

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1357/2019 dated 26-03-2019)*

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

**DETERMINATION OF CUSTOMS VALUES OF CHEESE UNDER SECTION 25-A OF THE  
CUSTOMS ACT, 1969**

**(VALUATION RULING No. 1009/2017)**

No. Misc/08/2012-I

Dated: 11<sup>th</sup> January, 2017

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

**2. Background of the Valuation Issue:** Customs values of different types of Cheese were determined and notified vide Valuation Ruling No. 532/2013, dated 7<sup>th</sup> January, 2013. Customs values mentioned in the said Valuation Ruling were more than two years old and higher valuation trends were observed, therefore, exercise was initiated to revise the Customs Values of various types of Cheese keeping in view the prevailing international and local market price trends.

**3. Stakeholders' Participation in Determination of Customs Values:** A meetings for the determination of customs values of Cheese with stakeholders was held on 06.12.2016 which was duly attended by all the stakeholders. They strongly contended that the said valuation Ruling may be reviewed in the light of prevailing international and local market prices. It was also highlighted that the subject goods are perishable items and therefore have got limited shelf life, consequently, near the expiry dates, these perishable items are sold on sale and discounted prices. It was further requested by the traders that since the subject goods are mainly being sold on super and general stores, therefore, a lot more expenses (shelf rent, marketing expenses, refrigeration cost etc.) are contributed at retail level which cannot be managed without adding extra value to the subject goods. The importers further requested that all these factors may also be considered in fixing 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.

**4. Method Adapted 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 also the requisite information required under the law was not available to arrive at the correct transaction value no invoice found from inside containers and reported by any Collectorate. 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. Therefore, valuation method provided vide Section 25(8) of Customs Act 1969, 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 analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back

Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive at assessable customs values of Cheese.

**5. Customs Values for Cheese:** Cheese hereinafter specified shall be assessed to duty / taxes at the following Customs Values:-

S. No.	Description of goods	H.S. Code	PCT for WEBOC	Origins	Customs Values (C&F) US\$/KG Net Contents
(1)	(2)	(3)	(4)	(5)	(6)
1.	Processed Cheese in Slice, Portion & Cubes/Tin: Brands: Happy Cow, President, Aria, Three Cow, LaBella, Al-Marai, Teama, & Zott	0406.3000	0406.3000.1000	All origin	2.60
2.	Processed Cheese in Slice, Portion & Cubes/Tin: Brand Kraft	0406.3000	0406.3000.1100	All origin	7.00
3.	Processed Cheese in Slice, Portion & Cubes/Tin: Other Brands	0406.3000	0406.3000.1200	All origin	2.80
4.	Cheese/Processed Cheese in Grated, Shredded & Powered & Sticks form Various Brands	0406.3000 0406.2000	0406.3000.1300	All origin	2.80
5.	Cream Cheese / Processed Cream Cheese/ Brands: Puck, Al-marai, Happy Cow, Ari a, President & Three Cow.	0406.3000 0406.1010	0406.3000.1400 0406.1010.1500	All origin	2.60
6.	Cream Cheese / Processed Cream Cheese Brand Kraft	0406.3000 0406.1010	0406.3000.1600 0406.1010.1700	All origin	7.00
7.	Cream Cheese / Processed Cream Cheese Other Brands	0406.3000 0406.1010	0406.3000.1800 0406.1010.1900	All origin	2.80
8.	Cheddar Cheese Various Brands	0406.9000	0406.9000.2000	All origin	2.85
9.	Cheddar Cheese in Cans/Tins Brand Kraft	0406.9000	0406.9000.2100	All origin	8.00
10.	Mozzarella Cheese Various Brands	0406.1010	0406.1010.2200	All origin	2.85
11.	Cheese/Processed Cheese in Bulk Packing 1 Kg & Above	0406.1010 0406.3000	0406.1010.2300 0406.3000.2400	All origin	2.30
12.	Blue Veined Cheese	0406.4000	0406.4000.2500	All origin	4.30
13.	Other Cheese	0406.9000 0406.1010	0406.9000.2600 0406.1010.2700	All origin	3.90

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. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25-A, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

**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 of the Customs Act, 1969. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25-A, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

**9. 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 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification 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 15 of the Customs Act, 1969 or any other law in vogue there in.

11. This ruling supersedes Valuation Ruling No.532/2013, dated 07-01-2013.

**(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.