

(This Ruling has been revised / superseded vide Valuation Ruling No. 1360/2019 dated 04-04-2019)

**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 TOILET SOAP PCT HEADING 3401.1100
&3401.1900. UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 863/2016)

No. Misc/01/2008-II

Dated:2-06-2016

In exercise of the 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: Customs values of **Toilet Soap** were earlier determined vide Valuation Ruling No. 737/2015, dated 27-05-2015. There were number of review petitions filed by importers against the said ruling. The honorable High Court of Sindh at Karachi vide orders dated 11.5.2016 in CP No. D-2380/2016 has directed to re-determine the customs values of subject goods strictly in accordance with law, within 30 days, Also in C.P. No. D-6918/2015 dated 10-11-2015 honorable High Court of Sindh at Karachi directed that in cases where the valuation ruling is more than 90 days old and an importer has approached the 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 27.05.2015 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, manufacturers, FPCCI/KCCI/APCTIA and representatives of trade bodies was held on 10-5-2016 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.

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 demonstratable 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 varieties 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 and international prices of

soap noodle (basic component material of toilet soap) were analyzed, furthermore prices of fragrances and packing materials were retrieved from internet sources and various origins were thoroughly examined and it is observed that in case of toilet soap "Brand-name" is the most crucial factor for price / value determination. Therefore, the instant valuation ruling is primarily based on values of branded toilet soaps, where brand names are available, secondary reliance is on country of origin. 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 derive at and determine assessable customs values of Toilet Soap.

5. Toilet Soap: Toilet Soap of brands *hereinafter* specified shall be assessed to duty/taxes at the Customs Values mentioned separately for each brands category herein below:-

S. No.	Brand Names	PCT Heading	Proposed PCT for WEBOC	Custom Values (C&F)US\$/KG
(1)	(2)	(3)	(4)	(6)
01.	Aspen, Aveeno, (anus, Cetaphil, Clinique, Defense Soap, 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	5.70
02.	Body Shop Soap, Cerave, Cuticura, JF, Kirk' Castile, Lilie De Vallee, Oilum, Palmers, Qrshi Demaghi, SheaMoiture, Still man's, Sun Feather, Tom's, Tone, Yes To.	3401.1100 3401.1900	3401.1100.1200 3401.1900.1200	3.15
03.	Burt 's Bees, Caress velvet blis, Deltol, Dermacide, Derma Care, Dia l, Doctor Woods, Dove (Creamy Men's cure), Enrgizr Max, Hi Tone, Mysore, Oilatum, Olay, Olivee, Olivia, Skin Doctor. Yardley, South of France, Yang Chin / YC (wooden packing).	3401.1100 3401.1900	3401.1100.1300 3401.1900.1300	2.10
04.	Avon, Benzacide, Brut, Calendox, Camay, Coast, Dalan, Enchanteur, Froton, Fruity, Glysolid Glyse rineD', Hyd rolatum, Imperial Leather (Cussons), Irish Spring, Johnso ns & Johnsons, Lava, Lever 2000, Lux, Nivea, Old Spice, Palmolive, Pears, Pure Natura l, Romano Classic, Safe Guard, Shea, Shield, Spring, Zest Scented.	3401.1100 3401.1900	3401.1100.1400 3401.1900.1400	1.60
05.	Bee and Flower, Classic White, Cleopatra, Himalaya, Ivory, Vaseline.	3401.1100 3401.1900	3401.1100.1500 3401.1900.1500	1.25
06.	Diana, Dove Toilet, Dura Lady, Fa S Nat & Soft, Lace Bath, Pamela, Yang Chin / YC, Dr. James, Yoko.	3401.1100 3401.1900	3401.1100.1600 3401.1900.1600	1.00
07.	Arqus, Asepso, Ava, Blitz, Charm, Cinthol, Crown Leather, Delux Pa lm, Fa, Fruit Scented, Hotel, IRIS, JO, Lervia, Lily Gold, Miss London, Paradise, Parisa, Piva, Royal Leather, Sanity, Silken, S oyalwitso, Vasalive, White Balance. (Low-end brands)	3401.1100 3401.1900	3401.1100.1700 3401.1900.1700	0.75
08.	Admire, Alya, Amori sh, Anita, Anna, Aven Liesel, Avena, Bea, BeaFruity, Blesso, Bling, Blossom, Bonita, Deep, Diva, Dol l, Essentialz, Eva, Eve, Every Day, Flavia, Fruitina, Fru itis Fruity, Fruter Fruity, Giv, Glo, Godrej, Grace, Harmony, Ivan, Jolie, Joly May, La Bella, Lace Creamy, Lark, Lily,	3401.1100 3401.1900	3401.1100.1800 3401.1900.1800	0.66

	Lexus, Lotus, Luv, Lykis, May, Midas, Miss London, Miss Paris, Morena, alina, Orhid, Ozona, Plush, Royal, Salah, Sahara, Safex, Savannah, Secret Garden, Silk, Soiree, Soft Pearl, Sol, Suave, Tuti Fruiti, Vea, Vuru,.(Low- end brands)			
Other Brands				
09.	Europe/USA/Ca nada.	3401.1100 3401.1900	3401.1100.1900 3401.1900.1900	2.00
10.	Middle East/ Saudi Arabia/ Turkey.	3401.1100 3401.1900	3401.1100.2100 3401.1900.2100	1.25
11.	Other Origins (Low-end brands).	3401.1100 3401.1900	34011100.2200 34011900.2200	1.00
12.	Facial / Liquid Soaps/Wash (in tube) shall be assessed @ 25% higher value than the values determined above.			

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 ruling supersedes Valuation Ruling No. 737/2015, dated 27-05-2015.

(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), 1st Floor, PT &T Audit Building,