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

**DETERMINATION OF CUSTOMS VALUES OF CHEESE UNDER SECTION 25A
OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1853 /2024)

C.No. Misc/09/2012-I/137

Dated: 14 -02-2024

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

2. **Background of the valuation issue:** Earlier, the Customs values of Cheese were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1357/2019 dated 26-03-2019. An exercise has been undertaken by this Directorate to re-determine the Customs values afresh in line with values prevalent in the international market.
3. **Stakeholders' participation in determination of Customs values:** In this regard, meeting dated 11-01-2024 was held in the Directorate of Customs Valuation, Karachi which was attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings.
4. **Analysis / Exercise done to determine Customs Values:** Ninety (90) days' clearance data has been retrieved and the same has been scrutinized. Subsequently, market inquiry has been conducted and examined in the light of this Directorate's Office Order No.17/2014 dated 19-03-2014 and in terms of Section 25 (7) read with Section 25(9) of the Customs Act, 1969.
5. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, are duly considered in sequential order to arrive at the 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 due to absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. However, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was also examined for applicability to determine

Customs values of subject goods. The assessed values in similar goods import data of Cheese of various types for the last 90 days of various origins reflected values as per previous VR No. 1357/2019 dated 26-03-2019. However, Declared Values (DV) of similar goods had showed consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted but could yield results to some extent because of variation in market prices. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of Cheese. Finally, the Customs values of the subject goods have been determined under Section 25(9), read with Section 25(7), and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

6. **Customs values of Cheese:** Cheese, hereinafter specified, shall be assessed to duty / taxes at the Customs values as per following Table:

S. No.	Description Of Goods	H.S. Code	Proposed PCT for WeBOC	Origin	Customs Values C&F (US\$/KG) Net Contents
(1)	(2)	(3)	(4)	(5)	(6)
1	Processed Cheese in Slice, Portion & Cubes/Tin: Brands: Happy Cow, President, Arla, Three Cow, LaBella, Al-Marai, Teamo, Zott, Taverna, Embrog, Pride	0406.3000	0406.3000.1000	All Origins	3.25
2	Processed Cheese in Slice, Portion & Cubes/Tin: Brand Kraft	0406.3000	0406.3000.1100	All Origins	5.25
3	Processed Cheese in Slice, Portion & Cubes/Tin: Other Brands	0406.3000	0406.3000.1200	All Origins	3.40
4	Cheese/ Processed Cheese in Grated, Shredded, Powdered & Sticks form Various Brands	0406.3000 0406.2000	0406.3000.1300 0406.2000.1000	All Origins	3.45
5	Cream Cheese / Processed Cream Cheese Brands: Puck, Al-Marai, Happy Cow, Arla, President & Three Cow, Taverna, Embrog	0406.3000 0406.1010	0406.3000.1400 0406.1010.1000	All Origins	3.25

6	Cream Cheese / Processed Cream Cheese Brand Kraft	0406.3000 0406.1010	0406.3000.1500 0406.1010.1100	All Origins	5.25
7	Cream Cheese / Processed Cream Cheese Other Brands	0406.3000 0406.1010	0406.3000.1600 0406.1010.1200	All Origins	3.40
8	Cheddar Cheese Various Brands	0406.9000	0406.9000.1000	All Origins	3.50
9	Cheddar Cheese in Cans / Tins Brand Kraft	0406.9000	0406.9000.1100	All Origins	6.00
10	Mozzarella Cheese Various Brands Packing up to 2 Kg	0406.1010	0406.1010.1300	All Origins	3.50
11	Mozzarella Cheese Various Brands Packing Above 2 Kg	0406.1010	0406.1010.1400	All Origins	3.30
12	Cheese/ Processed Cheese in Packing Above 2 Kg	0406.1010 0406.2000 0406.3000	0406.1010.1500 0406.2000.1100 0406.3000.1700	All Origins	3.00
13	Blue Veined Cheese	0406.4000	0406.4000.1000	All Origins	5.00
14	Other Cheese	0406.9000 0406.1010	0406.9000.1200 0406.1010.1500	All Origins	4.90

7. In cases, where declared 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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. **Validity of this Valuation Ruling:** This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, a revision petition may be filed against this ruling as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, 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 this Valuation Ruling are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. Customs values determined in the Ruling are for the description and specification as mentioned in the table of this Ruling. 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 requisite formalities related to importability or any other certifications 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 the Valuation Ruling No.1357/2019 dated 26-03-2019.*



(Fayaz Rasool Maken)
Director

Copy for information to: -

- 1) The Member Customs (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, Baluchistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation (Customs), FBR, Islamabad.
- 11) The Director General, PCA & Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 14) The Director, Transit Trade, Custom House Karachi
- 15) The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
- 16) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 17) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 18) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 19) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.