



Government of Pakistan
Directorate General of Customs Valuation
Custom House Karachi

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

Determination of Customs Values of Baby Diapers and Sanitary Towels/ Napkins and Tampons Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1169 / 2017)

No. Misc/01/2015-VIII/IX /1311

Dated: May, 25 2017.

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Baby Diapers and Sanitary Towels/Napkins are determined as follows: -

2. **Background of the valuation issue:** Customs values of Baby Diapers and Sanitary Towels/Napkins were earlier determined vide Valuation Ruling No.870/2016, dated 14-06-2015. The customs values were determined by the Director General of Customs Valuation vide Order-in-Revision No. 224/2016, dated 04-08-2016. The Many importers filed appeals under Section 194-A of the Customs Act, 1969, against the Order-in-Revision, before the honourable Customs Appellate Tribunal, Karachi. The Tribunal set aside the Order-in-Revision vide order dated 18-11-2016, with further Rectification Order dated 10-12-2016.. Meanwhile, the some importers approached this Directorate General to allow under Section 81 of the Customs Act, 1969, in the light of Honourable High Court of Sindh, Karachi's judgment in C.P.No.6918/2015, dated 14-11-2015, read with Honourable Supreme Court of Pakistan's order, dated 04-08-2016. As the previous Valuation Ruling needed revision in the light of above situation, an exercise was initiated to determine the customs value of Baby Diapers and Sanitary Napkins, with a view to reflect the current prices prevailing in the international market.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders was held on 18-05-2017. The stakeholders were requested to bring following documents to make the meeting fruitful.

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. Copies of Sales Tax Invoices issued during last four 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.



4. The meeting was attended by different stakeholders. The importers agitated that the values determined vide Valuation Ruling No.870/2016, dated 14-06-2016 and enhanced vide Order-in-Revision No. 224/2016, dated 04-08-2016 were not fair values. They further argued that values determined vide impugned Order-in-Revision were considerably higher than the actual prices in the international market, and thus needed immediate downward revision. The importers further contended that the prices of basic raw material i.e. pulp had gone down in the international market in the recent past. They requested for determination of customs values on market survey conducted from the wholesale market.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at values of Baby Diapers and Sanitary Towels/Napkins. Transaction value method provided in Section 25 (1) was found inapplicable due wide variation in the values being declared to the customs. Identical/similar goods value methods provided in Section 25 (5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variations in declared values of subject goods. Thereafter, market enquiries as envisaged under Section 25 (7) of the Customs Act, 1969, were conducted. As the stakeholders were not forthcoming with the values of the items being traded in the international market, therefore different markets were surveyed repeatedly for this purpose. Online prices were also obtained to corroborate the findings of the market surveys. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Online values were also obtained. Consequently, the Customs values of Baby Diapers and Sanitary Towels/Napkins have been determined under Section 25 (9) of the Customs Act, 1969.

6. **Customs values for Baby Diapers and Sanitary Towels/Napkins:** Baby Diapers and Sanitary Towels/Napkins *hereinafter* specified *shall* be assessed to duty/taxes at the following Customs Values: -

TABLE-A

High Value Brands of Baby Diapers: E.Q, Canbebe, Huggies, excluding 'Pampers' brand					
S.No	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(4)	(5)	(6)	(7)
1.	Baby Diaper	9619.0020	9619.0020.1000	Taiwan	3.20
2.	Baby Diaper	9619.0020	9619.0020.1100	Others	3.15

TABLE-B

Low End Brands of Baby Diapers					
S.No	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(4)	(5)	(6)	(7)
1.	Baby Diaper	9619.0020	9619.0020.1200	China	2.06



2.	Baby Diaper	9619.0020	9619.0020.1300	Indonesia, Malaysia & U.A.E	2.75
3.	Baby Diaper	9619.0020	9619.0020.1400	Turkey	2.15
4.	Baby Diaper	9619.0020	9619.0020.1500	Vietnam	1.96
5.	Baby Diaper	9619.0020	9619.0020.1600	Others	2.75

TABLE-C

High Value Brands Sanitary Towels/Napkins (pads) and Tampons: Stayfree, Helen Harper excluding 'Always' brand					
S.No	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(4)	(5)	(6)	(7)
1.	Sanitary Towels (pads) and Tampons	9619.0030	9619.0030.1000	Thailand	4.05
		9619.0090	9619.0090.1000		
			9619.0030.1100	Turkey	4.05
			9619.0090.1100		

TABLE-D

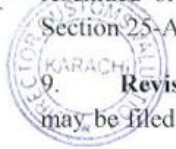
Low End Value Brands of Sanitary Towels/ Napkins (pads) and Tampons					
S.No	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(4)	(5)	(6)	(7)
1.	Sanitary Towels (pads) and Tampons	9619.0030	9619.0030.1200	China	1.96
		9619.0090	9619.0090.1200		

Note: If the above said goods are imported in bulk packing, 4% (four percent) reduction shall be allowed in the above mentioned determined customs values. The brands excluded in Table-A and Table-C, namely 'Pampers' and 'Always' shall be assessed under section 25 of the Customs Act, 1969.

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 or in case of import through Land Customs Stations, the differential amount between the Sea freight and land transport charges 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:** 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 this Valuation 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. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. HS 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 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.

11. ***This Valuation Ruling supersedes Valuation Ruling No.870/2016, dated 14-06-2016.***


(Dr. Wasil Ali Memon)
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system and deleting ***Valuation Ruling No.870/2016, dated 14-06-2016.***
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. 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, Appraisalment (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading FBR website and deleting ***Valuation Ruling No. Valuation Ruling No.870/2016, dated 14-06-2016.***
22. Guard File.