



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

**Determination of Customs Values of Toilet Soap under Section 25-A of the
Customs Act, 1969.**

No.Misc/01/2008-II

1890
1360
(VALUATION RULING NO. /2019)

Dated: April 04, 2019

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Toilet Soap are determined as follows:

2. **Background of the Valuation Issue:** Earlier customs values of Toilet Soaps were determined vide Valuation Ruling No. 863/2016 dated 02-06-2016. Aggrieved with the Valuation Ruling, certain importers filed Revision Petitions before the Directorate General of Customs Valuation under section 25-D of the Customs Act, 1969. The revision petitions were decided and customs values of toilet soaps were notified afresh vide Order-in-Revision No.217/2016 dated 02-08-2016. The Order-in-Revision was also challenged before the Appellate Tribunal, meanwhile, many importers filed Constitutional Petitions before the Honorable High Court of Sindh at Karachi and Interim relief in shape of provisional assessment on the basis of difference between the declared value and value as per Valuation Ruling No. 863/2016 was granted. The Appellate Tribunal set aside the impugned Valuation Ruling and Order-in-Revision. The Honourable High Court of Sindh at Karachi vide judgment dated 29-05-2017 in SCRA 744 of 2016 and other linked SCRAs and CPs, dismissed Order-in-Revision No. 217/2016 and also revoked the powers of Director General Customs Valuation to determine values through order-in-revision. Several representations were received in this Directorate General wherein it was stated that some unscrupulous elements resort to under-invoicing. In view of above, this Directorate General initiated an exercise for re-determination of the Customs Values of toilet soaps in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Several meetings with stakeholders including importers, representatives from Karachi Chamber of Commerce and Industry, Pakistan Soap Manufacturers Association and representatives from field formations were held in this Directorate General to discuss the current international prices of the subject goods. The importers / stakeholders were requested to submit the following documents before or during the course of stakeholders meetings so that customs values could be determined:

- i) Invoices of imports during last three months showing customs value.
- ii) Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.



4. Although the importers had contested the customs values determined earlier but they did not produce any corroborative documentary evidences to substantiate their submissions. The Pakistan Soap Manufacturers Association informed that the values of Toilet Soaps need to be revised in accordance with the price prevailing in the international markets. The Pakistan Soap Manufacturers Association pointed out that reputed importers declare the actual prices but some unscrupulous elements resort to under-invoicing. Furthermore, the price of its raw material i.e. Soap Noodles TFM 78% and above at US\$ 700/MT and US\$ 630/MT for TFM 72% and below. Therefore, after adding the cost of perfumes and overheads, the minimum value of any brand of toilet soap should be revised upward, whereas, the importers contended that the customs values may be re-determined in the light of price trend prevailing in the international markets according to the brands. They contended that any unnecessary increase in the values of toilet soaps would result in increase in smuggling of the item into Pakistan from various routes. After detailed deliberations, the participants during the last leg of consultations agreed that values of toilet soaps need to be rationalized and representatives of the importers and associations also submitted their recommendations. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject goods.

5. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variations of values displayed in the import data. Thereafter, identical / similar goods value method as provided in Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case. The wide variations in declarations were observed. Information available was hence, found inappropriate. In line with the statutory sequential order of Section 25, this office conducted market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969. Resultantly, Customs values of toilet soaps have been determined under section 25 (7) of the Customs Act, 1969 accordingly.

6. **Customs values for Toilet Soap:** The Toilet Soaps *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:

S#	Toilet Soaps: Brand Names	PCT Heading	Proposed PCT for WeBOC	Customs Value (C&F) US\$ /kg
1	2	3	4	5
1	Aspen, Aveeno, Body Shop Soap, Canus, Cetaphil, Clinique, Defense Soap, Dermalogica, Dermazinc zinc, G Sensr Excel, Goat's Milk Soap, Neutrogena, "ONE" Natural Body Soap, Prada, Sweet Honey	3401.1100 3401.1900	3401.1100.1100 3401.1900.1100	7.40
2	Cerave, Cuticura, JF, Kirk' Castile, Lilie De Vallee, Oilum, Palmers, Qrshi Demaghi, Shea Moiture, Stillman's, Sun Feather, Tom's, Tone, Yes To	3401.1100 3401.1900	3401.1100.1200 3401.1900.1200	3.80
3	Burt's Bees, Caress, Cleopatra, velvet blis, Dettol, Dermacide, Derma Care, Dial, Doctor	3401.1100 3401.1900	3401.1100.1300 3401.1900.1300	2.90

