

(This Ruling has been revised / superseded vide Valuation Ruling No. 1218/2017 dated 31-10-2017)

**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 Tooth Brushes (Low end brands) Under Section 25-A of the Customs Act, 1969

(VALUATION RULING No. 901/2016)

No. Misc/08/2012-VIII (B)/IX

Dated: 04-08-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Tooth Brushes (Low end brands) are determined as follows:-

2. Background of the valuation issue: Customs values of Tooth Brushes (Low end brands) were determined vide Valuation Ruling No.736/2015, dated 25-05-2015. The impugned Valuation Ruling required revision in line with the prevailing prices in the international market. Therefore, this Directorate General initiated an exercise for determination of customs values for Tooth Brushes (Low end brands).

3. Stakeholders' participation in determination of Customs values: Meeting with stakeholders was held on 25-07-2016 and the importers were also requested to furnish the following documents:-

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. The meeting was attended by local manufacturers and different importers. The importers, during the meeting, were of the view that the prices of the subject commodity have not increased in the international market. They claimed that the market values of the impugned goods were equivalent to the values determined vide previous Valuation Ruling. The manufacturer present during the meeting contended that values determined already for tooth brushes in retail packing were not truly reflecting international prices and also submitted documents, claiming that the values in international market, in certain cases, were higher than the determined values vide previous Valuation Ruling. One importer objected that the difference in values determined for retail packing viz-a-viz bulk imports was substantial. However, the manufacturers strongly rejected the claim of importers. They presented calculation sheets showing that the actual difference between the prices of goods imported in bulk packing viz-a-viz goods imported in retail packing was higher than that determined vide the Valuation Ruling No.736/2015, dated 25-05-2015.

5. Method adopted to determine Customs values: Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at fair value of Tooth Brushes (Low end brands). Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation

in the values being declared to the customs and incomplete descriptions. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiry, as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. Online prices were also obtained to corroborate the findings of the market surveys. 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 and fabrication charges 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. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of Tooth Brushes (Low end brands). Consequently, the Customs values of Tooth Brushes (Low end brands) have been determined under Section 25 (9) of the Customs Act, 1969.

6. Customs values for Tooth Brushes (Low end brands): Tooth Brushes (Low end brands) hereinafter specified shall be assessed to duty/taxes at the following Customs Values:-

TABLE-A

S. No.	Description	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US\$/ dozen
(1)	(2)	(3)	(4)	(5)	(6)
1.	Tooth Brushes for adult (in retail packing)	9603.2100	9603.2100.1010	China	0.62
2.	Tooth Brushes for adult (in retail packing)	9603.2100	9603.2100.1020	Other origins	0.82
3.	Tooth Brushes for children (in retail packing)	9603.2100	9603.2100.1030	China	0.56
4.	Tooth Brushes for children (in retail packing)	9603.2100	9603.2100.1040	Other origins	0.72
5.	Tooth Brushes for adult (in bulk packing without retail packing)	9603.2100	9603.2100.1050	China	0.34
6.	Tooth Brushes for adult (in bulk packing without retail packing)	9603.2100	9603.2100.1060	Other origins	0.45
7.	Tooth Brushes for children (in bulk packing without retail packing)	9603.2100	9603.2100.1070	China	0.30
8.	Tooth Brushes for children (in bulk packing without retail packing)	9603.2100	9603.2100.1080	Other origins	0.40

7. 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 (I) 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 or in case of import through Land Customs Stations, the differential amount between the Sea freight and land transport charges while applying the Customs values determined in this Ruling.

8. 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.

9. 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.

10. 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this 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 certification 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.

11. This Valuation Ruling supersedes Valuation Ruling No. 736/2015, dated 25-05-2015.

(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, 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 in One Customs & WeBOC database system and deleting Valuation Ruling No. 736/2015, dated 25-05-2015.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
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, Appraisalment, 1st Floor, Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading FBR website and deleting Valuation Ruling No. 736/2015, dated 25-05-2015.
22. Guard File.