

(Sr. Nos. 1 to 12 has been revised / superseded vide Valuation Ruling No. 1769/2023 dated 18-04-2023)

(Sr. No. 15 has been revised / superseded vide Valuation Ruling No. 1766/2023 dated 17-04-2023)

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

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

**DETERMINATION OF CUSTOMS VALUES OF GROUND NUT, CASHEW AND
PISTACHIO UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 1031/2017)

No. Misc/68/2016-I/274

Dated: 2nd February, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Ground Nut, Cashew and Pistachio are determined as follows:-

2. Background of the Valuation Issue: This Directorate General had earlier circulated reference values vide Valuation Data Base letter 109 dated 01-12-2016, Valuation Data Base letter 128 dated 16-12-2016, and Valuation Data Base letter 146 dated 02-01-2017. However, Pakistan Kiryana Merchants Association approached this Directorate General and requested to issue valuation ruling for subject goods, pointing out various issues in uniform applicability etc. of the Reference values circulated vide above mentioned VDBs. Therefore, this Directorate General initiated an exercise for determination of customs values of Ground Nut, Cashew Nut and Pistachio.

3. Stakeholders' Participation in Determination of Customs Values: A Meeting for the determination of customs values of Ground Nut, Cashew Nut and Pistachio with stakeholders was held on 03-01-2017 which was duly attended by all the stakeholders. All the stakeholders strongly contended and requested that the said Valuation Data Base may be reviewed in the light of prevailing international and local market prices. The view point of all participants was heard in detail and considered to arrive at fair value of subject goods. The Pakistan Kiryana Merchants Association also submitted proposed C & F value of subject goods. Further, to determine the veracity of their stance, the stake holders insisted to conduct fresh market surveys from wholesales market for determination of customs values of Dry Coconut/ Copra. 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. The importers contended 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 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 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 sole lyre lied 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 Ground Nut, Cashew and Pistachio.

5. Customs Values for Ground Nut, Cashew and Pistachio: Ground Nut, Cashew and Pistachio hereinafter specified shall be assessed to duty / taxes at the following Customs Values:-

Sr. No.	Description of Goods	H.S. Code	PCT for WeBOC	Origin	Customs Values (C&F) US\$/Kg (On net weight basis)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Groundnut in Shells	1202.4100	1202.4100.1000	India/ Madagascar	0.65
2.	Groundnut Kernel (HPS)	1202.4200	1202.4200.1000	India/ Madagascar	0.85
3.	Groundnut Blanched Splits	1202.4200	1202.4200.1100	India/ Madagascar	0.95
4.	Groundnut in Shells	1202.4100	1202.4100.1100	China	0.70
5.	Groundnut Kernel (HPS)	1202.4200	1202.4200.1300	China	0.90
6.	Groundnut Blanched Splits	1202.4200	1202.4200.1400	China	1.00
7.	Groundnut in Shells	1202.4100	1202.4100.1200	African Region	0.62
8.	Groundnut Kernel (HPS)	1202.4200	1202.4200.1500	African Region	0.82
9.	Groundnut Blanched Splits	1202.4200	1202.4200.1600	African Region	0.92
10.	Groundnut in Shells	1202.4100	1202.4100.1300	Other origin	0.62
11.	Groundnut Kernel (HPS)	1202.4200	1202.4200.1700	Other origin	0.82
12.	Groundnut Blanched Splits	1202.4200	1202.4200.1800	Other origin	0.92
13.	Pistachio In Shell	0802.5100	0802.5100.1000	Iran	3.50
				Other Origins	4.00
14.	Pistachio Shelled	0802.5200	0802.5200.1000	Iran	6.50
15.	Cashew Nuts	0801.3200	0801.3200.1000	India	4.00
				Vietnam	4.10
				Other Origins	4.20

6. In case of import from Iran via land route through MCC Quetta, 15% margin in value may be admissible considering the reduced element of freight charges. 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 (4) 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, 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 t his 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, 7th 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 especially with reference to filled with any prohibitive item thereon in chocolates. 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 Valuation Ruling is issued in supersession of Valuation Database (VDB) Letter Nos. 109 dated 01-12-2016, Valuation Data Base letter 12 dated 16-12-2016, and Valuation Data Base letter 146 dated 02-01-2017.

(DR. WASIF ALI MEMON)

Director

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