



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

RULING U/S 25-A NO.535

No.Misc/41/2007-IV

Dated 09-01-2013

Note :

- i) The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.
- ii) Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.

Subject : DETERMINATION OF CUSTOMS VALUES OF COSMETICS OF HIGH
END BRANDS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

Valuation of Cosmetics was determined vide Valuation Ruling No.391 dated 27-10-2011. In consideration of the variation of prices in the international market, it was needed to revise and issue an up-dated valuation ruling, reflecting the current international prices, and the same was taken up for fresh determination of values.

2. Accordingly, meetings were held on 03.08.2012, 17.09.2012 and 05.11.2012, which were attended by the representatives of importers and other stakeholders including representative of KCC&I. During the meetings importers insisted that the existing values may be maintained in the wake of downward price trend in the international market, however, no legally admissible evidence to that effect was placed on record to support their contention. Import data was also examined in terms of section 25 (5) & (6) of the Customs Act, 1969, which was found to be quite variable rendering it to be unfit & inadmissible for any fair value determination. Accordingly, next valuation method i.e. deductive method was adopted, as stipulated under section 25(7) of the Act, and market survey was carried out wherein importers/stakeholders' representatives were also associated. It was also agreed that since weight of packing, for the same net content weight of a cosmetic item/perfume/toiletry, can vary significantly from brand to brand, therefore, per kilogram values calculated by including the weight of essential packing and made applicable on gross weight, i.e. net content plus essential packing weight, can lead to distortions at clearance stage, and in order to ensure equitable application of determined values, which will no doubt be inclusive of value of essential packing, need to be calculated on net content weight basis which obviously will be the same for all brands irrespective of packing. While keeping in view the submission made by importers/stakeholders, customs values have been determined under Deductive Method of valuation under section 25 (7) of the Customs Act, 1969, as under:



BRANDS

This valuation ruling only apply to the goods of following brands/companies: Aramis, Art Deco, Body Shop, Bvlgari, Burberry, Calvin Klein, Clarins, Chanel, Christian Dior, Clinique, Cover Girl, Davidoff, Dermologica, DKNY, Diana of London, DMGM, Dolce Gabbana, Dunhill, Estée Lauder, Elizabeth Arden, Etude, Fendi, Givenchy, Guinot, Giorgio/Emporio Armani, Gucci, Hermes, Hugo, Issey Miyake, Maybelinc, Jean Paton, Karaja, Kraylon, Lacoste, Lancome, Lanvin, Lancaster, MAC, Mont Blanc, O.P.I, Perry Ellis, Prada, Ralph Lauren, Rimmel, Salvatore Ferragamo, Sephore, Timoty, Tommy Hill, Toni & Guy, Versace, and YSL.

S. N o.	H.S.Code	Proposed PCT for WeBoc	Tariff Description	Item Description	Origin	Customs Values (C&F) per KG. (net content weight)
1	3304.1000	3304.1000.1210	Lip make-up preparations	(i) Lipsticks	All Origins	A. US\$ 140.00
				(ii) Lip Gloss / Lip Glaze.	All Origins	A. US\$ 105.00
				(iv) Lip-liner / Lip Pencil. (Lip pencil valuation is taken on the basis of net content weight without the wood part / container, therefore only the net content of the color weight will be taken into consideration for applicable duty/ taxes)	All Origins	A. US\$ 275.00
	3304.2000	3304.2000.1310	Eye make-up preparations and preparations for the care of the skin	(i) Eye Shade / Eye shadow.	All Origins	USD 105.00
				(iv) Eye Shiner / Eye Glitter	All Origins	USD 75.00
				(v) Eye Mascara / Eye Liner	All Origins	USD 175.00



				(vi) Eye Pencil / KAJAL (eye pencil valuation is taken on the basis of net content weight without the wood part / container, therefore only the net content of the color weight will be taken into consideration for applicable duty/ taxes)	All Origins	US\$ 140.00
3	3304.3010	3304.3010.2410	Nail Polish	(i) Nail Polish	All Origins	USD 70.00
4	3304.3090	3304.3090.2910	Manicure or pedicure preparations	Nail Polish Remover	All Origins	US\$ 5.50
5	3304.9110	3304.9110.2920	Face Powder	(i) Pressed Powder / Compact / Foundation in Powder form (mineral / non-mineral) / concealer / highlighter / compact makeup / finishing powder / Pressed / Compact Blush / bronzer	All Origins	A. US\$ 165.00
				(iii) Foundation Paint Stick	All origins	A. US\$ 165.00
6	3304.9190	3304.9190.3920	Beauty or make-up preparations	(i) Liquid Makeup / Foundation / Primer / Makeup / blemish concealer / Illuminator	All origins	A. US\$ 35.00

Note: If custom value of any imported good(s) of instant categories is not explicitly mentioned in the aforesaid table, the value there of will be determined in line with values indicated against the specific PCT heading / origin in the table above. The values should be calculated on the basis of net content weight without any packing. Wherever value of any particular item is given in the table above as per piece basis for a particular weight/gramage, the value per piece of other weights of same goods shall be calculated on pro rata basis or per kg value indicate for such item can be adopted.

In cases where declared values are more than the customs value determined in the ruling, the differential between air freight and sea freight, when taken into account, raises the customs values above those determined in

this ruling, the concerned assessing officers shall apply such higher values in terms of section 25(1) of the Customs Act, 1969. If any of the cosmetics goods are imported in bulk, a 25% discount on the value of said item given in the table above shall be allowed from respective origin.

03. Accordingly, aforesaid values are hereby determined under Section 25A of the Customs Act, 1969. All the Clearance Collectorates are advised to finalize assessment on the values mentioned above. These values shall remain valid until revised. However, if the invoice value is higher than the determined above, then such higher value shall be adopted for assessment purpose, in terms of Section 25 of the Customs Act, 1969.

(DR. ZULFIQAR AHMED MALIK)
DIRECTOR

Distribution

The Collectors of Customs, Model Customs Collectorates (Appraisal/PaCCS/ Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar, Gawadar.

- (1) S.A TO Chairman, F.B.R., Islamabad.
- (2) Member (Customs), F.B.R., Islamabad.
- (3) Chief Collectors of Customs (South), Custom House, Karachi.
- (4) Chief Collectors of Customs (North), Custom House, Islamabad.
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- (10) The Project Director Weboc, 11th Floor, Custom House, Karachi.
- (11) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading in One Customs & Weboc database on the date of issue of this ruling.
- (12) Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- (13) Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
- (14) Customs Revenue Audit, 8th floor, Custom House, Karachi.
- (15) Karachi Customs Agents Group, Bohri Road, Karachi.
- (16) Law Section, Customs Valuation, Custom House, Karachi.
- (17) Guard File.



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

No. Misc/43/2006-II / 234

Dated 23-01-2013.

CORRIGENDUM

Following amendments shall be made in the Valuation Ruling No. 535/ dated 09-01-2013 & Ruling No. 512 dated 21-12-2012 issued under Section 25A of the Customs Act, 1969, vide C.No. Misc/41/2007-II / 88 dated 09-01-2013.

- i) In the column "Brands" the word "Kryolan" shall be deleted.
- ii) In the column "Brands" the word "Noxima" shall be deleted.

(Dr. Zulfiqar Ahmed Malik)
Director

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The Collectors of Customs, Model Customs Collectorates (Appraisement / PaCCS/Port Qasim /Preventive), Karachi / Lahore / Sambrial (Sialkot) /Faisalabad /Multan /Islamabad /Hyderabad / Quetta / Peshawar /Gawadar.

Copy for information to:-

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