



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, CUSTOM HOUSE, KARACHI

C. No. Reg. Misc/26/2017-II/1248

Dated: 27-11-2024

VALUATION RULING NO. 1921 / 2024

1. This ruling supersedes Valuation Ruling No. 1537/2021 dated 09-07-2021.
2. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
3. The revision petition against this Valuation Ruling, can be filed under Section 25D of the Customs Act, 1969, within 30 days before the Director General, Customs Valuation.
4. The values in valuation ruling shall be treated as minimum benchmark values and shall be applicable to the given description and specification of goods.

Subject: **DETERMINATION OF CUSTOMS VALUES OF MOSQUITO COIL & AEROSOL INSECTICIDE SPRAY UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

1.	Valuation Ruling	Determination / revision of values of earlier Valuation Ruling No. 1537/2021 dated 09.07.2021.
2.	Date of meeting with stakeholders	The meeting with relevant stakeholders was conducted on 03.09.2024.

3. **Background of the Issue:** The customs values of Mosquito Coils and Aerosol Insecticide Spray were determined vide Valuation Ruling Number 1537/2021 dated 09.07.2021. The Valuation Ruling was challenged by some importers and revision petitions were filed before the Honorable Director General of Customs Valuation, Karachi under Section 25D of the Customs Act, 1969. The Director General vide Order-in-Revision No. 34/2021 dated 11.10.2021 upheld the aforesaid Valuation Ruling. Moreover, the importers being aggrieved by the Order-in-Revision appealed before the Honorable Customs Appellate Tribunal. Honorable Customs Appellate Tribunal vide its judgment dated 09.05.2022 set-aside the aforesaid Valuation Ruling and its Order-in-Revision. However, the respondent Directorate filed SCRA's before the Honorable High Court of Sindh at Karachi against the Honorable Customs Appellate Tribunal's judgment. Moreover, the representations were received by the aggrieved stakeholders for the determination of customs values under prevailing international market trends. Furthermore, the Valuation Ruling was also more than three years old, hence, keeping in view of the aforesaid facts, an exercise for the determination of customs values of subject goods afresh was initiated under Section 25A of the Customs Act, 1969.

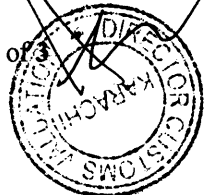
4. **Analysis to determine Customs Values:** Meeting was convened on 03.09.2024 that was attended by the relevant stakeholders. The importers contended that the customs values in the existing Valuation Ruling are on a higher side and needs be revised in line with the current international market prices that are currently on a lower side. Moreover, they informed that the existing Valuation Ruling was issued after the Covid-19 pandemic in the year 2021 at time when freight charges were also on a higher side. Hence, the customs values may be revised accordingly. Furthermore, the participants were requested to provide relevant documents in support of their contentions in order to finalize the same. Henceforth, the importers submitted relevant import documents i.e. Export GD's, Sales Tax Invoices and Returns in support of their contentions.

5. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, are duly considered in sequential order to arrive at the Customs values

PLEASE CIRCULATE

MANSOOR ALI
(General Secretary)
Karachi Customs Agents Association

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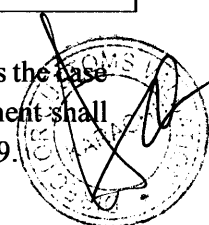


of subject goods. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable due to absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. However, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was also examined for applicability to determine Customs values of subject goods and was not considered (for application) due to afore-stated reasons. Moreover, Declared Values (DV) of similar goods had showed consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub section (7) of Section 25 of the Customs Act, 1969 was also conducted as envisaged under Sub section (7) of Section 25 of the Customs Act, 1969 and the Sales Tax Invoices provided by the stakeholders for finished goods were also worked upon but could not be solely relied upon because semi-finished products were not readily available in the market. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of the said goods. Finally, the Customs values of the subject goods have been determined under Section 25(9) read with Section 25(7) and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

6. Customs Values for Mosquito Coil and Aerosol Insecticide Sprays - hereinafter specified shall be assessed to duty / taxes at following Customs Values:

Sr. No.	Item Description	H.S. Code	Proposed PCT for WeBOC	Origin	Customs Values C&F (US\$/Kg) Net Content
1	2	3	4	5	6
1.	Mosquito Coils – Black Colour (Finished in Retail Packing – Other than Multinational Brands)	3808.9110	3808.9110.1000	China	0.87
2.			3808.9110.1100	Other Origins	1.01
3.	Mosquito Coils – Other than Black Colour (Finished in Retail Packing – Other than Multinational Brands)	3808.9110	3808.9110.1200	China	1.01
4.			3808.9110.1300	Other Origins	1.15
5.	Mosquito Coil without Insecticide Spray in Bulk Packing (Other than Multinational Brands)	3824.9999	3824.9999.1000	China	0.76
6.			3824.9999.1100	Other Origins	0.90
7.	Aerosol Insecticide Sprays (Other than Multinational Brands)	3808.9110	3808.9110.1400	China	1.80
8.			3808.9110.1500	U.S.A. / Europe	2.19
9.			3808.9110.1600	Other Origins	2.00

7. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.



8. The values determined in this VR shall be treated as minimum benchmark values and do not bar the collectorate from applying from the higher transaction values of identical or similar goods available in 90 days for the assessment of goods.
9. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.
10. The VR shall be applicable for the descriptions and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.
11. The Collectorates of customs shall ensure the implementation of VR and in case of any anomaly may be brought to the notice of this Directorate immediately.


(Dr. Tanvir Qureshi)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Appraisalment-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisalment / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisalment / Enforcement / AIIA), (Appraisalment-East / West, Lahore / Faisalabad Appraisalment / Enforcement, Sargodha / Enforcement & Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

- 1) The Member Customs (Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.