



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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**The Collector of Customs**, Collectorate of Customs (Appraisalment -West / Appraisalment -East / Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisalment / Enforcement),Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore / Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

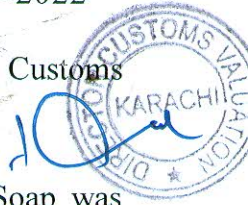
**DETERMINATION OF CUSTOMS VALUE OF TOILET SOAP (3401.1100) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 1592 / 2022)**

C. No. Misc/01/2008-II/106.

Dated: 31-01-2022

In exercise of powers conferred under Section 25A of the Customs Act, 1969, Customs value of Toilet Soap (3401.1100) is determined as follows:



2. **Background of the Valuation Issue:** Earlier, the customs value of Toilet Soap was determined vide Valuation Ruling No. 1433/2019 dated 05-12-2019, which was challenged by some importers under section 25D of the Customs Act, 1969 before the Director General Customs Valuation. Moreover, an importer namely M/s. Asma Bakhtawar (Pvt) Limited filed a complaint before the Honourable Federal Tax Ombudsmen (FTO) for re-determination of customs value of Toilet Soap (Imperial Leather brand). In view of the foregoing, this Directorate General initiated an exercise for determination of the Customs Values of the Toilet Soap in terms of Section 25A of the Customs Act, 1969.

3. **Stakeholders participation in determination of Customs values:** Meetings were held on 11-02-2021 and 06-10-2021, which were attended by different stakeholders. The participants were requested to submit following documents before or during the course of meeting 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. During the said meetings local manufacturers including Pakistan Soap Manufacturers Association (PSMA) informed that the major feedstock for Toilet Soap is Soap Noodles, which is produced from Palm Oil, Palm Stearin and Palm Kernel Oil/Coconut Oil and also submitted that the ICIS pricing, a well-known reputed international organization, reports weekly scans on Soap Noodles, the current FOB prices of Soap Noodles published in ICIS are on higher side, the fragrances and other additives, packing material and other manufacturing overheads are also added in the manufacturing of Toilet Soap. Moreover, the freight factor cannot be ignored either as the freight has drastically increased internationally. They further contended that the minimum values of the subject goods may not be below the prices of raw materials. Whereas, the commercial importers contended that the values of some brands Toilet Soaps on higher side, therefore, unable to import such brands. One of the stakeholder submitted requisite documents including PSQCA certificate of analysis of Toilet Soap that was showing total ingredients in which main ingredient Total Fatty Matter (TFM) are being used in their brands, therefore, the values of Toilet Soaps may be determined on its merits, keeping in view TFM. The viewpoints of all participants were heard in detail in order 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. Moreover, the stakeholders did not provide substantial documents to establish the correct transaction value of the goods. Thereafter, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case but wide variations in declarations were observed. Information available was hence found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969. However, the prices of different Toilet Soaps in the market varied significantly and were heavily dependent on quality / brands and the location of the selling points or shops in the city, therefore a number of surveys were conducted to arrive at customs values. However, it was found that determination of customs values could not be based solely upon this method either. Therefore, valuation method vide Section 25(8) of the Customs Act, 1969 was examined for valuation keeping in view the prices of raw materials used in preparation of the subject goods i.e. Soap Noodles, Fragrances and different additives, but the same also could not be applied solely, as the conversion cost from the constituent material and allied expenses, at the country of export were not available. All the information so gathered was analyzed for determination of Customs Value of subject goods. Consequently fall back method as provided under Section 25(9) of the

Customs Act 1969 was applied to arrive at assessable customs values of Toilet Soap of different brands.

6. **Customs values of Toilet Soap (3401.1100)** – The toilet soaps *hereinafter specified* shall be assessed to duty / taxes at the following minimum Customs Values :

Sr. No.	Toilet Soap: Brand Names	PCT Heading	Proposed PCT for WeBOC	Customs Values C&F (US\$/Kg) Net Content Weight mentioned on wrapper
(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	3401.1100.1100	9.56
2	Cerave, Cuticura, JF, Kirk' Castile, Lillie De Vallee, Oilum, Palmers, Qrshi Demaghi, SheaMoiture, Stillman's, Sun Feather, Tom's, Tone, Yes To.	3401.1100	3401.1100.1200	4.91
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	3401.1100.1300	3.75
4	Avon, Benzacide, Brut, Calendox, Camay, Coast, Dalan, Dove, Enchanteur, Froton, Fruity, Glysolid Glycerine 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	3401.1100.1400	2.20
5	Bee and Flower, Cinthol, Classic White, Himalaya, Ivory, Imperial Lather (Cussons), Lux, Lifebuoy, Royal Leather, Vaseline	3401.1100	3401.1100.1500	1.68
6	Diana, Dura Lady, Dr. James, Lace Bath, Fa, Pamela, S Nat & Soft, Yoko	3401.1100	3401.1100.1600	1.31

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	3401.1100.1700	1.22
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, Luv, Lykis, body care soap, Lotus, 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, Tuti Fruiti, Vea, Vuru,	3401.1100	3401.1100.1800	1.12
<b>Other Brands</b>				
9	Europe / USA / Canada	3401.1100	3401.1100.1900	5.36
10	Middle East/ Saudi Arabia/ Turkey	3401.1100	3401.1100.2000	2.58
11	Other Origins (low end brands)	3401.1100	3401.1100.2100	1.05
12	Facial Liquid Soaps/Wash (in tube/bottle) shall be assessed @ 25% higher value than the value determined above.			
<b>Note:</b> 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.				



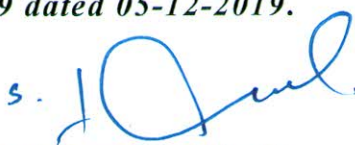
7. In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(1) of Section 25 of the Customs Act, 1969. In 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.

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 (4) of Section 25A of the Customs Act, 1969.

9. **Review of the value determined vide this Valuation Ruling:** A review petition may be filed against this Ruling, as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of issue, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

10. 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. The Customs values determined in the Valuation 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 assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or other certifications 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 of the Customs Act, 1969 or any other law in vogue therein.

11. ***This Ruling supersedes Valuation Ruling No. 1433/2019 dated 05-12-2019.***

  
(Syed Fawad Ali Shah)  
Director

**Copy for information to: -**

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisalment (South) Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Balochistan, Custom House, Quetta.
- 9) The Chief Collector of Customs Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 11) The Director General, PCA& Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director General, Transit Trade, Custom House Karachi
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 15) The Director, Transit Trade, Custom House Karachi
- 16) The Director, Directorate of Customs Valuation, Lahore.
- 17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 20) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 21) The Webmaster, Federal Board of Revenue, Islamabad.
- 22) Guard File.