GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, Appraisement (East/West)/Port Qasim/Preventive, Karachi/Lahore (Appraisement / Preventive)/Sambrial (Sialkot)/Faisalabad/Multan/Islamabad/Hyderabad/Quetta/Peshawar/Gawadar/Gilgit-Baltistan.


(VALUATION RULING NO. 276/2016)


In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of (1) Perfumes (2) Eau De Perfume (3) Eau De Toilet (4) Eau De Cologne (5) Body Spray (6) Personal Deodorants (7) Roll-on (8) Anti Perspirant (9) Body Deo (10) Deo stick are determined as follows:-

2. Background of the valuation issue: Customs values of (1) Perfumes (2) Eau De Perfume (3) Eau De Toilet (4) Eau De Cologne (5) Body Spray (6) Personal Deodorants (7) Roll-on (8) Anti Perspirant (9) Body Deo (10) Deo stick were earlier determined vide Valuation Ruling No.811/2016, dated 27-01-2016. There were a 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 27.01.2016 hence an exercise was initiated an elaborate exercise for issuing new valuation ruling of (1) Perfumes (2) Eau De Perfume (3) Eau De Toilet (4) Eau De Cologne (5) Body Spray (6) Personal Deodorants (7) Roll-on (8) Anti Perspirant (9) Body Deo (10) Deo stick, with a view to reflect the current prices of these items prevailing in the international market.

3. Stakeholders’ participation in determination of Customs values: Meeting with stakeholders including importers, FPCCI/KCCI/APCTIA 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. Resultantly, identical/similar goods valuation 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 frequently provide misleading and varying descriptions while declaring their imported items, as other types and varieties of similar goods, to avoid application of relevant valuation ruling. Available information pertaining to identical goods and also similar goods was hence found insufficient and inappropriate, to arrive at the customs value of the subject goods. 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 Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied and relied upon to arrive at and determine assessable customs values of (1) **Perfumes** (2) **Eau De Perfume** (3) **Eau De Toilet (4) Eau De Cologne** (5) **Body Spray** (6) **Personal Deodorants** (7) **Roll-on** (8) **Anti Perspirant** (9) **Body Deo** (10) **Deo stick.**

5. (1) **Perfumes** (2) **Eau De Perfume** (3) **Eau De Toilet (4) Eau De Cologne (5) Body Spray** (6) **Personal Deodorants** (7) **Roll-on** (8) **Anti Perspirant** (9) **Body Deo** (10) **Deo stick** 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><strong>A+ (PLUS) CATEGORY</strong></th>
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<tr>
<th><strong>A CATEGORY</strong></th>
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**B CATEGORY**


**C CATEGORY**


**D CATEGORY**


**E CATEGORY**

F CATEGORY
<table>
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<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>USD/kg (net weight)</th>
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<tbody>
<tr>
<td>01</td>
<td>3303.0010</td>
<td>3303.0010.1000</td>
<td>Perfumes</td>
<td>Perfumes</td>
<td>All origins</td>
<td>α+ 500.00</td>
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<td></td>
<td>3303.0020</td>
<td>3303.0020.1000</td>
<td>Toilet Eau</td>
<td>Toilet Eau</td>
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<td>α. 235.00</td>
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<td>S.No.</td>
<td>HS Code</td>
<td>Description</td>
<td>Unit of Measurement</td>
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<td>B.</td>
<td>125.00</td>
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<td>G.</td>
<td>6.00</td>
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**Notes:**

i) Consignments of Brands not mentioned in the above table may be assessed by the clearance Collectorates under section 25(1) of the Act, however incase 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.

ii) 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.

iii) Variant of aforementioned brands shall be assessed on the value determined for the main brand.

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 therein. In addition to this, it is further necessary to verify that there is no misdeclaration of any sort or violation of Import Policy Order, section 15 of Customs Act 1969 or any other law invogue therein.

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. 811/2016, dated 27-01-2016.

(Dr. Wasif Ali Memon)
Directo

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 (Appraisement), 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), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta / Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. Chairman (Valuation Committee), FPCCI, Federation House, Clifton, Karachi.
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, Appraisement, 1st Floor, Custom House, Karachi.