



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 TOILETRIES OF LOW- END
AND UNKNOWN BRANDS MENTIONED BELOW UNDER SECTION 25-A
OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO.596 / 2013)

No.Misc/41/2007-II

Dated: 24th October, 2013

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of low-end and unknown Toiletries are determined as follows :-

1. **Background of the valuation issue:** The Customs values of Toiletries were determined under Section 25-A of the Customs Act, 1969, vide Valuation Rulings No.589 & 590, dated 30-09-2013. Immediately after issuance of said Rulings, representations were received from various trade bodies including Karachi Chamber of Commerce & Industry that while determining the Customs values of Toiletries, the values of low end and un-known brands were not taken into consideration whose values were not at par with toiletries of known brands. In this regard, reference was also made by the stakeholders to the Findings of Honorable Federal Tax Ombudsman in Complaint No. 04/2011. Accordingly, the concerned stakeholders including President KCCI & Chairman Valuation Committee FPCCI were associated and their recommendations were also considered in the exercise to determine the Customs values of Toiletries of low end and un-known brands suggested by KCCI.
2. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Sub-Section (1) of Section 25 ibid was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 ibid could not be applied in the instant case due to unreliable and variable values. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969, was conducted and values so worked out were taken up for value determination. Consequently,

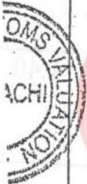


Deductive value method under Section 25(7) of the Customs Act, 1969, was applied to arrive at the Customs values of Toiletries of low end and un-known brands.

3. **Stakeholders' participation in determination of values:** Meetings were held with stakeholders and importers including representatives of KCC&I and FPCC&I on 07-10-2013, 08-10-2013, 11-10-2013, 13-10-2013 and 22-10-2013 to discuss the current international values of low end and unknown brands of Toiletries.
4. **Customs values for low-end and unbranded Toiletries:** Toiletries *hereinafter specified* shall be assessed to duty/ taxes at the following customs values :-

This valuation ruling shall only apply to the following brands: 5 Way Cream, 7 Vita cream, Active, Alpi Fresh, Axe, Bio Glow, Bio woman, Charlie, Ciptadent, Classic, Cobra, C.Booth, Color n care, Cussons Talcum powder, Daily Defense, Dawn Lotion, Denim, Emron, Fair and fair, Flex, Formula tooth paste, Freeman, Fresh and white, Fresher tooth paste, Garden, Gentle, Harmony, Heavenly, Garden, Jardin, Jolee, Kiss Beauty, Kustie, Lace, Lady Diana, Lakme, Lana, Lofty, Lovely Nature's Secret, No Marks, Organic, Palmolive, Pixy, Pro-Vit B5, Shelley, Silky, Cool, Soft Touch, Super Silk, Swiss Touch, VO5, White Care, White Rose, White-Satin, Wonder, Wonderful, Yardley, XIASHIB-AO, Young chin, Akat, BCL, Patel Fresh Hollywood, Dikson, Royal Gold, Mist, Tango, Popi, Everyday, Laquila, , Rivaj, Nova, Trace Me, Levinia, Dalan, Lorys, Dial, Freeman, Shokubutsh, White Rain, Mist Line, Fiabila, Elegant, Fresh Noz, Air Fragrance and similar unknown brands.

S.No.	H.S.Code	Proposed PCT for WeBOC	Tariff Description	Item Description	Origin	Customs Values (C&F) US\$ per KG (net content weight)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
01.	3304.9120	3304.9120.1000	Talcum Powder	Talcum Powder	All Origins	1.20
02.	3304.9910	3304.9910.1000	Face and Skin Creams and Lotion	(i) Lotion	All Origins	1.40
				(ii) Face/ Skin Cream/ Serum (All kinds, including whitening and lightening cream)	All Origins	1.40



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				(ii-a) Above (in packing of less than 10 grams)	All Origins	3.15
				(iii)Cleanser / Cleansing Milk	All Origins	1.50
03.	3304.9920	3304.9920.1000	Tonic and Skin Preparation	Face / Skin Tonic/ Toner / Gel	All Origins	1.40
04.	3304.9990	3304.9900.1000	Other Skin Preparation	(i)Facial Foam / Mask /Scrubs	All Origins	1.40
				(ii)Make-up Remover	All Origins	1.40
05.	3305.1000	3305.1000.1000	Shampoos	Shampoo / Conditioner	All origins excluding China, Far East, Srilanka	0.95
					China /Far East	0.85
					Srilanka	0.60
06.	3305.2000	3305.2000.1000	Preparations for Permanent Waving or Straightening Hair	Hair Spray	All Origins	1.85
07.	3305.2000	3305.2000.1100	Preparations for Permanent Waving or Straightening Hair	Hair Gel / Wax	All Origins	0.95
08.	3305.9010	3305.9010.1000	Cream for Hair	Hair Cream	All Origins	1.40




