subject goods at discounted rates etc. and requested that values be determined in line with actual international prices which are on the lower side and to keep the aspect of packing mode in focus. It was also highlighted by the importers that subject goods are perishable items and therefore have a limited shelf-life, consequently they contended that near the expiry dates, these items are so sold in sales at discounted prices. It was further contended by the stakeholders that since subject goods are mainly being sold in high-end super/ general-stores, therefore, much more expenses (shelf rent, marketing costs etc.) are incurred at retail level which cannot be managed without adding extra value to the subject goods, hence the prices get inflated in the retail market. The importers requested that all these factors be considered while determination of value of subject goods. Prices are also verified on the basis of location of market in the city and date of expiry of the product in question and from available international websites. While determining the prices, factors like mode and nature of essential packing have also been taken into account and it was decided that the valuation ruling shall reflect prices on net content basis.

**4. Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed 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 majority of invoices produced at import stage are not found to be as per law and also because as per internationally prescribed regulations the actual supplier invoices are not found inside containers carrying the imported goods, hence, 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 25 ibid 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 same importers provide misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of 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, however, it was found that the determination of Customs value could not be based solely upon this method either, due to miscellaneous extraneous factors involved. Therefore, valuation method provided vide Section 25(8) of Customs Act 1969 was turned to, the same could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, PRAL-database, market information and international prices through Web were examined thoroughly. All the information so gathered was utilized and analyzed for determination of Customs Value of subject goods. Therefore, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive at assessable customs values of Pet Food (Cat and Dog Food).

**5. Customs values for Pet Food (Cat and Dog Foods):** Pet Food (Cat and Dog Food) hereinafter specified shall be assessed to duty / taxes @ following Customs Values:-

S. No.	Description of goods	PCT	Proposed PCT for WEOC	Origins	Customs Values on net contents basic (C&F) US\$ per Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Felix Cat Food /Fri skies Cat-Food / Kitty Kat (Cat & Dog) Food / Royal Canine Cat & Dog Food / Meow Cat Food / Happy Dog and Cat Food / Farmina Cat & Dog Food / Trixie Dog and Cat Food /Diamond Cat & Dog Food/ Brit Cat & Dog Food/Mera Tiernahrung Cat & Dog Food	2309.1000	2309.1000.1000	E.U. UK, North America	0.90
2.	Other Brands	2309.1000	2309.1000.1100	E.U. UK, USA	1.10
3.	ME-O Cat Food / D. Luv Care Dog Food / Smart Heart Cat & Dog Food / Vitamaxx Cat & Dog Food / Classic Cat & Dog Food / Cuties Cat Food / Wonder Cat & Dog Food/ A Pro Cat & Dog Food / IQ Cat & Dog Food / A Pro IQ Cat & Dog Food	2309.1000	2309.1000.1200	Thailand/ China	0.76
4.	Other Brands	2309.1000	2309.1000.1300	Thailand/ China	0.90
5.	Pro Pac Cat & Dog Food	2309.1000	2309.1000.1400	All origin	1.20
6.	SportMix Cat & Dog Food	2309.1000	2309.1000.1500	All origin	1.20
7.	Purina Cat & Dog Food	2309.1000	2309.1000.1600	All origin	1.20
8.	Bakers (Purina) Treats / Toffees / Sticks	2309.1000	2309.1000.1700	All origin	3.00
9.	Bonio (Purina) Treats / Toftees / Sticks	2309.1000	2309.1000.1800	All origin	2.00
10.	Other Brands Treats / Biscuits / Toffees / Sticks	2309.1000	2309.1000.1800	All origin	2.25
11.	Calnutrika Cat & Dog Food	2309.1000	2309.1000.1900	All origin	1.50
12.	IAMS Cat & Dog Food	2309.1000	2309.1000.2000	All origin	1.20

13.	Karlie Flamingo Cat & Dog Food	2309.1000	2309.1000.2100	All origin	1.50
14.	Other Brand of Cat & Dog Food	2309.1000	2309.1000.2100	All origin	1.20

6. The values of subject items are determined on basis of net content (mentioned on the packing), value of essential packing (container in which subject goods are primarily packed/preserved) has been included in the above determined values.

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. The Custom 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 the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling request formalities relating to importability or other certifications required thereon.

**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:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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, 7<sup>th</sup> Floor, Custom House, Karachi.

10. 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.

**(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), 1<sup>st</sup> Floor, PT &T Audit Building, Mauj-e-Darya Road, Lahore.
09. 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, for uploading in One Customs & WeBOC database 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, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisalment, 1<sup>st</sup> Floor, Custom House, Karachi.

21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File.