



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Low-end brand Shoes, Slippers, Sandals, Chappals and Joggers under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 859 / 2016)

No. Misc/01/2013-V 19259

Dated: May 25, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Low-end brand Shoes, Slippers, Sandals, Chappals and Joggers are determined as follows: -

2. **Background of the valuation issue:** Customs values of Low-end brand Shoes, Slippers, Sandals, Chappals and Joggers were determined vide Valuation Ruling No.421/2012, dated 30-01-2012. In this regard a reference SI/MISC/275/2015/IV dated 10-09-2015 was received from MCC Appraisement West Karachi & C. No.3(2)Tar-I/2014-Pt.I, dated 31-03-2016 from the Board enclosing therewith a representation of M/s. Service Sales Corporation (Pvt) Ltd., Lahore (local manufacturers) for revision of above said Valuation Ruling. Therefore an exercise was undertaken to re-determine the Customs Values of Low-end brand Shoes, Slippers, Sandals, Chappals and Joggers, in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings were held on 20-04-2016 and 27-04-2016 with different stakeholders including importers, local manufacturers and representatives of clearance Collectorates. The participants had been requested to submit the following documents: -

1. Invoices of imports made during last three months showing factual value.
2. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
3. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
4. 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. M/s BATA & Services Sales Corporation, the local manufacturers, submitted certain documents.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were also not found helpful in determination of values due to wide variation in values. Consequently, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. This method yielded information from wholesale market for most of the types of shoes, included in the ruling. Online values were also checked. Since the manufacturers' costs and raw material prices of producing the goods in question in the country of exportation were not available, computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid



goods. Consequently, reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, and customs values of Low-end brands Shoes, Slippers, Sandals, Chappals and Joggers were determined under Section 25(9) of the Customs Act, 1969.

7. **Customs values for Low-end brand Shoes, Slippers, Sandals, Chappals and Joggers :** Low-end brand Shoes, Slippers, Sandals, Chappals and Joggers *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

S. No	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Pair
(1)	(2)	(3)	(4)	(5)	(6)
1	Baby/Baba Shoes (Booty) Artificial Leather up to 2 years (Low-end brands)	6404.1900	6404.1900.1000	China Thailand	0.82
		6405.1000	6405.1000.1000		
		6405.2000	6405.2000.1000		0.90
		6405.9010	6405.9010.1000		
		6405.9090	6405.9090.1000		
2	Children Shoes Artificial Leather 3 to 5 years (Low-end brands)	6404.1900	6404.1900.1100	China Thailand	0.94
		6405.1000	6405.1000.1100		
		6405.2000	6405.2000.1100		1.05
		6405.9010	6405.9010.1100		
		6405.9090	6405.9090.1100		
3	Children Shoes Artificial Leather 6 to 12 years (Low-end brands)	6404.1900	6404.1900.1200	China Thailand	1.02
		6405.1000	6405.1000.1200		
		6405.2000	6405.2000.1200		1.13
		6405.9010	6405.9010.1200		
		6405.9090	6405.9090.1200		
4	Children Sandal Artificial Leather up to 5 years (Low-end brands)	6404.1900	6404.1900.1300	China Thailand	0.85
		6405.1000	6405.1000.1300		
		6405.2000	6405.2000.1300		0.94
		6405.9010	6405.9010.1300		
		6405.9090	6405.9090.1300		
5	Children Sandal Artificial Leather 6 to 12 years (Low-end brands)	6404.1900	6404.1900.1400	China Thailand	1.0
		6405.1000	6405.1000.1400		
		6405.2000	6405.2000.1400		1.1
		6405.9010	6405.9010.1400		
		6405.9090	6405.9090.1400		
6	Children Slipper Artificial Leather 3 to 5 years (Low-end brands)	6404.1900	6404.1900.1500	China Thailand	0.84
		6405.1000	6405.1000.1500		
		6405.2000	6405.2000.1500		0.92
		6405.9010	6405.9010.1500		
		6405.9090	6405.9090.1500		
7	Children Slipper Artificial Leather 6 to 12 years (Low-end brands)	6404.1900	6404.1900.1600	China Thailand	0.90
		6405.1000	6405.1000.1600		
		6405.2000	6405.2000.1600		1.0
		6405.9010	6405.9010.1600		
		6405.9090	6405.9090.1600		



