

The Collectors of Customs, Model Customs Collectorates, Appraisement East / West / Port Muhammad Bin Qasim / Export (Karachi / Port Qasim) / JIAP, Karachi / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisement / Preventive) / Peshawar (Appraisement / Preventive) / Gawadar / Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUES OF AEROSOL SPRAY PAINTS
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. **1391** / 2019)

No. Misc/04/2014-II

Dated: October 03, 2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Spray Paints are determined as follows: -

2. Background of the valuation issue: Customs values of Aerosol Spray Paints were earlier determined through Valuation Ruling No. 858/2016 dated 25-05-2016. A number of representations were received in this Directorate General that the values of subject goods in international market have shown upward trend which requires redetermination of values. Moreover, the VR being very old also needed redetermination. Therefore, an exercise to determine the Customs values of the subject goods under Section 25-A was initiated.

Stakeholders' participation in determination of values: Meetings with stakeholders were convened on 28-08-2019 and 18-09-2019. Despite notices to a number of importers of the said item, only one importer and representative of M/s. TAMZ Pakistan (manufacturer) attended the meetings. The importers requested to decrease the values whereas the local manufacture contested that, internationally, prices are exhibiting an upward trend and the values be fixed as per international prices. The importers did not provide any document, whatsoever, to prove his stance of decreasing trend in international markets. On the other hand, the local manufacturer submitted a quotation from international supplier of a latest order showing values of subject goods US\$ 0.48 of 450 gram spray can.

4. Method adopted to determine Customs values: Custom Valuation methods given in Section 25 of the Customs Act, 1969 were applied in sequential order to address the valuation issue at hand. Transaction value method under Sub-Section (1) of Section 25 of the Act ibid was found inapplicable because requisite information under the law was not available. Identical and similar goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variation and suppressed declarations, the same could not be relied upon. In the sequential order this office then resorted to conduct a market inquiry and, consequently, Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969, was applied to arrive at the assessable Customs values of the subject goods, being most appropriate for the purpose.

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

S.No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Determined Customs Values(C&F) USS/ Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Spray Paints	3208.2090	3208.2090.1000	China	1.10
02.	Spray Paints	3208.2090	3208.2090.1100	Thailand	1.19
03.	Spray Paints	3208.2090	3208.2090.1200	Others	1.43

6. In cases where declared/ Transaction values are higher than the Customs value determined in this Ruling, the assessing officer 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 determined in this Ruling.

7. **Validity of this Valuation Ruling:** The value 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-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **Review of the value determined vide this Valuation Ruling:** A review 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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. 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 with respect to PCT may kindly be brought to the notice of Directorate General immediately.

10. ***This ruling supersedes Valuation Ruling No. 858/2016 dated 25-05-2016.***


(Shafique Ahmed Latki)
Director

Copy for information to: -

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment/ Enforcement), Custom House, Karachi.
4. The Chief Collector of Customs (Central), Lahore.
5. The Chief Collector of Customs (North), Islamabad.
6. The Chief Collector of Customs, (Appraisalment/ Enforcement), Custom House, Quetta.
7. The Director General, Intelligence and Investigation-FBR, Islamabad.