GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, CUSTOM HOUSE
KARACHI
Phone: 021-99214144
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No. Misc/28/2007-I/516 Dated: 22.04.2025

VALUATION RULING NO. 1998 / 2025

1. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
2. The revision petition against this Valuation Ruling can be filed, under Section 25D of the Customs Act, 1969 within 30 days before the Director General, Customs Valuation.
3. The values in valuation ruling shall be applicable to the given description and specification of goods.

Subject: **DETERMINATION OF CUSTOMS VALUE OF SKIMMED MILK POWDER, INSTANT MILK POWDER, SWEETENED CONDENSED FILLED MILK AND EVAPORATED FILLED MILK UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

1.	Valuation Ruling	This Valuation Ruling Supersedes VR No. 1880/2024 dated 15.05.2024
2.	Date of meetings with stakeholders	The meeting with relevant stakeholders were conducted on 15.04.2025

3. **Background of the Issue:** The value of subject item was reviewed. The existing valuation ruling was one (01) year old and the Customs values determined therein were not reflective of prevailing international market. Therefore, an exercise has been undertaken by this Directorate to determine the same. furthermore, in pursuance of analysis of import data, current market trends, the difference in market prices and customs values, an exercise for the determination of customs values of subject goods was initiated under Section 25 and 25A of the Customs Act, 1969.

4. **Analysis to determine Customs Values:** During the exercise, Importers contended that the due to removal of exemption of subject items, import volume has declined and consequently existing customs values shown downward trend in international market, therefore, values need to be revised downward. When inquired if there was any accredited publication which depicts international values, the response of participants was in negative. It was pointed out that skimmed milk powder and instant fat filled are mostly imported in bulk and are used mainly in preparation of confectionery items. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting. Ninety (90) days' clearance data has been retrieved and the same has been scrutinized. Subsequently, market

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inquiry has been conducted and examined in the light of this Directorates Office Order No. 17/2014 dated 19-03-2014 and in terms of Section 25 (7) of the Customs Act, 1969.

5. **Method(s) adopted to determine Customs values:** To determine the transaction value of goods, the valuation methods, provided in Section 25 of the Customs Act, 1969, were applied in sequential order. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable as declared values did not correspond to market prices. Similarly, the data of identical and similar goods as per sections 25(5) & (6) ibid provided some references of demonstrable evidence of qualities and quantities of the same commercial level, however, it could not be solely relied upon. Meanwhile, a market inquiry as envisaged under sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted as per procedure of Office Order No. 17/2014 dated 19-03-2014 wherein various markets were visited and the actual prices of subject goods were acquired. As a result, after adjusting the amounts of profits, the C&F value was determined under Section 25(7), which are as under:

6. **Customs Values of Skimmed Milk Powder, Instant Milk Powder, Sweetened Condensed Filled Milk and Evaporated Filled Milk:** -In view of above the transaction values of the following goods has been determined and hereinafter specified shall be the Customs value for assessment of duty & taxes given against them in the Table below: -

S. No.	Description of Goods	PCT Code	Proposed PCT Code for WeBOC	Origin	Customs Value (C&F) (USD/Kg)
(1)	(2)	(4)	(5)	(6)	(7)
1.	Skimmed Milk Powder (in Retail Packing Up to 5Kgs/Pack)	0402.1000	0402.1000.1000	New Zealand, Australia, Europe (except Eastern Europe), Canada and USA	2.72
			0402.1000.1100	Eastern Europe & Turkey	2.68
			0402.1000.1200	Iran	2.00
			0402.1000.1300	Other Origins	2.68
2.	Skimmed Milk Powder (in Bulk Packing)	0402.1000	0402.1000.1400	New Zealand, Australia, Europe (except Eastern Europe), Canada and USA	2.40
			0402.1000.1500	Eastern Europe & Turkey	2.20
			0402.1000.1600	Iran	1.93
			0402.1000.1700	Other Origins	2.20

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3.	Instant Milk Powder with vegetable fat (in Retail Packing Up to 5Kgs/Pack)	1901.9020 1901.9090	1901.9020.1000 1901.9090.1000	All Origins	2.20
4.	Instant Milk Powder with vegetable fat (in Bulk Packing)	1901.9020 1901.9090	1901.9020.1100 1901.9090.1100	All Origins	2.05
5.	Sweetened Condensed Filled Milk	1901.9020 1901.9090	1901.9020.1200 1901.9090.1200	Far East	0.90
				Other Origin	1.10
6.	Evaporated Filled Milk	1901.9020 1901.9090	1901.9020.1300 1901.9090.1300	Far East	1.20
				Other Origin	1.50

Note: Reduction of 10% shall be admissible on total of above value on account of freight charges, if goods are imported through land route.

7. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.

8. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.

9. The VR shall be applicable for the description and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.

10. The Collectorates of customs shall ensure the implementation of VR and in case of any anomaly may be brought to the notice of this Directorate immediately.

(Dr. Tahir Qureshi)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Appraisement-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisement / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisement /

Enforcement / AIIA), (Appraisement-East / West, Lahore / Faisalabad Appraisement / Enforcement, Sargodha / Enforcement & Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

1) The Member Customs (Operations), F.B.R., Islamabad.
2) The Director General, Customs Valuation, Custom House, Karachi.
3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &WEBOC database system.
7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta &Peshawar.
9) The Karachi Customs Agents Group, Bohri Road, Karachi.
10) The Webmaster, Federal Board of Revenue, Islamabad.
11) Guard File.