



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

RULING US 25-A NO. 301

No. Misc/41/2007-II/707

Dated 17.03.2011

Note:

- i) The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.
- ii) Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.

Subject : DETERMINATION OF CUSTOMS VALUES OF COLOR COSMETICS (EXCLUDING IMPORTS BY MULTINATIONAL COMPANIES AND EXCLUSIONS IN TABLE AT PARA 3) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

Earlier Valuation Ruling on the subject was issued under Section 25A of the Customs Act, 1969, vide No.272, dated 28-09-2010. However, Karachi Chamber of Commerce & Industry (KCCI) and Cosmetics and Toiletries Importers Association filed complaint before the Honorable F.T.O; against the said Ruling. Subsequently, in the wake of the order passed by the Honorable F.T.O, exercise for revision of earlier determined values were carried out. Meetings with all the stake holders, including members of KCCI and Cosmetics & Toiletries Importers Association was held on 14-02-2011 and 17-02-2011. During the meetings consensus emerged among the stake holders that goods of aforesaid categories relating to multi-national companies M/s Lora'l, UniLever, and Proctor & Gamble etc; need to be considered separately and current exercise be confined to value determination of goods being imported generally by other commercial importers.

02. An anomaly pointed out by the stakeholders during discussion on earlier valuation rulings was that clubbing of value of branded/un-branded goods and origins had resulted in comparatively higher value determination of goods of lesser known brands and cheaper origins. The objection being genuine was accepted and accordingly while determining values of impugned items, non-branded goods as well as origins have been clearly separated to arrive at customs assessable values of said items.

03. Initially, import data of instant goods was examined, which indicated that values declared for same items show unrealistic variation from different origins. Similarly the description of the

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goods as declared to the customs, were found incomplete and wanting for any cogent valuation analysis to be carried thereon. Due to these infirmities the import duty cannot serve as a reliable bench mark of value determination for valuation method prescribed under Section 25(1), 25(5), and 25(6) of the Customs Act 1969. In the wake of aforesaid position, next valuation method i.e., Deduction Method, as prescribed under Section 25(7) of the Act (ibid) was adopted and a joint market enquiry was conducted wherein the representatives of importers & KCC&I also participated. The prices so obtained were worked back, as per rules/practice, and values so determined are indicated in the table below:

EXCLUSIONS:

This valuation ruling does *not* apply to the following brands/companies: Aqua, Aramis, Art Deco, Body Shop, Bulgari, Burberry, Calvin Klein, Clarins, Chanel, Christian Dior, Clinique, Cover Girl, Davidoff, Dermalogica, Diane of London, DKNY, Dolce Gabbana, Dunhill, Estee Lauder, Elizabeth Arden, Etude, Garnier, Givenchy, Guinot, Giorgio/Emporio Armani, Gucci, Helmes, Hugo, Issey Miyake, Johnson & Johnson, Jean Patou, Karaja, Lacoste, L'Oréal, Lanvin, Lancaster, Loreal, MAC, Maybelline, Mont Blanc, Neutrogena, Noxoma, Oriflame, Paco Rabanne, Perry Ellis, Prada, Pro Active, Ralph Lauren, Rivaj, Revlon, Rimmel, Salvatore Ferragamo, Tommy Hill, Toni & Guy, Versate, Wella and YSL.

S.No.	I.T.S.Code	Tariff Description	Item Description	Origin	Customs Values (C&F) per KG (net content weight)
1	3304.1000	Lip make-up preparations	(i) Lipsticks	A-Europe / USA / Korea / Japan.	A. US\$ 36.00
				B.-Middle East / Far East / Turkey.	B. US\$ 25.00
				C.-China / Sri Lanka.	C. US\$ 17.00
			(ii) Lip Gloss / Lip Color / Lip Glaze.	A. Europe / USA / Korea / Japan.	A. US\$ 20.00
				B. Middle East / Far East / Turkey	B. US\$ 8.00
				C. China/Sri Lanka	C. US\$ 6.60
			(iii) Lipstick paste in bulk (without retail packing)	All Origins	US\$ 4.50

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			<p>(iv) Lip Liner / Lip Pencil.</p> <p>(Lip pencil valuation is taken on the basis of net content weight without the wood part / container, therefore only the net content of the color weight will be taken into consideration for applicable duty / taxes)</p>	<p>A. Europe / USA / Korea / Japan</p> <p>B. Middle East / Far East / Turkey</p> <p>C. China / Sri Lanka</p>	<p>A. US\$ 56.00</p> <p>B. US\$ 29.00</p> <p>C. US\$ 20.00</p>
2	3304.2000	Eye make-up preparations	(i) Eye Shade / Eye shadow.	<p>A. Europe / USA / Korea / Japan</p> <p>B. Middle East / Far East / Turkey</p> <p>C. China / Sri Lanka</p>	<p>A. US\$ 15.00</p> <p>B. US\$ 10.00</p> <p>C. US\$ 5.00</p>
			(ii) Eye shade in gode in bulk (without retail packing)	All Origins	US\$ 3.00
			(iii) Eye shade in bulk (without retail packing)	All Origins	US\$ 3.00
			(iv) Eye Shiner / Eye Glitter	<p>A. Europe / USA / Korea / Japan.</p> <p>B. Middle East / Far East / Turkey.</p> <p>C. China / Sri Lanka</p>	<p>A. US\$ 14.00</p> <p>B. US\$ 7.00</p> <p>C. US\$ 5.00</p>
			(v) Eye Mascara / Eye Liner	<p>A. Europe / USA / Korea / Japan</p> <p>B. Middle East / Far East / Turkey</p>	<p>A. US\$ 16.00</p> <p>B. US\$ 8.00</p>

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				C. China/ Sri Lanka	C. US\$ 5.00
			(vi) Mascara in bulk (without retail packing)	All Origins	US\$ 4.00
			(vi) Eye Pencil / KAJAL / Eye Pen (eye pencil valuation is taken on the basis of net content weight without the wood part / container, therefore only the net content of the color weight will be taken into consideration for applicable duty/ taxes)	A. Europe / USA / Korea / Japan B. Middle East / Far East / Turkey C. China/ Sri Lanka	A. US\$ 24.00 B. US\$ 12.00 C. US\$ 7.00
			(vii) Eye Lash	All Origins	US\$ 30.00
3	3304.3010	Nail Polish	(i) Nail Enamel	A. Europe / USA / Korea / Japan B. Middle East / Far East / Turkey C. China/ Sri Lanka	A. US\$ 14.00 B. US\$ 7.00 C. US\$ 5.00
			(ii) Nail Lacquer in bulk (without retail packing)	All origins	US\$ 2.00
4	3304.3090	Manicure or pedicure preparations	Nail Enamel Polish Remover	All Origins	US\$ 1.00
5	3304.9110	Face Powder	(i) Pressed Powder / Compact / Foundation in Powder form (mineral / non- mineral) / concealer / highlighter / compact makeup / finishing powder/ Pressed / Compact Blush / bronzer	A. Europe / USA / Korea / Japan B. Middle East / Far East / Turkey C. China/ Sri Lanka	A. US\$ 15.00 B. US\$ 7.50 C. US\$ 5.00

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			(ii)-Foundation in bulk (without retail packing)	All Origins	US\$ 4.00
			(iii) TV Paint Stick	A. All origins (excluding China/ Sri Lanka)	A. US\$ 6.00
				B. China / Sri Lanka	B. US\$ 3.00
			(iv) Blush on in Bulk (without retail packing)	All origins	US\$ 5.00
6	3304.9190	Beauty or make-up preparations and preparations for the care of the skin	(i) Liquid Makeup / Foundation / Primer / Makeup / blemish concealer / Illuminator	A. Europe / USA / Korea / Japan	A. US\$ 7.00
				B. Middle East / Far East / Turkey	B. US\$ 5.00
				C. China / Sri Lanka	C. US\$ 2.50
			(ii) Make-Up Kit	A. Europe / USA / Korea / Japan	A. US\$ 9.00
				B. Middle East / Far East / Turkey	B. US\$ 5.00
				C. China / Sri Lanka	C. US\$ 3.25

Note: If custom value of any imported good(s) of instant categories is not explicitly mentioned in the aforesaid table, the value thereof will be determined in line with values indicated against the specific PCT heading / origin in the table above. The values should be calculated on the basis of net content weight without any packing.



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04. Accordingly, aforesaid values are hereby determined under Section 25A of the Customs Act, 1969. All the Clearance Collectorates are advised to finalize assessment on the values mentioned above. These values shall remain valid until revised. However, if the invoice value is higher than the determined above, then such higher value shall be adopted for assessment purpose, in terms of Section 25 of the Customs Act, 1969.


(MUHAMMAD ZAHID)
DIRECTOR

Distribution

- The Collectors of Customs, Model Customs Collectorates (Appraisalment/PaCCS/ Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.
1. S.O. to Chairman, Federal Board of Revenue, Islamabad.
 2. Member (Customs), Federal Board of Revenue, Islamabad.
 3. Chief Collectors of Customs (North/South), Lahore/Karachi.
 4. The Director General of Intelligence Investigation-FBR, Islamabad.
 5. The Director General of Customs Valuation, Karachi.
 6. The Director General of Post Clearance Audit, Karachi.
 7. The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
 8. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
 9. Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
 11. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
 12. President, M/s. Cosmetics & Toiletries Importers Association, Imtiaz Hussain Lodhi Centre, E-176, Street Mai Sodan, Shah Alam Market, Lahore.
 13. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
 14. Guard File.