

Customs value of sauces and ketchup revised

The Directorate General Customs Valuation (DGCV) has revised the customs values of different sauces and tomato ketchup. According to details, the customs values of different sauces and tomato ketchup were earlier determined through valuation ruling 1215 in 2017.

However, the DGCV vide Order-In- Revision 421 in 2017 remanded back the case to the director valuation with the direction to conduct afresh exercise to re-determining customs values of tomato ketchup of various brands and also advised to revisit the whole issue of bulk packing and discount.

Therefore, an exercise was initiated by the Directorate to determine the customs values of different sauces and tomato ketchup. For the purpose, the meeting with stakeholders was held on January 23, 2018 in which, commercial importers requested to revise the customs values of the subject items downward in the light of prevailing international prices.

On the other hand, the local manufacturers especially tomato ketchup manufacturers contended that the prices of the same determined vide the impugned valuation ruling were on lower side and needed to be revised accordingly. They stated that the local tomato ketchup industry was not only consuming the local raw material but also creating employment opportunities besides earning foreign exchange. They further said that the local industry was capable of meeting the demand and there was no need to import tomato ketchup.

The valuation methods provided in section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to address the particular valuation issue at hand. The transaction value method as provided in sub-section (1) of section 25 was found inapplicable in light of the wide variety of invoices submitted at import stage.

The veracity of which could not be ascertained fully, hence requisite information required under law was not available to arrive at the correct transaction value. Similarly, similar goods value method provided vide sub-sections (5) & (6) of section 25 *ibid* were examined for applicability to determine the customs value of subject goods.

This data provided some references however it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level. In line with the statutory sequential order of section 25, the DGCV then conducted market inquiries using deductive value method under sub-section (7) of the section 25 of the Customs Act, 1969 and determined customs values of different sauces and tomato ketchup.

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