GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI
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The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West)/ Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta (Appraisement / Preventive) / Peshawar (Appraisement/ Preventive) / Gwadar/ Gilgit-Baltistan.

Determination of Customs Values of 'Aluminum Beverage Cans' Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO.1372 / 2019)

No. Misc/10/2015-VI/2013 Dated: 14th May, 2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Aluminum Beverage Cans are determined as follows: -

2. **Background of the valuation issue:** Earlier Customs values of Aluminum Beverage Cans were determined under Section 25-A of Customs Act, 1969, vide Valuation Ruling No. 797/2016 dated 19-01-2016. The said Valuation Ruling required revision because the values in the international market of the subject goods were showing upward trend. Therefore, this Directorate General initiated an exercise for determination of customs values of Aluminum Beverage Cans under Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were scheduled and held on 09-01-2018, 12-03-2019 & 02-04-2019. The participants were requested to submit following documents before or during the stakeholders' meetings:

i) Invoice of Imports made during last three months showing factual value.
ii) Websites, names and E-mail address of known foreign suppliers / manufacturers of the item in question through which the actual current value could be ascertained.
iii) Copies of contracts made / LCs opened during the last three months showing the value of items in question.
iv) Copies of Sales Tax paid invoices issued during last four months (excluding duty and taxes) to substantiate their contentions.

4. Mr. Qasim Jaffrey, representative of M/s Haidari Beverage Pvt. Ltd & Mr. Faizaan Amin representative of M/s Pakistan Beverage Limited presented their written submissions. M/s Pakistan Beverage Limited argued that the tariff on Beverage Cans was increased from 11% to 20% in 2017. He stated that his company is engaged in bottling & selling Beverage under the brand names of "Pepsi, 7-up, Mirinda, Mountain Dew and Sting". The company imports empty Aluminum Cans from world's renowned suppliers situated in UAE. They also submitted working to prove that values of imported Cans of 250 ml varies from US$ 7.2 ~ 7.3 per kg. Mr. Adnan Shaikh, representative of M/s Pakistan Aluminum Beverage Can Limited attended the meeting and stated that if value of raw material i.e. Aluminum as published in LME for the period is taken into consideration, and manufacturing & other costs added thereon, the values of Aluminum Beverage Cans of 250 ml and 350 ml is worked out at US$ 9.62/Kg and US$ 8.50/Kg respectively.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969, were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act ibid was found inapplicable because required information under the law was not available. Moreover, the participants/ stakeholders could not provide substantial documentary evidence to ascertain the Customs value of Aluminum Beverage Cans. Identical /similar goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969, were examined for applicability to the valuation issue in hand which provided some reference values of subject goods but the same could not be exclusively relied upon due to wide variations in the declared values of the subject goods. Thereafter, market enquiries as envisaged under section 25(7) of the Customs Act, 1969, were conducted. But prices of empty Aluminum Beverage Can are not available in local market. On-line prices were also obtained. Similarly, LME price of Aluminum in international markets were also taken into consideration. Accordingly, the customs values of Aluminum Beverage Cans have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Aluminum Beverage Cans:** Aluminum Beverage Cans ***hereinafter*** specified shall be assessed to duty /taxes at the following Customs Values: -

S.No	Description	PCT Heading	Proposed PCT for WeBOC	Origin	Custom Value in C&F US$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Empty Aluminum Beverage Cans (Printed)less than 250 ml	7612.9030	7612.9030.1010	All Origins	9.43
2.	Empty Aluminum Beverage Cans (Printed) 250 ml	7612.9030	7612.9030.1020	All Origins	8.58
3.	Empty Aluminum Beverage Cans (Printed) 300 ml 330 ml 355 ml	7612.9030	7612.9030.1030	All Origins	6.82
4.	Empty Aluminum Beverage Cans (Printed) 500 ml	7612.9090	7612.9090.1040	All Origins	7.42

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 Sub-Section (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.

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 (1) or (3) of Section 25-A of the Customs Act, 1969.

9. **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 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 this Directorate General immediately. The Customs values determined in the valuation ruling are for the descriptions and specifications as mentioned herein. H.S. 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 Valuation Ruling No. 797/2016, dated 19-01-2016.***

(Shafique Ahmed Latki)
Director

Copy for information to: -

1. The Member (Customs-Operations), FBR, 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. The Chief Collector of Customs Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
10. The Director General, Post Clearance Audit (PCA), Islamabad.
11. The Director General, Internal Audit (Customs), Karachi.
12. The Directors General, Intelligence & Investigation, Islamabad.
13. The Director General, IOCO, Karachi.
14. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
15. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
16. Notice Board, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Guard File.