



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 (Appraisement / Preventive) / Peshawar / Gwadar / Gilgit-Baltistan / Exports (Karachi / Port Qasim) / Directorate of Transit Trade, Karachi.

**DETERMINATION OF CUSTOMS VALUES OF (1) BODY SPRAY (2) PERSONAL DEODORANTS (3) ANTI-PERSPIRANT (4) BODY-DEODORANTS (5) ROLL-ON (6) DEO-STICK UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1456 / 2020)

No. Misc/41/2007-II/1383 14046

Dated: 13-07-2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Body Spray, Personal Deodorants, Anti-Perspirant, Body- Deodorants, Roll-On and Deo-stick are determined as follows: -

2. **Background of the valuation issue:** Customs values of aforementioned items were earlier determined through Valuation Ruling No.1392/2019 dated 15-10-2019. Later on, Pakistan Soap Manufacturers Association and other stakeholders filed representations before Director Customs Valuation, Karachi, for re-determination of values keeping in view the prices of raw materials used in preparation of the deodorants i.e. Perfume, Ethanol, Stabilizer, Aluminum Can, Pump & Actuators, Cap, Outer Box etc. Keeping in view above grounds, this Directorate General initiated an exercise for re-determination of the Customs Values of subject items.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 28-01-2020 and 04-03-2020 to discuss the issue of valuation of subject goods. The stakeholders were also requested to furnish following documents before or during the course of stakeholders' meetings:

- i. Invoices of imports during last three months showing factual 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. The Meetings were attended by different stakeholders. No importer submitted substantial documents/evidence to help determine customs values of subject items despite lapse of considerable time. Pakistan Soap Manufacturers Association submitted documents contending that the value of deodorants is on lower side keeping in view the price of raw materials used in manufacturing of Deodorants. They produced goods declarations showing imports of packings of identical goods like empty cans, pumps & actuators, stabilizers, ethanol, perfumes etc. to argue that even the packing material costs are higher than the prevailing declared prices. The view point of all participants was heard in detail and considered along with the prices of goods available in the market as well as costs of constituent raw materials 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. Moreover, the stakeholders did not provide substantial documents to establish the correct transaction value of the goods. Thereafter, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case but wide variations in declarations were observed. Information available was hence found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969. However, the prices of Deodorants and like items of different kinds in the market varied significantly and were heavily dependent on quality / brand of the deodorant and the location of the selling points or shops in the city, therefore a number of surveys were conducted to arrive at customs values. However, it was found that determination of customs values could not be based solely upon this method either. Therefore, valuation method vide Section 25(8) of the Customs Act, 1969 was examined for valuation but the same also could not be applied as the conversion cost from the constituent material and allied expenses, at the country of export were not available. All the information so gathered was analyzed for determination of Customs Values of subject goods. Consequently fall back method as provided under Section 25(9) of the Customs Act 1969 was applied to arrive at assessable customs values of Body Spray, Personal Deodorants, Anti-Perspirant, Body- Deodorants, Roll-On and Deo-stick of different kinds.



