

(This Ruling has been revised / superseded vide Valuation Ruling No. 1245/2018 dated 16-01-2018)

**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 ADULT/PATIENT DIAPERS UNDER
SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 935/2016)

No. Misc/19/2016-IX/9478

Dated: 23-09-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Adult/Patient Diapers are determined as follows:-

2. Background of the valuation issue: This Directorate General circulated the customs values for reference purpose vide Valuation Data Base letter No. 13, dated 29-06-2016. However still many references were being received at this Directorate General reflecting that there were issues in uniform applicability of the Reference values circulated vide VDB letter No. 13. Therefore, this Directorate General initiated an exercise for determination of customs values of Adult/Patient Diapers.

3. Stakeholders' participation in determination of Customs values: Meeting with stakeholders was held on 22-09-2016. The importers had also been requested to furnish 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 different importers, who were of the view that the actual prices of Adult/Patient Diapers were lower than those determined vide VDB letter No. 13. They, however, could not submit any corroboratory evidence/documents in support of their contention. Further, they claimed that if the export prices of China origin are checked and local market survey is conducted from wholesale market for the determination of customs values of Adult/Patient Diapers, genuineness of their point of view will be proved.

5. Method adopted to determine Customs values: Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at Customs Value of Adult/Patient Diapers. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. 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. Stakeholder's meeting was also scheduled but during the meeting very divergent point of regarding international market prices was presented. Consequently, this office conducted market inquiry in terms of Sub-section (7) of Section 25 of the

Customs Act, 1969. Accordingly, the Customs values of Adult/Patient Diapers have been determined under Section 25(7) of the Customs Act, 1969.

6. Customs values for Adult/Patient Diapers: Adult/Patient Diapers hereinafter specified shall be assessed to duty/taxes at the following Customs Values: -

High Value Brands of Adult/Patient Diapers: E.Q, Canbebe, Huggies, Delta, Arbi, Flex and Serenity Etc.					
S. No.	Description	PCT	Proposed PCT for WEOC	Origins	Customs Values (C&F) US\$/Pc
(1)	(2)	(3)	(4)	(5)	(6)
1.	Adult/Patient Diapers	9619.0010	9619.0010.1000	All origins	3.25
Low end Value Brand of Adult/Patient Diapers:					
2.	Adult/Patient Diapers	9619.0010	9619.0010.1100	China	2.05
3.		9619.0010	9619.0010.1200	Indonesia/ Malaysia/ U.A.E	2.80
4.		9619.0010	9619.0010.1300	Turkey	2.35
5.		9619.0010	9619.0010.1400	Vietnam	2.00
6.		9619.0010	9619.0010.1500	Others	2.80

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 (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the element of air freight while assessing the goods.

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 Annexure to 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 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.

(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 (Appraisement), 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 WeBOC database system.
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, Appraisement, 1st Floor, Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading it on the FBR website
22. Guard File.