

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 AEROSOL SPRAY PAINTS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO 1614/2022)**

C. No. Misc/04/2014-II/302.

Dated: 24-03-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the customs value of Aerosol Spray Paints is determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs Value of Aerosol Spray Paints was determined vide Valuation Ruling No. 1391/2019 dated 03-10-2019. Representations were received from Local manufacturers that the prices of raw materials of subject goods in international market have increased which requires fresh determination of customs value. Accordingly, an exercise was initiated in this Directorate General to determine customs value of subject goods in terms of Section 25A of the Customs Act, 1969.
3. **Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders, trade bodies including representatives of clearance Collectorates was held in this Directorate General on 16-11-2021. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs value could be determined:
  - i. Invoices of import during last three months showing factual values
  - 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 that the benefit of difference in price is passed on to the local buyers.
4. The meeting was attended by importers and stakeholders and their points of view were heard in detail to arrive at customs values of subject goods. The importers contended that the prices are stable in the international market. However, the local manufacturer was stressing that due to increase in prices of raw material like empty tin cans, actuators, valves and plastic caps in international market, the prices of Aerosol Spray paints have gone up. The documents submitted by the importers were examined alongwith market surveys and past clearance data to determine customs values of subject goods.

5. **Methods 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 value of subject goods. The Transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for same product according to different origins. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available was, hence, found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries using deductive value methods under sub-section (7) of Section 25 of the Customs Act, 1969, wide ranges of prices were observed for some items depends upon variety/quality/quantity etc., and location of market. Hence this method of valuation could not be relied upon due to aforesaid reasons. Therefore, valuation method vide Section 25(8) of the Customs Act, 1969 was examined for valuation keeping in view the prices of packing for Aerosol Spray Paints i.e. Tin Can, Pump & Actuators, Cap etc., but the same also could not be applied solely, as the conversion cost from the constituent components and allied expenses, at the country of export were not available. Finally, clearance data, raw material prices, international prices through internet/ subscriptions were examined thoroughly and the information so gathered were utilized and analyzed for determination of Customs Values of Aerosol Spray Paints under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Aerosol Spray Paints- hereinafter specified** shall be assessed to duty/taxes on the Customs values mentioned against them in the Table below:

S.No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value (C&F) USS /Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Aerosol Spray Paints	3208.2090	3208.2090.1000	China	2.06
2			3208.2090.2000	Thailand	2.52
3			3208.2090.3000	Other Origins	2.85

*Note: The Customs value as specified in the above table has been determined after accounting for the aspect of weight of essential packing. Accordingly, the assessment officer(s) shall include the weight of tin/plastic pack etc in the assessable weight.*



7. In cases where declared 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, and the same may be communicated to this Directorate General forthwith. In case of consignment imported by air, the assessing officer shall take into account the difference between air freight and sea freight while applying the customs values determined in this Ruling.

8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs values for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (4) of Section 25A of the Customs Act, 1969 read with Rule 107(a) of the Customs Rules, 2001.

9. **Revision of the Value Determined vide this Valuation Ruling:** A revision 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 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS Codes are mentioned for illustrative purpose 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. **Ruling supersedes Valuation Ruling No. 1391/2019 dated 03-10-2019.**

  
(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.