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 Shampoos/Conditioners and Hair Spray/Gel/Wax/Cream/Colour/Oil/ Hair coat/ Aqua/Hydrogen Peroxide Liquid/ Developer/ Accelerator Under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO.814/2016)

No. Misc/41/2007-II 19001

Dated: 06th May, 2016.

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Shampoos/Conditioners and Hair Spray/Gel/Wax/Cream/Colour/Oil/Hair coat/ Aqua/Hydrogen Peroxide Liquid/ Developer/ Accelerator, are determined as follows:-

2. **Background of the valuation issue:** Customs values of Shampoos/Conditioners and Hair Spray/Gel/Wax/Cream/Colour/Oil/Hair coat/ Aqua/Hydrogen Peroxide Liquid/ Developer/ Accelerator, were earlier determined through Valuation Ruling No.814/2016, dated 28-01-2016. There were number of review petitions filed by importers against the said ruling. The honorable High Court of Sindh at Karachi vide orders dated 10-11-2015 in constitutional petition No. D-6918/2015 directed that in cases where the valuation ruling is more than 90 days old and an importer has approached Director Valuation in terms of Para 21 of the Judgment in the case of Sadia Jabbar supra, fresh consignments of such importers shall be allowed provisional release in terms of Section 81 of the Customs Act, 1969 by securing the differential amount of duty and taxes in the shape of Pay Order/ Bank Guarantee as the case may be, by the Director Valuation and or the concerned Collector without fall. Since 90 days have passed and a number of representations were received from commercial importers and multi-national companies regarding values determined in the valuation ruling dated 28.01.2016 hence an exercise was initiated to re-determine the values of subject items.

3. **Stakeholders participation in determination of Customs values:** Meeting with stakeholders including importers, FPCCI/KCCI/APCITA and representatives of trade bodies was held on 25-04-2016 to discuss the current international prices of the subject goods. The view point of all participants was heard in detail and considered to arrive at Customs value for subject goods. Furthermore, for sake of transparency, public notices were affixed on notice boards at Custom House, Karachi and at FPCCI, seeking input from stakeholders and which was accordingly considered.

4. **Method adopted to determine Customs values:** Valuation methods of Section 25 of the Customs Act, 1969 were adopted and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable as...
the requisite information required under the law was not available to arrive at the correct
transactional value. Identical/similar goods value methods provided in Sub-Sections (5) & (6) of
Section 25 ibid were examined sequentially for applicability to determine Customs values of
subject goods, this data provided some references however, it was found that the same could not
be solely relied upon due to absence of absolute demonstrable evidence of qualities,
commercial levels, imports routed through countries other than the manufacturers etc. and also it
was observed that importers usually provide misleading descriptions while declaring their
imports, as other types and verities of similar goods to avoid application of the relevant valuation
ruling. Information available was hence found inappropriate. In line with the statutory sequential
order of section 25, this office then conducted a market enquiry using Deductive Value Method
under Sub-Section (7) of the Section 25 of the Customs Act, 1969 however, it was found that
determination of Customs value could not be based solely upon this method either. Valuation
method provided vide section 25(8) of Customs Act, 1969 could not be applied as the conversion
costs from constituent materials and allied expenses, at country of export are not available.
Finally PRAL database, market information was evaluated and international prices from internet
sources were thoroughly examined. All the information so gathered was analyzed for
determination of customs value. Consequently, the Full Back Method as provided under section
25(9) of the Customs Act, 1969 was applied and relied upon to derive at and determine
assessable customs values of Shampoos/Conditioners and Hair Spray/Gel/ Wax/Cream/Colour/
Oil/Hair coat/ Aqua/Hydrogen Peroxide Liquid/ Developer/ Accelerator.

