



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI  
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**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 Baby Diapers and Sanitary Towels/ Napkins and Tampons under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1284 / 2018)

No. Misc/01/2015-VII (B)/IX /428

Dated: April 13, 2018

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.1169/2017 dated 25-05-2017. M/s. Usman Ghani & Co. Karachi submitted letters dated 27-11-2017, 22-01-2018 and 06-02-2018 regarding under invoicing in the import of baby diapers "Rocket" brand from China. Representations from M/s Ontex Pakistan and several other stakeholders were received to re-determine customs values of subject items. Therefore, an exercise was initiated to determine the customs value of Baby Diapers and Sanitary Napkins, in terms of Section 25-A of the Customs Act, 1969, with a view to ascertain the current prices of the subject items prevailing in the international market.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 06-02-2018 and 21-02-2018. Meetings were attended by the representatives of different stakeholders. The importers were of the opinion that due to fall in the international prices of raw material of baby diapers including oil, pulp etc., the prices of subject item have shown a downward trend. They contended that the existing valuation ruling is already on the higher side. They stated that many importers have established their plants for manufacturing diapers locally as the raw material of diapers is imported on lower values. Mr. Usman Ghani of M/s Usman Ghani & Co. and M/s Mariam Impex also attended the meeting. He insisted that the prices of 'Rocket' brand baby diaper should be increased, whereas, M/s S.S. Corporation, importer of 'Rocket' brand diaper, emphasized that their prices are genuine. He stated that frivolous complaints are being filed against him due to business rivalry. He asserted that he got two consignments of Mr. Usman Ghani of M/s Mariam Impex confiscated on account of being counterfeit products in violation of IPR and submitted orders-in-original and orders-in-appeal in support of his contentions.

4. During the meetings, they used harsh language against each other, and tried to digress from the subject matter, therefore both were requested to remain focused on the valuation aspect of the subject item and to substantiate their contentions regarding values with substantial evidences. M/s Usman Ghani & Co. submitted copy of website Daraaz.com indicating values and website values of diapers, various sizes, (no brand mentioned) obtained from the supplier Hong Kong Joylink Imp &Exp Co. Ltd. On the other hand, M/s S.S. Corporation, submitted certain documents including invoices, Sales Contract, L/C, copies of import GDs, and also furnished certain Export GDs from China. The values available on the



Export GDs of "Rocket" brand baby diaper, when compared with import documents, were found to be in proximity with the values determined vide valuation ruling 1169/2017. Besides this controversy, the contentions of all stakeholders present during the proceedings were heard in detail and considered to arrive at Customs values of subject goods.

5. It is pertinent to mention here that during the scrutiny of import data of the subject item, it transpired that M/s Usman Ghani and Co. has not imported any consignment of baby diapers during the last two years, which further implies that complaint has been filed on account of personal and business rivalry and in order to settle scores.

6. **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 and different markets were surveyed repeatedly for this purpose. Online prices were also obtained to corroborate the findings of the market surveys. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Baby Diapers and Sanitary Towels/Napkins have been determined under Section 25(7) of the Customs Act, 1969. It is pertinent to mention that market survey of contentious brand Rocket indicated that values now worked out are not significantly different from existing determined values. However, after second stakeholder meeting, a number of complaints were received from complainant, therefore, re-surveys of the contentious brand were conducted which indicated that variation in price is not significant, and are closer to the values already derived through earlier surveys.

7. **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 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.	<b>Baby Diaper Brands</b> E.Q, Canbebe, Huggies	9619.0020	9619.0020.1000	All Origins	3.15
2.	Bello	9619.0020	9619.0020.1100	All Origins	3.10
3.	Molfix , Shield	9619.0020	9619.0020.1200	All Origins	2.90





**TABLE-B**

<b>Low End Brands of Baby Diapers</b>					
S.No	Description of goods	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(4)	(5)	(6)	(7)
1.	Baby Diaper	9619.0020	9619.0020.1300	China	2.05
2.		9619.0020	9619.0020.1400	Indonesia, Malaysia & U.A.E	2.75
3.		9619.0020	9619.0020.1500	Turkey	2.15
4.		9619.0020	9619.0020.1600	Vietnam	1.95
5.		9619.0020	9619.0020.1700	Others	2.75

**TABLE-C**

<b>High Value Brands Sanitary Towels/Napkins (pads) and Tampons: Stayfree, Helen Harper excluding 'Always' brand</b>					
S.No	Description of goods	PCT	Proposed PCT for WEBOC	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**

<b>Low End Brands of Sanitary Towels/ Napkins (pads) and Tampons</b>					
S.No	Description of goods	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(4)	(5)	(6)	(7)
1.	Sanitary Towels (pads) and Tampons	9619.0030 9619.0090	9619.0030.1200 9619.0090.1200	China	1.95

*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.*

8. 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 element of air freight while assessing the goods.



9. **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.

10. **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, 7<sup>th</sup> Floor, Custom House, Karachi.

11. 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.

12. *This Valuation Ruling supersedes Valuation Ruling No. 1169/2017 dated 25-05-2017.*

  
(Muhammad Iqbal Muneeb)  
Director

13/4/17

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), 1<sup>st</sup> 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. 1169/2017 dated 25-05-2017*.
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, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> 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. 1169/2017 dated 25-05-2017.
22. Guard File.