

(This Ruling has been revised / superseded vide Valuation Ruling No. 1134/2017 dated 18-04-2017)

**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 DRY COCONUT / COPRA UNDER
SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 1033/2017)

No. Misc/15/2009-I/189

Dated: 1st February, 2017

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

2. Background of the Valuation Issue: Customs values of different types of Dry Coconut / Copra were determined and notified vide Valuation Ruling No. 497/2012, dated 28th November, 2012. Customs values mentioned in the said Valuation Ruling were more than four years old and higher valuation trends were observed, therefore, exercise was initiated to revise the Customs Values of various types of Dry Coconut / Copra keeping in view the prevailing international and local market price trends.

3. Stakeholders' Participation in Determination of Customs Values: A Meeting for determination of customs values of Dry Coconut / Copra with stakeholders was held on 03-01-2017 which was duly attended by all the stakeholders. The current international prices of the subject goods were discussed with the stakeholders and they then requested that the said Valuation Ruling may be reviewed in the light of prevailing international and local market prices. The Pakistan Kiryana Merchants Association also submitted proposed C&F value of subject goods. Further, to determine the veracity of their stance, the stakeholders insisted that fresh market surveys be conducted from wholesales market for determination of customs values of Dry Coconut / Copra. It was also highlighted for consideration 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 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-Section (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 Coconut / Dry Copra.

5. Customs Values for Coconut/Dry Copra: Coconut/Dry Copra 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 Net Contents |
|---------|-----------------------------------|-----------|----------------|------------------------|-------------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1. | Dry Coconut/Dry Copra | 1203.0000 | 1203.0000.1000 | India | 1.40 |
| 2. | Dry Coconut/Dry Copra | 1203.0000 | 1203.0000.1100 | Sri Lanka | 1.90 |
| 3. | Dry Coconut/Dry Copra | 1203.0000 | 1203.0000.1200 | Indonesia/ Malaysia | 1.70 |
| 4. | Dry Coconut/Dry Copra | 1203.0000 | 1203.0000.1300 | Other Origin | 1.90 |
| 5. | Dry Coconut/Dry Copra Estate No.1 | 1203.0000 | 1203.0000.1400 | Sri Lanka | 2.10 |
| 6. | Dry Coconut/Dry Copra Estate No.1 | 1203.0000 | 1203.0000.1500 | Other Origin | 2.20 |

6. In case of subject goods imported via ports of Iran or Afghanistan then necessary adjustments to the above notified values may be accorded in light of the extra freight cost incurred. Similarly, in case of imports from Afghanistan, the subject goods that are established as per law to be purely of Afghan origin, may be processed by taking into account the differential between land freight and sea freight while applying the Customs values determined in this Ruling under Sr. Nos. 04 or 06. 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 Custom's 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.

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 issue 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 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 therein.

11. This ruling supersedes Valuation Ruling No. 497/2012, dated 2811-2012.

(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, Post Clearance 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, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No. 497/2012, dated 28-11-2012 from the system on the date of issue of this ruling.
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, 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, Appraisalment, 1st Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File.