

This Ruling has been revised / superseded vide Valuation Ruling No. 1472/2020 dated 16-09-2020

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

The Collectors of Customs, Model Customs Collectorates, Appraisalment & Facilitation (East / West) / Port Muhammad Bin Qasim / JIAP, Karachi (Appraisalment & Facilitation / Enforcement & Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisalment / Preventive) / Peshawar (Appraisalment / Preventive) / Gawadar / Gilgit-Baltistan / Export (Karachi / Port Qasim)

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

(VALUATION RULING NO. 1442/2020)

No. Misc/78/2016-I/2941

Dated: 5th March, 2020

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

2. Background of the valuation issue: Earlier the customs values of Ice Cream were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1263/2018 dated 21-02-2018. During analysis of import data it was noticed that the current market values of the subject goods have changed significantly. Therefore, in order to rationalize the import values of subject goods, an exercise was undertaken by the Directorate General of Customs Valuation to determine the Customs Values of subject goods in terms of Section 25A of Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: Meeting was held on 13-02-2020 with the stakeholders of subject goods. The stakeholders contended that the existing custom values are as given in Valuation Ruling were correct values and should be maintained. It was argued that as subject goods are mainly sold in high-end super/ general-stores, therefore, 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. The stakeholders were requested to submit the relevant documents.

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 methods 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. 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, which was found to be appropriate and therefore was applied to arrive at assessable custom values of Ice Cream.

5. Customs values for Ice Cream: Ice Cream *hereinafter specified* shall be assessed to duty / taxes at following minimum Customs Values:-

S. No.	Description of Goods	Packing	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/Kg
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(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Movenpick Ice Cream	All modes of packing	2105.0000	2105.0000.1000	Switzerland	15.85
2.	London Dairy Ice Cream			2105.0000.1100	U.A.E	7.81
3.	Haagen Dazs Ice Cream			2105.0000.1200	All origins	14.40
4.	Baskin Robbins Ice Cream			2105.0000.1300	All origins	7.40
5.	Ben & Jerry's Ice Cream			2105.0000.1400	All origins	9.66
6.	Swensen's Ice Cream			2105.0000.1500	All origins	11.28
7.	Tesco Ice Cream			2105.0000.1600	All origins	10.26
	Oreo Ice Cream			2105.0000.1700	All origins	13.04
9.	Other Brand Ice Cream			2105.0000.1800	All origins	11.50

Note: In case of bulk imports 10% discount may be allowed.

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. 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.

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.

8. 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, 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.

10. This ruling supersedes Valuation Ruling No. 1263/2018 dated 21-02-2018.

(SHAFIQUE AHMAD LATKI)
Director

Copy for information to:-

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, (Enforcement), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, PCA& Internal Audit, Karachi.
10. The Director General, IOCO, Karachi
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
12. The Director, Directorate of Customs Valuation, Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.

15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. The Karachi Customs Agents Group, Bohri Road, Karachi.
17. The Webmaster, Federal Board of Revenue, Islamabad.
18. Guard File.