



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUES OF SHOE POLISH

UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

No. Misc/05/2014-II

11394

dated 8-06-2017.

(VALUATION RULING No. 1177 /2017)

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

2. **Background of the valuation issue:** The customs values of Shoe Polish were earlier determined vide Valuation Ruling No.841/2016 dated, 02-05-2016. Since existing Valuation Ruling, is over one year old and there is wide variation in the prices of different raw materials/commodities during last one year, therefore, an exercise was initiated to re-determine the customs values of Shoe Polish a fresh.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders including importers and representatives from clearance Collectorates, was held on 20-11-2016, 15-12-2016, 04-01-2017 and 07.6.2017 to discuss the current international prices of the subject item. The importers were asked to furnish the following documents/record before or during the meetings scheduled in this respect:-

- i) Invoices of import made during last three months showing factual value.
- ii) Websites, name 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 contract made/LCs opened during last three months showing the value of item in question.
- iv) Copies of sales tax paid 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 passes on to the local buyers.

The meetings were scheduled on 20-11-2016, 15-12-2016 and 04-01-2017 which were attended by commercial importers however no document was produced. They verbally stated that during last one year, prices of the subject items are not changed in the international markets. The view point of all participants was heard in detail and considered to arrive at



Customs value of Shoe Polish. However, final hearing was given on 07.6.2017 but no one appeared which shows that the importers are not interested in proceedings and values are considerably higher than their declarations and by keeping themselves absent, they may have created an alibi for being unheard.

4. **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 address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found inapplicable in light of the wide variety of invoices submitted at import stage the veracity of which could not be ascertained fully, hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that importers usually provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. For this purpose market in different areas of the city were surveyed repeatedly. All the information so gathered was analyzed for determination of Customs Value of Shoe Polish. Consequently, the Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, was applied to determine assessable customs values of the Shoe Polish.

5. **Customs values for Shoe Polish:** *Shoe Polish hereinafter specified* shall be assessed to duty/taxes at the following Customs Values : -

S. No	Description of goods	PCT Code	Proposed PCT for WEBOC	Origin	Customs Values (C&F) USS/KG
1.	Shoe Polish with tin/Plastic pack	3405.1010	3405.1010.1000	China	USS 1.48/kg
2	Shoe Polish with tin/Plastic pack	3405.1010	3405.1010.1100	Turkey	USS 2.03/kg
3	Shoe Polish with tin/Plastic pack	3405.1010	3405.1010.1200	other origin	USS 2.13/kg
4	Shoe Polish in liquid	3405.1010	3405.1010.1300	China	USS 1.94/kg
5	Shoe Polish in liquid	3405.1010	3405.1010.1400	Turkey	USS 2.45/kg
6	Shoe Polish in liquid	3405.1010	3405.1010.1500	other origin	USS 2.55/kg



6. In cases where declared/ transaction 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. 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. The Custom 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 the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or other certifications required thereon.

7. **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-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> 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 may kindly be brought to the notice of Directorate General immediately.

10. *This Ruling supersedes Valuation Ruling Nos. 841/2016, dated 02/05/2016.*

(Dr. Wasif Ali Memon)  
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisal), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading