GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West)/ Port Qasim / Export (Karachi/Port Qasim)/ Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination of Custom Values of Green Tea under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO.1344/ 2018)

No. Misc/14/2018-I/1506 Dated: November 26, 2018

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

2. **Background of the Valuation Issue:** Various representations from the importers, and the clearance collectorates were received in this Directorate General wherein they requested for determination of customs value of Green Tea of various origins including Vietnam, China and India. Therefore, this Directorate General initiated an exercise for the determination of the Customs Values of Green Tea in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Several meetings with different stakeholders including importers, and representatives from field formations were held in this Directorate General to discuss the current international prices of the subject goods. The stakeholders were requested to furnish the following documents before or during the course of above said meeting:

i. Invoices of imports during last three months showing factual value.
ii. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
iii. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
iv. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. The importers of Green Tea, representatives from Pakistan Tea Association and clearance collectorates attended the meeting. The stakeholders were of the opinion that the major dispute is in the values of green tea of Vietnam and China origins. The clearance data also supported this stance. However, the importers of Green tea of Vietnam origin stated that there are different types and grades of Green Tea of Vietnam origin being imported in our country. It was further contended that Green tea of China origin is of lower quality as compared to Green Tea of Vietnam origin. They showed their dissatisfaction on the values of green tea, being given by the Pakistan Tea Association. They requested for the determination of a single customs value for Vietnam Green Tea all types for uniformity and speedy customs clearance. The representative of Pakistan Tea Association stated that contrary to values of Black tea, values of green tea cannot be given on monthly basis as there is no distinction of grade or garden. Value can only be verified after testing the sample depending upon its physical appearance and other attributes like its freshness, aroma and taste. In spite of differences in

opinion on a number of issues, all the stakeholders present during the meetings requested to determine one value for one origin, otherwise, the disputes with customs would continue and delay the process of clearance.

5. **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 address the valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, was found inapplicable due to wide variation of values displayed in the import data, hence requisite information was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide 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 wide variations in declarations. Information available was hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries under Sub-Section (7) of the Section 25 of the Customs Act, 1969 and determined customs values of Green Tea under section 25(7) of the Customs Act, 1969 accordingly.

6. **Customs values for Green Tea:** Green Tea *hereinafter specified* shall be assessed to duty/ taxes at the following Customs Values:

S. No.	Description of goods	Origin	PCT Code	Proposed PCT for WeBOC	Customs values C&F US$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Green Tea	Vietnam	0902.2000	0902.2000.1000	2.15
2.		China		0902.2000.1100	1.45
Note: This Valuation Ruling is for Green Tea imported in bags of usually 25 Kg or more. This is not applicable on sachets, or small cartons/boxes of Green Tea marketed with brand names.					

7. 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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the air freight while applying the Customs values determined in this Ruling.

8. **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 (4) of Section 25-A of the Customs Act, 1969.

9. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided 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.

10. 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer.

The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification 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.

(Muhammad Iqbal Muneeb)
Director

Copy for information to:

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisement), 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. T9he Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation (Camp Office), 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 Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement, 1st Floor, Custom House, Karachi.
21. The Webmaster Federal Board of Revenue, Islamabad.
22. Guard File