09.	3305.9020	3305.9020.1000	Hair Coat/Serum	Hair Coat/Serum	All Origins	1.45
09.	3305.9090	3305.9090.1000	Preparations for use on the Hair – Other (...Others)	(i)Hair Oil	All Origins	1.65
				(ii)Hair Lightening / Remover / Bleach Cream/ Lotion Powder	All Origins	1.50
				(iii)Hair Mouse	All origins	1.25
				(iv)Aqua/ Hydrogen Peroxide Liquid/ Developer	All Origins	0.75
10.	3306.1010	3306.1010.1000	Dentifrices ; Tooth Paste	Tooth Paste	All Origins (except China/ Indonesia	1.20
					China/ Indonesia	0.95
11.	3307.1000	3307.1000.1000	Pre-shave, shaving or after-shave preparations			
				(i) After Shave	All Origins	3.0
				(ii) Shaving Cream	All Origins	1.50
				(iii) Shaving Gel / Shaving Foam	All Origins	1.35
				(iv) Roll On / Deo Stick	All Origins	1.75
12.	3401.2000	3401.2000.1000	Soap in Other Forms	Liquid Soap /	Europe/ U.K./ USA	0.85
				Wash/ Hand Wash / Shower Gel / Body	All Other Origins	0.45



				Wash		
13.	3401.3000	3401.3000.1000	Organic Surface Active Products & Preparations for Washing Skin in form of Liquid or Cream and Put up for retail sell whether or not containing Soap	Facial Wash	All Origins	1.35

5. In cases where declared values are higher than the Customs value 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.
6. **Validity of 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 of the Customs Act, 1969.
7. **Review of the value determined vide this Valuation Ruling:** A review 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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.
8. The Collectors of Customs may kindly ensure that the values given in the Ruling are applied by the concerned staff without fail.


 (Suraiya Ahmed Butt)
 Director

Copy to for information to :-

1. S.A. to Chairman, F.B.R., Islamabad.
2. Member (Customs), F.B.R., Islamabad.
3. Director General, Customs Valuation, Custom House, Karachi.
4. Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
5. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
6. Chief Collector of Customs (Central), Lahore.
7. Chief Collector of Customs (North), Islamabad.
8. Director General, Intelligence and Investigation, Islamabad.
9. Director General, Post Clearance Audit, Islamabad.



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DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

No. Misc/41/2007-II

Dated: 01-11-2013.

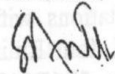
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CORRIGENDUM
(VALUATION RULING NO.596/2013)

Background of the issue: The Directorate General of Intelligence & Investigation has reported attempts to misuse the Valuation Ruling No.596/2013 by certain unscrupulous importers. Accordingly the following amendment is made in Valuation Ruling No.596/2013 dated 24-10-2013, under Section 25A of the Customs Act, 1969:-

"In the Table;

- (i) The following brands shall be deleted namely:-
"Palmolive, Yardley"
- (ii) For the word "unknown, the word "low-end" shall be substituted."


Suraiya Ahmed Butt
Director

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7. Chief Collector of Customs (North), Islamabad.
8. Director General, Intelligence and Investigation, Islamabad.
9. Director General, Post Clearance Audit, Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
12. The Project Director WeBOC, 11th Floor, Custom House, Karachi.
13. 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.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
16. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
17. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Review Section, Customs Valuation, 7th floor, Custom House, Karachi.
19. Karachi Customs Agents Group, Bohri Road, Karachi.
20. Guard File.



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

No.Misc/41/2007-II/2981

October 30, 2013

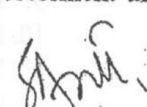
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Subject: IMPLEMENTATION OF VALUATION RULINGS NO 588/2013, 589/2013, 590/2013 & 596/2013 FOR TOILETRIES, PERFUMES & DEODORANTS

Valuation of Toiletries was hitherto governed by Valuation Ruling 512/2012 dated 27.12.2012 that notified values of Unbranded Toiletries. For Branded Toiletries, no uniform practice was followed by the clearance Collectorates while assessing them to duty/ taxes. For valuation of all types of Perfumes/Deodorants, Valuation Ruling No 513/2012 dated 27.12.2012 was in field.

2. The Directorate General of Customs Valuation has conducted the exercise of determining/ revising the Customs values of Toiletries and Perfumes/Deodorants including high end-branded Toiletries/Perfumes/Deodorants and unknown & inexpensive brands. After detailed consultations with stakeholders including President and other representatives of KCCI and FPCCI, four Rulings have been issued: 589/2013 governs only the high-end branded Toiletries, whereas 596/2013 applies only to low end and inexpensive brands; rest of Toiletries falls within the ambit of 590/ 2013. Valuation of perfumes and deodorants is governed by Valuation Ruling No. 588/2013 read with its Corrigendum dated 24.10.2013. In the said four Rulings, brand wise determination of Customs values has been done to differentiate between high end known brands from low end unknown brands. The Customs values reflect their market values.

3. Perusal of import data and feedback by stakeholders reveal that certain unscrupulous importers of subject goods evade Government revenue by making incomplete declarations avoiding application of valuation rulings and by importing expensive/branded goods in the garb of low-end Cosmetics & Toiletries. To circumvent any effort at import stage to manipulate description and to clear cosmetics/ toiletries/ perfumes of high end / known brands at lower values, clearance Collectorates are required to exercise due vigilance at both assessment and examination level.


Suraiya Ahmed Butt
Director

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