5. Shampoos/Conditioners and Hair Spray/Gel/Wax/Cream/Colour/Oil/Hair coat/
Aqua/Hydrogen Peroxide Liquid/ Developer/ Accelerator: Shampoos/Conditioners and Hair
Spray/Gel/Wax/Cream/Colour/Oil/Hair coat/Aqua/Hydrogen Peroxide Liquid/ Developer/
Accelerator of brands hereinafter specified shall be assessed to duty/taxes at the Customs Values
mentioned separately for each brands category herein below:-

<table>
<thead>
<tr>
<th>A-Category Brands</th>
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</thead>
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<table>
<thead>
<tr>
<th>B-Category Brands</th>
</tr>
</thead>
</table>

C-Category Brands

<table>
<thead>
<tr>
<th>S.No</th>
<th>H.S.Code</th>
<th>Proposed PCT WeBOC</th>
<th>Tariff Description</th>
<th>Item Description</th>
<th>Origin</th>
<th>Customs Values (C&amp;F)</th>
<th>USS/Kg (net content weight)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>3305.1000</td>
<td>3305.1000.1000</td>
<td>Shampoos</td>
<td>Shampoos/Conditioner</td>
<td>All origins</td>
<td>A. 4.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3305.2000</td>
<td>3305.2000.1000</td>
<td>Preparations for permanent waving or straightening Hair</td>
<td>Hair Spray</td>
<td>All Origins</td>
<td>A. 5.05</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3305.9010</td>
<td>3305.9010.1000</td>
<td>Cream for Hair</td>
<td>Hair Cream, all kinds</td>
<td>All Origins</td>
<td>A. 6.25</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3305.9020</td>
<td>3305.9020.1000</td>
<td>Dyes for Hair</td>
<td>Hair Colours</td>
<td>All Origins</td>
<td>A. 10.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3305.9090</td>
<td>3305.9090.1000</td>
<td>Preparations for use on the Hair—Other: (…..others)</td>
<td>Hair Oil</td>
<td>All Origins</td>
<td>A. 6.50</td>
<td></td>
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<tr>
<td></td>
<td>3305.9090</td>
<td>3305.9090.1100</td>
<td>-do-</td>
<td>Hair Mouse</td>
<td>All Origins</td>
<td>A. 7.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3305.9090</td>
<td>3305.9090.1200</td>
<td>-do-</td>
<td>Hair lightening/Remover/Bleach Cream/Lotion Powder.</td>
<td>All origins</td>
<td>A. 4.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3305.9090</td>
<td>3305.9090.1300</td>
<td>-do-</td>
<td>Aqua/Hydrogen Peroxide Liquid/Developer/Accelerator</td>
<td>All origins</td>
<td>A. 2.50</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>3305.9020</td>
<td>3305.9020.1100</td>
<td>-do-</td>
<td>Hair Serum</td>
<td>Coat/ All origins</td>
<td>A. 4.50</td>
<td>B. 2.25</td>
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**Notes:**

i) The values do not apply for the imports made directly by multinational companies from their sister concern of same name, such consignments shall be assessed in accordance with provisions of Section 25(1) of the Customs Act, 1969 and kept under close watch. Any anomaly observed may be taken cognizance of and reported to this Directorate General.

ii) Consignments of Brands not mentioned in the above table may be assessed by the clearance Collectorate under section 25(1) of the Act, however in case the assessable customs value of such goods cannot be derived at by the Collectorate, then section 81 of the Customs Act, 1969 may be invoked and the transaction be referred to this Directorate for determination of its fair value and finalization.

iii) Any Goods imported in form of a KIT or a GIFT SET, the same shall be assessed according to the PCT of each item separately available in the kit, against the values mentioned in this valuation ruling.

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, or by land route, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling. The Customs Values determined in the ruling are for the descriptions and specifications as mentioned herein. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or any other certifications required thereon.

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-Section (4) of Section 25A or section 25D 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. 814/2016, dated 28-01-2016.**

   (Dr. Wasif Ali Memon)
   Directo

Copy for information to:

1. Member (Customs), F.B.R., Islamabad.