



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 Second Hand Clothing, Shoes and Used Leather Bags /Jackets / Belts, Used Toys and Kitchen Ware Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 762 / 2015)

No. Reg-Misc/08 /2008-IV-Part-II

Dated: September 18, 2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Second Hand Clothing, Shoes, and Hand bags are determined as follows :

2 Background of the valuation issue: Board's vide letter C. No.3(7)S.Val/2015, dated 11-08-2015, directed to examine the issue of Valuation of second hand clothing *abinito* in consultation with all stakeholders concerned including All Pakistan Textile Mills Association (APTMA) and decide the valuation on merits in accordance with law. There had also been complaints about mis-declaration of description under the garb of imports of second hand clothing and shoes. Therefore, an exercise to determine customs values of Second Hand Clothing, Shoes and Used Leather Bags /Jackets / Belts, Used Toys and Kitchen Ware was initiated under section 25A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: A meeting with stakeholders was held on 17-09-2015. It was attended by office bearers of Pakistan Second Hand Clothing Merchants Association, different importers and representatives of APTMA. It was brought to the notice of participants, especially representatives of APTMA that their concerns that new fabric is being imported under the garb of second hand clothing has been addressed by the clearance Collectorates by physically examining each consignment of used clothing and where fabric pieces are identified, the same are subjected to normal fabric assessable values. The issue of used clothing, shoes and bags were discussed in detail with all the stakeholders and their view point was also heard. The representative of APTMA stated that import of second hand clothing was not their issue but they have reservation on the assessable value of fabric being imported. They were assured that valuation of new fabric would be discussed in separate meeting on Valuation Ruling of Fabrics.

4 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 found to be not helpful in determination of values. Consequently market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. Online values were also checked. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied due to peculiar nature of this trade. All the available information was analyzed and evaluated. Consequently, the Customs values of Second Hand Clothing, Shoes and Used Leather Bags /Jackets / Belts, Used Toys and Kitchen Ware have been determined under Section 25(9) of the Customs Act, 1969.

5. **Customs values for Second Hand Clothing, Shoes and Used Leather Bags /Jackets / Belts, Used Toys and Kitchen Ware:** Second Hand Clothing, Shoes and Used Leather Bags /Jackets / Belts, Used Toys and Kitchen Ware *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/Kg				
(1)	(2)	(3)	(4)	(5)	(6)				
01.	Second hand worn clothing	6309.0000	6309.0000.1000	South Korea, Japan	0.70				
				USA, Canada, New Zealand, Australia, and Europe	0.40				
				Far East & China	0.50				
				Middle East & Gulf states	0.40				
				Others origins	0.40				
02.	Second hand leather bags, jackets and belts	4202.1210 4202.1220 4202.1290 4202.2100 4202.2200 4202.2900 4203.1010 4203.1090 4203.3000	4202.1210.1000 4202.1220.1000 4202.1290.1000 4202.2100.1000 4202.2200.1000 4202.2900.1000 4203.1010.1000 4203.1090.1000 4203.3000.1000	South Korea, Japan	0.90				
				USA, Canada, New Zealand, Australia, and Europe	0.90				
				Far East & China	0.90				
				Middle East & Gulf states	0.60				
				Others origins	0.50				
				03	Second hand shoes	6309.0000	6309.0000.3000	South Korea, Japan	1.00
								USA, Canada, New Zealand, Australia, and Europe	0.80
								Far East & China	0.80
Middle East & Gulf states	0.80								
Others origins	0.70								

per

04	Second hand toys	9503.0090	9503.0090.1000	South Korea, Japan	1.00
				USA, Canada, New Zealand, Australia, and Europe	1.00
				Far East & China	0.80
				Middle East & Gulf states	0.80
				Others origins	0.80
05	Used kitchen ware	7323.9900	7323.9900.1000	South Korea, Japan	0.80
				USA, Canada, New Zealand, Australia, and Europe	0.80
				Far East & China	0.60
				Middle East & Gulf states	0.80
				Others origins	0.60

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.

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 or section 25-D as the case may be.

8. **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.

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 this Directorate General immediately.


 (Manzoor Hussain Memon)
 Director