

(This Ruling has been revised / superseded vide Valuation Ruling No. 1806/2023 dated 18-09-2023)

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

The Collectors of Customs, Collectorate of Customs, (Appraisement -West / Appraisement -East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Karachi / Port Qasim) / Transit Trade (Karachi).

**DETERMINATION OF CUSTOMS VALUES OF OLIVE OIL (H.S. CODE NO. 1509.9000)
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 1645/2022)

No. Misc/20/2009-I/430

Dated: 30th April, 2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969 Customs value of Olive oil is determined as follows:-

2. Background of the valuation issue: Earlier, the customs value of Olive Oil was determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 941/2016 dated 30-09-2016. The said Valuation Ruling was more than five years old, therefore, an exercise was carried out by this Directorate General to determine the customs value of olive oil according to the prevailing international price trend of these goods.

3. Stakeholders' participation in determination of Customs values: Meeting was held on 02-03-2022 with the stakeholders of subject goods. The stakeholders contended that bumper crop of olives have been produced in the countries of production and prices are stable in the international market. It was also highlighted that the subject goods of olive oil 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 contended 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 etc.) are contributed at retail level which cannot be managed without adding extra value to the subject goods. The importers contended that all these factors may be considered in determining value of subject goods.

4. Method adopted to determine Customs values: Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information under law was not available to arrive at the transaction value. Therefore, identical / similar goods value methods as 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 value of Olive Oil.

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

S. No.	Item Description	Specification	PCT Code	PCT for WEOC	Origin	Customs Values C&F (US\$/PC) Retail Packing
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Olive Oil (Pomace)	100 ml	1509.9000	1509.9000.1000	All Origin	0.28/100 ml
		125 ml		1509.9000.1100		0.36/125 ml
		175 ml		1509.9000.1200		0.48/175 ml
		200 ml		1509.9000.1300		0.84/200 ml
		250 ml		1509.9000.1400		0.69/250 ml
		400 ml		1509.9000.1500		1.05/400 ml
		500 ml		1509.9000.1600		1.32/500 ml
		1000 ml		1509.9000.1700		2.53/1000 ml
		2000 ml		1509.9000.1800		4.96/2000 ml
		3000 ml		1509.9000.1900		7.73/3000 ml
		3500 ml		1509.9000.2000		8.66/3500 ml
		4000 ml		1509.9000.2100		9.00/4000 ml
		5000 ml		1509.9000.2200		11.24/5000 ml
		6000 ml		1509.9000.2300		13.52/6000 ml
		8000 ml		1509.9000.2400		18.00/8000 ml
2	Olive Oil (Pure)	100 ml		1509.9000.2500		0.38/100 ml
		125 ml		1509.9000.2600		0.46/125 ml
		175 ml		1509.9000.2700		0.64/175 ml
		200 ml		1509.9000.2800		0.74/200 ml
		250 ml		1509.9000.2900		0.90/250 ml
		400 ml		1509.9000.3000		1.48/400 ml
		500 ml		1509.9000.3100		1.82/500 ml
		1000 ml		1509.9000.3200		3.38/1000 ml
		2000 ml		1509.9000.3300		6.25/2000 ml
		3000 ml		1509.9000.3400		9.90/3000 ml
		3500 ml		1509.9000.3500		11.55/3500 ml
		4000 ml		1509.9000.3600		12.01/4000 ml
		5000 ml		1509.9000.3700		14.99/5000 ml
		6000 ml		1509.9000.3800		18.02/6000 ml
		8000 ml		1509.9000.3900		24.02/8000 ml
3	Olive Oil (Extra Virgin/ Virgin Light)	100 ml		1509.9000.4000		0.44/100 ml
		125 ml		1509.9000.4100		0.56/125 ml
		175 ml		1509.9000.4200		0.78/175 ml
		200 ml		1509.9000.4300		0.85/200 ml
		250 ml		1509.9000.4400		1.05/250 ml
		400 ml		1509.9000.4500		1.69/400 ml
		500 ml		1509.9000.4600		2.10/500 ml
		1000 ml		1509.9000.4700		4.05/1000 ml
		2000 ml		1509.9000.4800		8.00/2000 ml
		3000 ml		1509.9000.4900		11.89/3000 ml
		3500 ml		1509.9000.5000		13.88/3500 ml
		4000 ml		1509.9000.5100		14.42/4000 ml

	5000 ml		1509.9000.5200		17.96/5000 ml
	6000 ml		1509.9000.5300		21.64/6000 ml
	8000 ml		1509.9000.5400		28.82/8000 ml

6. In cases where declared / transaction values are higher than the Customs values determined in this Ruling. The assessing officer shall apply those values in terms of Sub-Section 25(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-Section (4) of Section 25A of the Customs Act, 1969, read with Rule 107(a), chapter ix, of the Customs Rules, 2001.

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 25D 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 Valuation 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 this Directorate General immediately. The Customs values determined in the ruling are for the description and specification as mentioned in Para-5. PCT Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling all formalities relating to importability or any other certifications required thereon.

10. This ruling supersedes Valuation Ruling No. 941/2016, dated 30-09-2016.

(SYED FAWAD ALI SHAH)
Director

Copy for information to:-

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisement (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisement (Central), Custom House Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House Lahore.
- 7) The Chief Collector of Customs (North), Custom House Islamabad.
- 8) The Chief Collector of Customs, Balochistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 11) The Director General, PCA& Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director General, Transit Trade, Custom House Karachi
- 14) The Directors, Intelligence & Investigation, Karachi/ Lahore/ Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 15) The Director, Transit Trade, Custom House Karachi
- 16) The Director, Directorate of Customs Valuation, Lahore.
- 17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WBOC database system.
- 18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 20) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 11) The Webmaster, Federal Board of Revenue, Islamabad.

12) Guard File.