



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

(VALUATION RULING NO. 115 / 2015)

No. Misc/01/2015-VIII

Dated: December 01, 2015

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

2. Background of the valuation issue: Customs values of Baby Diaper were earlier determine through Valuation Ruling No.660/2015, dated 29-03-2014. It was brought to the notice of this Directorate General that value of sanitary napkin was being declared by the importers on lower side as compared to its normal value causing loss of revenue to the exchequer. An exercise was initiated to determine the customs value of Baby Diaper and Sanitary Napkins, with a view to reflect the current prices prevailing in the international market of both the items.

3. Stakeholders' participation in determination of Customs values: Meeting with stakeholders including importers, local manufacturers, and representative of trade bodies were held on 23-4-2015, 02-11-2015, 18-11-2015 and 30-11-2015 to discuss the issue of valuation and get feedback of the stakeholders. During the meetings local manufacturer and importers point of view regarding values were different. It was also noticed that stakeholder who participated in the earlier meetings abstained from participating in the subsequent meetings and every time new different persons came for the meeting except one. The requisitioned documents to substantiate their claims were not furnished in spite of reminders and repeated requests. Therefore, it was decided to determine the prices on the basis of available import data with the Directorate General of Customs Valuation and market surveys conducted in this regard.

4. Method adopted to determine Customs values: Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act 1969, was found inapplicable because required information under the law was not available as different brands from different suppliers were being declared at diverse rates. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variation in both the items and different price were being declared for similar and identical items. Therefore, customs values could not be determined under section 25(5) & (6) *ibid*. In view of the foregoing position, it was decided to conduct local market survey in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969 and customs values were determined accordingly.

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



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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 | 3.00 |
| 2. | Baby Diaper | 9619.0020 | 9619.0020.1100 | Others | 3.00 |

TABLE-B

| Low End Value 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 | 2.25 |
| 2. | Baby Diaper | 9619.0020 | 9619.0020.1300 | Indonesia, Malaysia & U.A.E | 2.75 |
| 3. | Baby Diaper | 9619.0020 | 9619.0020.1400 | Turkey | 2.50 |
| 4. | Baby Diaper | 9619.0020 | 9619.0020.1500 | Vietnam | 2.15 |
| 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 | 4.00 |
| | | 9619.0090 | 9619.0090.1000 | | |
| | | | 9619.0030.1100 | Turkey | 4.00 |
| | | | 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 9619.0090 | 9619.0030.1200 9619.0090.1200 | China | 2.00 |



Note: If the above said goods are imported in bulk packing, 5% (five 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.

6. 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.

7. **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 or section 25-D of the Customs Act, 1969.

8. **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 issuance of this Ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. 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 this Directorate General immediately for redressal.

10. *This Valuation Ruling supersedes Valuation Ruling No.660/2014, dated 29-03-2014.*


(Manzoor Hussain 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.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
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 this Ruling in the system.
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.