



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement & Facilitation (East / West) / Port Muhammad Bin Qasim / / JIAP, Karachi (Appraisement & Facilitation / Enforcement & Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisement / Preventive) / Peshawar (Appraisement / Preventive) / Gawadar / Gilgit-Baltistan / Export (Karachi / Port Qasim)

**DETERMINATION OF CUSTOM VALUES OF ICE CREAM,  
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 1472/2020)**

C. No. Misc/78/2016-I/51110

Dated: 16, -09-2020

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

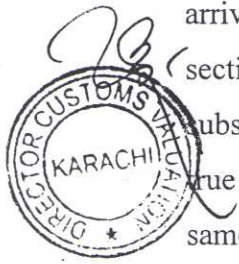
2. **Background of the valuation issue:** Earlier the customs values of Ice Cream were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1442/2020 dated 05-03-2020. The importers filed review petition under section 25-D of the Customs Act, 1969. The Director General Customs Valuation remanded back the valuation ruling vide Order-in-Revision No. 13/2020 dated 20-04-2020 with the observation to re-determine the values after consulting all the stake holders besides judicial scrutiny of values differences at import stage and retail prices. Therefore, an exercise was undertaken by the Directorate General of Customs Valuation to determine the Customs Values of subject goods in terms of Section 25-A of Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting was held on 27-04-2020 with the stakeholders of subject goods. The stakeholders contended that as subject goods are mainly sold in high-end super/ general-stores, therefore, more expenses (shelf rent, marketing costs etc.) are incurred at retail level which cannot be managed without adding extra value to the subject goods, hence the prices get inflated in the retail market. It was also contended that the goods needs to be kept in refrigerators continuously which also adds cost of doing business. The importers requested that such factors be considered while determination of value of subject goods. The stakeholders were requested to submit the relevant documents in order to substantiate their view point.

- 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 items in question.
- iv. Copies of Sales Tax Invoices issued during last three months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

M/s Jofa International and M/s Interlink Corporation submitted their sales tax returns, income tax returns and invoices etc. to substantiate their claims of extra ordinary high expenditures post importation stage. The documents were examined in details and considered during the proceedings of determination of values.

4. **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 arrive at customs value of subject goods. The Transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969 was found inapplicable because no substantial documents were provided by the stakeholders to prove that declared values were true transactional values. Moreover, different values were declared by different importers for same product according to their brand of ice cream from different origins. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references; however it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available hence found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries under sub-section (7) of Section 25 of the Customs Act, 1969. As the prices of ice cream of different brand and origin in the market varied significantly, therefore a number of surveys were conducted to arrive at customs values. However, it was found that determination of customs values could not be based solely upon this method either as method of selling either through franchise or through whole sellers are different. Therefore, valuation method *vide* Section 25(8) of the Customs Act, 1969 was examined for valuation but the same also could not be applied as the conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of ice cream. Finally, clearance data, market information and international prices through internet were examined thoroughly and



the information so gathered were utilized and analyzed for determination of Customs Values of Ice cream under Section 25(9) of the Customs Act 1969.

5. **Customs values for Ice Cream:** Ice Cream *hereinafter specified* shall be assessed to duty / taxes at following minimum Customs Values:-

S. No	Description of goods	Packing	PCT	Proposed PCT for WeBOC	Origin	Custom Values C&F (US\$/Kg)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Moven Pick Ice Cream (Assorted Flavours)	All modes of packing	2105.0000	2105.0000.1000	All Origins	6.65
2.	London Dairy Ice Cream (Assorted Flavours)			2105.0000.1100	All Origins	4.40
3.	Haagen Dazs Ice Cream (Assorted Flavours)			2105.0000.1200	All Origins	4.70
4.	Baskin Robins Ice Cream (Assorted Flavours)			2105.0000.1300	All Origins	4.05
5.	Ben & Jerry Ice Cream (Assorted Flavours)			2105.0000.1400	All Origins	4.05
6.	Swensens Ice Cream (Assorted Flavours)			2105.0000.1500	All Origins	2.90
7.	Tesco Ice Cream (Assorted Flavours)			2105.0000.1600	All Origins	2.90
8.	Oreo Ice Cream (Assorted Flavours)			2105.0000.1700	All Origins	3.00
9.	Other Brands Ice Cream			2105.0000.1800	All Origins	2.90

*Note: The clearance Collectorate are advised to ensure assessment as per the values mentioned in the table above and avoid assessment of Ice Cream in generalized term as "assorted ice cream" where values of brands have been specially mentioned in this Ruling.*

6. In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(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.

7. **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