S. No	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Pair
8	Boys/Girls Shoes Artificial Leather Size 36 to 40 (Low-end brands)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1700 6405.1000.1700 6405.2000.1700 6405.9010.1700 6405.9090.1700	China Thailand	2.0 2.2
9	Boys/Girls Slippers Artificial Leather Size 36 to 40 (Low-end brands)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1800 6405.1000.1800 6405.2000.1800 6405.9010.1800 6405.9090.1800	China Thailand	1.65 1.82
10	Boys/Girls Sandal Artificial Leather Size 36 to 40 (Low-end brands)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1900 6405.1000.1900 6405.2000.1900 6405.9010.1900 6405.9090.1900	China Thailand	1.80 2.0
11	Ladies Shoes Artificial Leather Size 39 to 43 (Low-end brands)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2000 6405.1000.2000 6405.2000.2000 6405.9010.2000 6405.9090.2000	China Thailand	2.95 3.24
12	Ladies Sandal Artificial Leather Size 39 to 43 (Low-end brands)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2100 6405.1000.2100 6405.2000.2100 6405.9010.2100 6405.9090.2100	China Thailand	2.25 2.47
13	Ladies Slipper Artificial Leather Size 39 to 43 (Low-end brands)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2200 6405.1000.2200 6405.2000.2200 6405.9010.2200 6405.9090.2200	China Thailand	1.9 2.1
14	Gents Shoes Artificial Leather Size 39 to 45 (Low-end brands)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2300 6405.1000.2300 6405.2000.2300 6405.9010.2300 6405.9090.2300	China Thailand	3.75 4.12
15	Gents Sandal Artificial Leather Size 39 to 45 (Low-end brands)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2400 6405.1000.2400 6405.2000.2400 6405.9010.2400 6405.9090.2400	China Thailand	2.9 3.2



S. No	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Pair
16	Gents Slipper Artificial Leather Size 39 to 45 (Low-end brands)	6404.1900	6404.1900.2500	China Thailand	2.1
		6405.1000	6405.1000.2500		2.3
		6405.2000	6405.2000.2500		
		6405.9010	6405.9010.2500		
		6405.9090	6405.9090.2500		
17	Children Jogger Shoes All sizes (Low-end brands)	6404.1100	6404.1100.1000	China Thailand	1.20
		6404.1900	6404.1900.2600		1.35
18	Boys/Girls Jogger Shoes Size 28 to 38 (Low-end brands)	6404.1100	6404.1100.1100	China Thailand	1.85
		6404.1900	6404.1900.2700		2.0
19	Ladies /Gents Jogger Shoes Size 39 to 45 (Low-end brands)	6404.1100	6404.1100.1200	China Thailand	2.7
		6404.1900	6404.1900.2800		3.0
20	Children EVA Chapal Kitchen/Bathroom/Casual All sizes (Low-end brands)	6405.9090	6405.9090.2600	China Thailand	0.47
		6402.2000	6402.2000.1000		0.52
21	Boys/Girls EVA Chapal Kitchen/Bathroom/Casual Size 28 to 38 (Low-end brands)	6402.2000	6402.2000.1100	China Thailand	0.71
		6405.9090	6405.9090.2700		0.78
22	Ladies/Gents EVA Chapal Kitchen/Bathroom/Casual Size 39 to 45 (Low-end brands)	6402.2000	6402.2000.1200	China Thailand	1.0
		6405.9090	6405.9090.2800		1.1
23	Children Plastic Sandal All sizes (Low-end brands)	6402.2000	6402.2000.1300	China Thailand	0.85
		6405.9090	6405.9090.2900		0.93
24	Children Plastic Slipper All sizes (Low-end brands)	6402.2000	6402.2000.1400	ChinaThailand	0.65
		6405.9090	6405.9090.3000		0.71
25	Boys/Girls Plastic Sandal Size 28 to 38 (Low-end brands)	6402.2000	6402.2000.1500	China Thailand	1.15
		6405.9090	6405.9090.3100		1.26
26	Boys/Girls Plastic Slippers Size 28 to 38 (Low-end brands)	6402.2000	6402.2000.1600	China Thailand	0.90
		6405.9090	6405.9090.3200		1.0
27	Ladies/Gents Plastic Sandal Size 39 to 45 (Low-end brands)	6402.2000	6402.2000.1700	China Thailand	1.5
		6405.9090	6405.9090.3300		1.65
28	Ladies/Gents Plastic Slipper Size 39 to 45 (Low-end brands)	6402.2000	6402.2000.1800	China Thailand	1.35
		6405.9090	6405.9090.3400		1.48
29	Hawai Chapal Low-end brands (All Sizes) (Low-end brands)	6402.2000	6402.2000.1900	China Thailand	0.45
		6405.9090	6405.9090.3500		0.50



S. No	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Pair
30	Ladies / Gents Casual Shos / Made up of artificial leather / Textile material/Canvas Fabric (Upper) with rubber soles (Low-end brands)	6402.2000	6402.2000.2000	China	2.65
		6404.1900	6404.1900.2900	Thailand	2.92
		6405.1000	6405.1000.2600		
		6405.2000	6405.2000.2600		
		6405.9010	6405.9010.2600		
		6405.9090	6405.9090.3600		

8. 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.

9. **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.

10. **Revision of the value determined vide this Valuation Ruling:** A revision 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 of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

11. 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 this Directorate General immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in Para 7. HS codes are mentioned for illustrative purposes only so that VR values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling all formalities relating to importability or any other certifications required thereon.

12. *This Ruling supersedes Valuation Ruling No.421/2012 dated 30-01-2012 along with its corrigendum dated 29-04-2014.*

(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 (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.