

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1391/2019 dated 03-10-2019)*

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**GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI**

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**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 AEROSOL SPRAY PAINTS UNDER  
SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING No. 858/2016)**

No. Reg. Misc/4/2014-II/9258

Dated: 25-05-2016

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

**2. Background of the valuation issue:** Customs values of Aerosol Spray Paints were earlier determined through Valuation Ruling No. 649/2014, dated 26-03-2014, Number of representations were received from 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 fail. Since more than one year have passed and a number of representations were received from importers and regarding values determined in the valuation ruling dated 26.03.2014, hence an exercise was initiated to re-determine the values of subject items.

**3. Stakeholders' participation in determination of Customs values:** Meeting was scheduled on 18-05-2016, which was attended by commercial importers of this item. The importers emphasized that internationally the prices of Oil have decreased, therefore, the prices of chemical has also decreased moreover, when ruling was issued LME prices which is raw materials of this item were also on higher side but now price are down word in 2016. Therefore keeping in view the decreased prices of Oil and LME, the existing prices in Valuation Ruling be decreased furthermore, they also stated that subject item is covered under different H.S. Codes, according to the specifications therefore, all HS Code should be mentioned in forth coming ruling and lastly, they are facing problems at the time of clearance of goods, because of net or gross prices are not mentioned in ruling. They further requested that the word "Net prices" be mentioned in the forthcoming ruling as it will provide a level playing field to all stakeholders.

**4. Method adopted to determine Customs values:** Valuation methods provided in 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 because it is generally known to all that majority of invoices produced at import stage are manipulated / fabricated and hence the requisite information required under the law was not available to arrive at the correct transactional value. Identical and similar-goods valuation methods provided in Sub-Sections (5) & (6) of Section 25 ibid were examined sequentially for applicability to determine Customs value 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 etc. and also it was observed that importers usually provide misleading descriptions while declaring their imports, as other types and varieties of similar goods to avoid the 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 but the gathered information could not be exclusively relied on. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. On-line values were also checked. All the information was analyzed and evaluated and Sub-Section (9) of Section 25 of the Customs Act, 1969, was applied to arrive at the assessable Customs values of Aerosol Spray Paints.

**5. Customs values for Aerosol Spray Paints of China, Thailand and other origin origins:** Aerosol Spray Paints of China, Thailand and other origin *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values:-

S. No.	Description	P.C.T.	P.C.T.	Origin	Customs Values (C&F) US\$/Kg (Net Content Weight)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Aerosol Spray paints	3208.2090, 3208.9019, 3208.9090,	3208.2090.1000 3208.2019.1000 3208.2090.1000	China	0.85
2.	Aerosol Spray paints	3208.2090, 3208.9019, 3208.9090,	3208.2090.1000 3208.2019.1000 3208.2090.1000	Thailand	0.90
3.	Aerosol Spray paints	3208.2090, 3208.9019, 3208.9090,	3208.2090.1000 3208.2019.1000 3208.2090.1000	Other	1.06

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. The Customs Values determined in the ruling are for the descriptions and specification 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 classification 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-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, 7<sup>th</sup> 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 Directorate General immediately.

**10. This ruling supersedes Valuation Ruling No. 649/2014, dated 26-03-2014**

**(DR.WASIF ALI 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), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. 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.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading