GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI
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The Collectors of Customs, Model Customs Collectorates of Appraisement East/West / Port Qasim/Preventive (Karachi)/Appraisement (Lahore)/ Preventive (Lahore)/Sambrial (Sialkot)/ Faisalabad/Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar and Gilgit-Baltistan.

Determination of Customs Values of Toilet Soap under Section 25-A of the Customs Act, 1969.

No. Misc /01/2008-II/2685 Dated: December 05, 2019
(VALUATION RULING NO.1433 / 2019)

In exercise of 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:** The Customs Values of Toilet Soap were determined vide Valuation Ruling No. 1360/2019 dated 04-04-2019, which was challenged before the Director General of Customs Valuation under Section 25-D of the Customs Act, 1969. The Director General vide Order in Revision No. 09/2019 dated 08-0-8-2019 held that the prices of Soap, especially for non-designer brands at serial No. 5, 6, 7, 8 and 11 of impugned valuation ruling, can appropriately be determined under Section 25(8) of the Customs Act,1969 instead of using Section 25(7) of the Act. It was accordingly ordered to examine the matter afresh. In compliance of said Order in Revision, an exercise was initiated to re-determine values of subject items.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders including importers, Pakistan Soap Manufacturers Association and representatives from field formations was held on 12.09.2019 in this Directorate General to discuss the current international prices of the subject goods. The importers / stakeholders were requested to submit the following documents before or during the course of stakeholders' meetings so that customs values could be determined:

i) Invoices of imports during last three months showing customs 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. Although the importers had contested the customs values determined earlier but they did not produce any corroborative documentary evidences to substantiate their submissions The Pakistan Soap Manufacturers Association requested to revise current prices of subject goods in

the light of aforementioned order in revision on the basis of prices of its main raw material i.e. Soap Noodles having values as given in ICIS scan as US$ 640/MT for TFM 78% and above and US$ 630/MT for TFM 72% and below. It was agreed during meeting that the value of soap noodles so found will be reduced by 15% on account of filler, and then cost of perfume, packing charges, additives and conversion charges be added to reach at Customs Values. The importers contended that price of lowest grade soap noodles may be considered for low end brand soaps. They further contended that any unnecessary increase in the values of toilet soaps would result in increase in smuggling of the item into Pakistan from various routes. The view point of all participants was heard in detail and considered 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. Thereafter, identical / similar goods value method as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case. The wide variations in declarations were observed. Information available was hence, found inappropriate. In line with the statutory sequential order of Section 25, this office conducted market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969 from various markets. But as observed in Order in Revision No. 09/2019, this method was found inappropriate because of availability of smuggled soap in market. In line with sequential order, applicability of valuation method as given in section 25(8) was checked. As the basic raw material i-e. Soap noodles, as intimated by manufacturer, constitutes almost 97% of the Soap and the remaining 3% being perfumes and additive whose values were available in import data, this method proved appropriate. Accordingly, the values of Soap noodles of various TFM were taken from Valuation Ruling No. 1307/2018 dated 21-06-2018 and used as lower TFM for lower category brands and higher TFM for higher categories. Similarly, values of perfumes were used in aforesaid manner with cheapest perfume for lower categories and expensive perfumes for higher categories. Thereafter, additives, packing and manufacturing cost, as agreed during the meeting, were added and accordingly, values of subject goods were determined under section 25(8) of the Act.

6. **Customs values for Toilet Soap:** The toilet soaps **hereinafter specified** shall be assessed to duty / taxes at the following Customs Values:

S#	Toilet Soaps: Brand Names	PCT Heading	Proposed PCT for WeBOC	Customs Value (C&F) US$/ Kg. Net content weight mentioned on wraper.
1	2	3	4	5

1	Aspen, Aveeno, Body Shop Soap, Canus, Cetaphil, Clinique, Defense Soap, Dermalogica ,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	7.40
2	Cerave, Cuticura, JF, Kirk' Castile, Lilie De Vallee, Oilum, Palmers, Qrshi Demaghi, Shea Moiture, Stillman's, Sun Feather, Tom's, Tone, Yes To	3401.1100 3401.1900	3401.1100.1200 3401.1900.1200	3.80
3	Burt's Bees,Caress, Cleopatra, velvet blis, Dettol, Dermacide, Derma Care, Dial, Doctor Woods, Dove (Creamy Men's cure), Enrgizr Max, Hi Tone, Mysore, Oilatum, Olay, Olivee, Olivia, Skin Doctor, Yardley, South of France, Yong Chin/YC (wooden packing)	3401.1100 3401.1900	3401.1100.1300 3401.1900.1300	2.90
4	Avon, Benzacide, Brut,Calendox, Camay, Coast, Dalan, Dove, Enchanteur, , Froton, Fruity, Glysolid Glyserine D, Hydrolatum, Irish Spring, Johnsons & Johnsons, Lava, Lever 2000, Nivea, Old Spice, Palmolive, Pears, Pure Natural, Romano Classic, Safe Guard, Shea, Shield, Spring, Zest Scented	3401.1100 3401.1900	3401.1100.1400 3401.1900.1400	1.70
5	Bee and Flower, Cinthol, Classic White, Himalaya, Ivory, Imperial Lather (Cussons), Lux, Lifebuoy, Royal Leather, Vaseline,	3401.1100 3401.1900	3401.1100.1500 3401.1900.1500	1.30
6	Diana, Dura Lady, Dr. James, Lace Bath, Fa, Pamela, S Nat & Soft, Yoko	3401.1100 3401.1900	3401.1100.1600 3401.1900.1600	0.930
7	Arqus, Asepso, Ava, Blitz, Charm, Delux Palm, Fruit Scented, Harmony, Hotel, IRIS, JO, Joly May, Lark, Lervia, Lilly Gold, Miss London, Miss Paris, Paradise, Parisa, Piva, Sanify, Savannah, Silk, Silken, , Switso Vasolive , White Balance, Yong Chin/YC.	3401.1100 3401.1900	3401.1100.1700 3401.1900.1700	0.830
8	Admire, Alya, Amorish, Anita, Anna, Aven Liesel, Avena, Bea, Bea Fruity, Blesso, Bling, Blossom, Bonita, Clinico, Crown Gold, Crown Imperial, Crown Leather, Deep,D'Lux, Diva, Doll, Essentialz, Eva, Eve, Every Day, Fena, Flavia, Fruitina, Fruitis Fruity, Fruter Fruity, Giv, Glo, Godrej, Grace, Ivan, Jergens, Jolie, La Bella, Lace Creamy, Lilly, Lexus, Loles body care soap, Lotus, Luv, Lykis, May,	3401.1100 3401.1900	3401.1100.1800 3401.1900.1800	0.774

	body care soap, Lotus, Luv, Lykis, Lervia, May, Midas, Mistine, Morena, Neola, Olina, Orchid, Ozona, Paradise, Parisa, Piva, Plush, Relax, Royal, Royal Imperial, Safah, Sahara, Safex, Secret Garden, Savannah, Silk, Sofree, Soft Pearl, Sol, Suave, Suhannah TutiFruiti, Vea, Vuru,			
Other Brands				
09	Europe / USA / Canada	3401.1100 3401.1900	3401.1100.1900 3401.1900.1900	4.15
10	Middle East/ Saudi Arabia/ Turkey	3401.1100 3401.1900	3401.1100.2100 3401.1900.2100	2.00
11	Other Origins (low end brands)	3401.1100 3401.1900	3401.1100.2200 3401.1900.2200	0.950
12	Facial Liquid Soaps/Wash (in tube/bottle) shall be assessed @ 25% higher value than the value determined above.			
Note: The above values do not apply for the imports made directly by multinational companies from their sister concern of same name. Such consignments shall be assessed in accordance with provisions of Section 25(1) of the Customs Act, 1969.				

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 differential between air freight and sea freight while applying the Customs values 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-Section (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 descriptions and specifications as mentioned in 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 certifications required thereon. In addition to this, it is 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 Ruling supersedes Valuation Ruling No. 1360/2019 dated 04.04.2019.***

(Shafique Ahmed Latki)
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. Chief Collector of Customs (Quetta).
8. Director General, Intelligence and Investigation-FBR, Islamabad.
9. Director General, Post Clearance Audit (PCA),& Internal audit, Karachi.
10. The Director General, IOCO, Karachi.
11. The Deputy Director (HQ) Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system and deleting superseded Valuation Ruling.
12. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
13. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
14. Karachi Customs Agents Group, Bohri Road, Karachi.
15. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR website and deleting superseded Valuation and their corrigendum
16. Guard File.