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GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

29 MAR 2011

No. Misc 08/2009-1

Dated 25-03-2011

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RULING U/S 25-A NO. 306

APC (Chags)
AOE (JIAF)

The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.
Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.



The Collectors of Customs, Model Customs Collectorates (Appraisalment/ PaCCS/ Port Qasim (Preventive), Karachi/ Lahore/ Sambrial (Sialkot) / Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar Export.

DETERMINATION OF CUSTOMS VALUE OF NATURAL AND ALKALIZED COCOA POWDER H.S.CODE 1805.0000 UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

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Value of Natural / Alkalized Cocoa Powder was determined under section 25A of the Customs Act, 1969, vide Valuation Ruling No 248, dated 13-04-2010. Since the said ruling was considerably old and needed updating as per current international prices, the same was taken up for fresh determination.

DS (Pulhny)

Meetings were held on 26-10-2010, 17-12-2010, and 13-1-2011, which were attended by representatives of importers and other stakeholders. The importers contended that the current price trend of Malaysia, Indonesia, Singapore, and China origin Natural/Alkalized Cocoa Powder was likely to be on downward side in the international market and therefore the values should be determined keeping in view this trend. Nevertheless, they could not substantiate their statement with any supporting documents.



3. The import data of the instant goods of Malaysia, Indonesia, Singapore and China origin of the relevant period was analyzed. The transaction data of Cocoa Powder from Malaysia, Indonesia, Singapore and China origin was available on record. A comparative study of these transactions was indicative of variable price declaration as shown below;

P.T.O.

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i) COCOA POWDER NATURAL

China origin	-	US\$1.46 to US\$1.49/kg
		Average value US\$ 1.48/kg
Malaysia/Singapore/Indonesia/Thailand origin	-	US\$2.50/kg to US\$2.84/kg
		<u>Average value US\$ 2.67/kg</u>

ii) COCOA POWDER ALKALYSED

China origin	-	US\$1.57 to US\$2.57/kg
		Average value US\$ 2.07/kg
Malaysia/Singapore/Indonesia/Thailand origin	-	US\$2.45/kg to US\$4.78/kg
		<u>Average value US\$ 3.62/kg</u>

4. Although the abnormal variation in the declared transaction prices from these regions/sources could not be verified, however the average values were observed to be substantially high. As the identical or similar goods method, within the meaning of section 25(5) & (6) of the Customs Act, 1969, could not be adopted for value determination, proceedings of market enquiry were carried out with the participation of importer's representative to verify and determine the customs value of Natural/Alkalized Cocoa Powder through the Deductive Method of Valuation, as provided under section 25(7) of the Customs Act, 1969. Taking into consideration the above findings Customs value of the imported goods was ascertained under section 25(9) of the Customs Act, 1969, as under:-

S.NO.	DESCRIPTION OF GOODS	HS CODE	ORIGIN	DETERMINED VALUES - U/S 25A
1	Cocoa Powder, not containing added sugar or other sweetening matter (a) Natural (b) Alkalized	1805.0000	Malaysia/ Indonesia/ Singapore/ Thailand	 (a) US\$ 2.67/Kg (b) US\$ 3.62/Kg
3	Cocoa Powder, not containing added sugar or other sweetening matter (a) Natural (b) Alkalized	1805.0000	China	 (a) US\$ 1.48/Kg (b) US\$2.07/Kg

5. Accordingly, these values are hereby determined under Section 25A of the Customs Act, 1969. All the Customs Clearance Collectorates are advised to finalize assessment of Natural / Alkalized Cocoa Powder on the values mentioned above. These values shall remain valid until revised. However, if the invoice value is higher, then such higher value shall be adopted for assessment purpose under section 25 of the Customs Act, 1969.


(MUHAMMAD TAHIR)
DIRECTOR

Copy for information to:-

1. S.O. to Chairman, Federal Board of Revenue, Islamabad.
2. Member (Customs), Federal Board of Revenue, Islamabad.
3. Chief Collectors of Customs (North/South), Lahore/Karachi.
4. The Director General of Intelligence Investigation, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Islamabad.
7. The Directors of Intelligence Investigation, Karachi/ Lahore/ Islamabad.
8. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
9. Federation of Pakistan, Chambers of Commerce & Industry (FPCC&I), Karachi.
10. Karachi Chamber of Commerce & Industry (KCC&I), Karachi.
11. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
12. Guard File.