



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.

DETERMINATION OF CUSTOMS VALUES OF DISPOSABLE RAZORS AND RAZOR PARTS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1179/ 2017)

No. Misc/ 16 /2017-VI/1408

Dated 12-06-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, customs values of Disposable Razors and Razor Parts including cartridge only , safety razor handle without cartridge or blades are determined as follows:-

2. **Background of the valuation issue:** Earlier this Directorate General had conducted an audit of clearance values of subject goods and found the same to be on lower side in comparison with the international trading prices and the local selling prices. As an immediate remedial measure, this Directorate General circulated customs value of Safety Razor Chinese origin as one of the risk assessment measures vide Valuation Database letter No.206 dated 28-02-2017. Representation was received from a number of importers that they sought reduction of assessable value vide a valuation ruling so that uniform application of values could be affected without any discrepancies. Further , reference was also received from MCC Peshawar that basis keeping in view the inferior and common quality / kind of disposable safety razors being imported, the said VDB-206 may be revised downward proportionately on average basis or may be structured in such a manner to reflect quality wise fair and objective customs values in order to obviate the menace of smuggling and misdeclarations Therefore this Directorate General initiated an exercise under section 25A of the Customs Act, 1969 for determination of customs values of disposable Razors and Razor Parts including cartridge only , safety razor handle without cartridge or blades .

3. **Stakeholders' participation in determination of customs values:** Meetings were held with the importers on 22-05-2017 and 07.06.2017. All the stakeholders were requested to submit the following documents so that correct customs values could be determined:-

- 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 that the benefit of difference in price is passed on to the local buyers.

4. The importers were of the view that safety razors imported from China and Vietnam are of low quality and cheaper as compared to those of Korea and Egypt. They proposed that values may be rationalized keeping in view the low / inferior quality safety razor .

5. **Method adopted to determine customs values:** Valuation methods provided under Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. 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 upon due to wide variation in declared values of subject goods. Deductive Value Method as envisaged under Section 25(7) of the Customs Act, 1969, was examined and local market enquiry was conducted. Online values were also obtained. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. All the information collected in above methods was evaluated and analyzed for the purpose of determination of customs values. Keeping in view all the above, customs values of disposable Razors, Blades and Parts made of iron and steel are determined under sub-section (9) of Section 25 of the Customs Act, 1969.

6. **Customs values for:** Disposable Razors, Blades and Parts made of iron and steel *hereinafter specified* shall be assessed to duty/taxes at the following customs values:-

S. No.	Description	HS Code	Proposed PCT for WEOC	Origin	Customs Value
(1)	(2)	(3)	(4)	(5)	(6)
01.	Disposable Razor (Twin Blade Plastic Body)	8212.1000 8212.2000	8212.1000.1100 8212.2000.1200	Vietnam/	US\$ 0.035/pc
				Egypt	US\$ 0.033/pc
				China /	US\$ 0.030/pc
02.	Razors Parts i.e cartridges /blades or /and handles without cartridges / blades	8212.9000	8212.9000.1100	Vietnam/	US\$ 5.00/kg
				Egypt	US\$ 4.65/kg
				China	US\$ 4.25/kg

Note: The above values are for low end Brands and do not cover the products of the following brands. Gillette, Harry , Shick, Venus, Detroit, Parker, Lancet advance, Gibson butterfly, Merkur futer, Bic corp.

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:** 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.

11. **This Valuation Ruling supersedes Valuation Database VDB No. 206 dated 28-02-2017**


(Dr. Wasif Ali Memon)
Director

Copy for information to:-

1. Member (Customs), FBR, 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), Lahore.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Regional Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting VDB No.206 dated 28.02.2017.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi/Lahore/Islamabad/Hyderabad/Quetta & 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, 1st Floor, Custom House, Karachi.
21. Guard File.