	Woods, Dove, (Creamy Men's cure), Enrgizr Max, Hi Tone, Mysore, Oilatum, Olay, Olivee, Olivia, Skin Doctor, Yardley, South of France, Yong Chin/YC (wooden packing)			
4	Avon, Benzacide, Brut, Calendox, Camay, Coast, Dalan, Dove soap, Enchanteur, Froton, Fruity, Glysolid Glycerine D, Hydrolatum, Irish Spring, Johnsons & Johnsons, Lava, Lever 2000, Nivea, Old Spice, Palmolive, Pears, Pure Natural, Romano Classic, Safe Guard, Shea, Shield, Spring, Zest Scented,	3401.1100 3401.1900	3401.1100.1400 3401.1900.1400	1.70
5	Bee and Flower, Cinthol, Classic White, Fa, Himalaya, Ivory, Imperial Lather (Cussons), Lux, Lifebuoy, Royal Leather, Vaseline	3401.1100 3401.1900	3401.1100.1500 3401.1900.1500	1.40
6	Diana, Dura Lady, Dr. James, Lace Bath, Pamela, S Nat & Soft, Yoko	3401.1100 3401.1900	3401.1100.1600 3401.1900.1600	1.15
7	Arqus, Asepso, Ava, Blitz, Charm, Delux Palm, Fruit Scented, Harmony, Hotel, IRIS, JO, Joly May, Lark, Lervia, Lilly Gold, Miss London, Miss Paris, Paradise, Parisa, Piva, Sanify, Savannah, Silk, Silken, Switso, Vasolive, White Balance, Yong Chin/YC	3401.1100 3401.1900	3401.1100.1700 3401.1900.1700	0.84
8	Admire, Alya, Amorish, Anita, Anna, Aven Liesel, Avena, Bea, Bea Fruity, Blesso, Bling, Blossom, Bonita, Clinico, Crown Gold, Crown Imperial, Crown Leather, Deep, D'Lux, Diva, Doll, Essentialz, Eva, Eve, Every Day, Fena, Fiabila, Flavia, Fruitina, Fruitis Fruity, Fruter Fruity, Giv, Glo, Godrej, Grace, Ivan, Jergens, Jolie, La Bella, Lace Creamy, Lilly, Lexus, Loles body care soap, Lotus, Luv, Lykis, May, Midas, Mistine, Morena, Neola, Olina, Orchid, Ozona, Plush, Relax, Royal, Royal Imperial, Safah, Sahara, Safex, Secret Garden, Sofree, Soft Pearl, Sol, Suave, Suannah, Tuti Fruiti, Ve, Vuru,	3401.1100 3401.1900	3401.1100.1800 3401.1900.1800	0.75
Other Brands				
09	Europe / USA / Canada	3401.1100 3401.1900	3401.1100.1900 3401.1900.1900	4.15
10	Middle East/ Saudi Arabia/ Turkey	3401.1100 3401.1900	3401.1100.2100 3401.1900.2100	2.00
11	Other Origins (low end brands)	3401.1100 3401.1900	3401.1100.2200 3401.1900.2200	1.00
12	Facial Liquid Soaps/Wash (in tube/bottle) shall be assessed @ 25% higher value than the value determined above.			
<i>Note: The above 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.</i>				



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 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 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 issue 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 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 Director General immediately. Customs values determined in the ruling are for the descriptions and specifications as mentioned in this Valuation 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 certifications 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.

10. ***This Ruling supersedes Valuation Ruling No. 863/2016 dated 02.06.2016.***


(Shafique Ahmed Latki)
Director

Copy for information to:

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta