



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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**The Collector of Customs,** Model Customs Collectorates, Appraisement and Facilitation (East / West) / Port Qasim / Enforcement and Compliance, JIAP, Karachi / (Appraisement and Facilitation / Enforcement and Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Appraisement and Facilitation Peshawar / Gwadar / Gilgit-Baltistan / Exports (Karachi / Port Qasim).

**DETERMINATION OF CUSTOMS VALUES OF LOW-END BRANDS SHOES,  
SLIPPERS, SANDALS, CHAPPALS AND JOGGERS UNDER SECTION 25-A OF THE  
CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1466 / 2020)

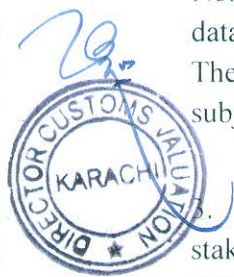
No. Misc/01/2013-V/

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Dated:- 24 08-2020

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

2. **Background of the Valuation Issue:** Earlier the Customs values of Low-End Brands Shoes, Slippers, Sandals, Chappals and Joggers were determined vide Valuation Ruling No. 1405/2019 dated 31.10.2019. On examination and analysis of market values of shoes and EDE data received from China, it was observed that the values of shoes need re-determination. Therefore, this Directorate General initiated an exercise for determination of the Customs Values of subject goods in terms of Section 25-A of the Customs Act, 1969.



**Stakeholders' Participation in Determination of Customs Values:** Meetings with stakeholders were held on 16-06-2020 and 18-08-2020. The participants were requested to submit following documents during and after the meeting.

- i. Invoices of imports during last three months showing factual value.
- ii. Websites, names 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 Contracts made / L.Cs opened during the last three months showing the value of items in question.
- iv. Copies of Sales Tax Invoices issued during last three 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.


A number of importers attended the meetings and contented that values of China origin shoes are on higher side and may be reduced. When asked to substantiate their claim with supportive documents, no document, whatsoever, was provided by any participant. The participants also contented that the Chinese exporters, in order to get higher rate of rebate available to them on shoes, inflates the value of their invoice which, then, is reflected in EDE data. No importer,



however, provided any document to substantiate this claim either. It was also contended that retailer's margin, in various markets, ranges from 50% to 100% of the cost of shoes which inflates the value of shoes in local market. No invoice/ record showing this profit margin and its declaration with IRS were provided to this Directorate General.

6. **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 arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information required under law was not available to arrive at the transaction value. Therefore, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries and Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969 was applied to arrive at assessable customs values of Low-End Brands Shoes, Slippers, Sandals, Chappals and Joggers.

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



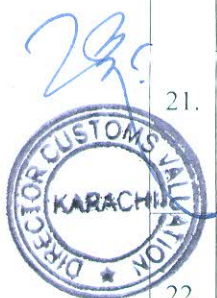
Sr. No	Description of Goods	P.C.T	Proposed PCT for WEOC	Origin	Customs Values (C& F) US \$/Pair
(1)	(2)	(3)	(4)		(6)
1.	Baby/Baba (Booty) Artificial Leather (up-to 2 years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1000 6405.1000.1000 6405.2000.1000 6405.9010.1000 6405.9090.1000	China/ Thailand	1.10 1.25
2.	Children Shoes Artificial Leather (up-to 5 years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1100 6405.1000.1100 6405.2000.1100 6405.9010.1100 6405.9090.1100	China/ Thailand	1.20 1.48
3.	Children Shoes Artificial Leather (6 to 12 years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1200 6405.1000.1200 6405.2000.1200 6405.9010.1200 6405.9090.1200	China/ Thailand	1.48 1.99
4.	Children Sandals artificial leather (up-to 5 years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1300 6405.1000.1300 6405.2000.1300 6405.9010.1300 6405.9090.1300	China/ Thailand	1.03 1.20

5.	Children Sandals Artificial Leather (6 to 12 years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1400 6405.1000.1400 6405.2000.1400 6405.9010.1400 6405.9090.1400	China/ Thailand	1.45 1.71
6.	Children Slippers Artificial Leather (up-to 5 years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1500 6405.1000.1500 6405.2000.1500 6405.9010.1500 6405.9090.1500	China/ Thailand	1.05 1.27
7.	Children Slippers Artificial Leather (6 to 12 years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.1600 6405.1000.1600 6405.2000.1600 6405.9010.1600 6405.9090.1600	China/ Thailand	1.48 1.65
8.	Boy/Girls Shoes artificial leather (Size 36-38)	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	2.67 3.39
9.	Boy/Girls Slippers artificial leather (Size 36-38)	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	1.91 2.36
10.	Boy/Girls Sandals artificial leather (Size 36-38)	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	1.93 2.41
11.	Ladies Shoes artificial leather (Size 39 and above)	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	3.31 4.07
12.	Ladies Sandals artificial leather (Size 39 and above)	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	2.67 2.93
13.	Ladies Slippers artificial leather (Size 39 and above)	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	2.23 2.65
14.	Gents Shoes artificial leather (Size 39 and above)	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	4.98 5.52
15.	Gents Sandals artificial leather (Size 39 and above)	6404.1900 6405.1000 6405.2000	6404.1900.2400 6405.1000.2400 6405.2000.2400	China/ Thailand	3.25 3.83





		6405.9010 6405.9090	6405.9010.2400 6405.9090.2400		
16.	Gents Slippers artificial leather (Size 39 and above)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2500 6405.1000.2500 6405.2000.2500 6405.9010.2500 6405.9090.2500	China/ Thailand	2.15 2.53
17.	Children Jogger Shoes (upto 5 Years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2600 6405.1000.2600 6405.2000.2600 6405.9010.2600 6405.9090.2600	China/ Thailand	1.51 1.67
18.	Children Jogger Shoes (6-12 Years)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2700 6405.1000.2700 6405.2000.2700 6405.9010.2700 6405.9090.2700	China/ Thailand	1.79 2.39
19.	Boy/Girls Jogger Shoes Size 36-38	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2800 6405.1000.2800 6405.2000.2800 6405.9010.2800 6405.9090.2800	China/ Thailand	1.85 2.59
20.	Ladies/Gents Jogger Shoes Size (39 and above)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.2900 6405.1000.2900 6405.2000.2900 6405.9010.2900 6405.9090.2900	China/ Thailand	3.33 3.74
21.	Children EVA Chappals (Kitchen/Bathroom/Casual) all Sizes	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.3000 6405.1000.3000 6405.2000.3000 6405.9010.3000 6405.9090.3000	China/ Thailand	0.78 0.81
22.	Boys/Girls EVA Chappals (Kitchen/Bathroom/Casual) Size 36-38	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.3100 6405.1000.3100 6405.2000.3100 6405.9010.3100 6405.9090.3100	China/ Thailand	1.14 1.21
23.	Ladies/Gents EVA Chappals (Kitchen/Bathroom/Casual) (Size 39 and above)	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.3200 6405.1000.3200 6405.2000.3200 6405.9010.3200 6405.9090.3200	China/ Thailand	1.37 1.5
24.	Children Plastic Sandals All Sizes	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.3300 6405.1000.3300 6405.2000.3300 6405.9010.3300 6405.9090.3300	China/ Thailand	1.32 1.46
25.	Children Plastic Slippers All Sizes	6404.1900 6405.1000 6405.2000 6405.9010 6405.9090	6404.1900.3400 6405.1000.3400 6405.2000.3400 6405.9010.3400 6405.9090.3400	China/ Thailand	0.92 1.09



26.	Boys/Girls Plastic Sandals (Size 36-38)	6404.1900	6404.1900.3500	China/ Thailand	1.53
		6405.1000	6405.1000.3500		1.72
		6405.2000	6405.2000.3500		
		6405.9010	6405.9010.3500		
		6405.9090	6405.9090.3500		
27.	Boys/Girls Plastic Slippers (Size 36-38)	6404.1900	6404.1900.3600	China/ Thailand	1.36
		6405.1000	6405.1000.3600		1.49
		6405.2000	6405.2000.3600		
		6405.9010	6405.9010.3600		
		6405.9090	6405.9090.3600		
28.	Ladies/Gents Plastic Sandals (Size 39 and above)	6404.1900	6404.1900.3700	China/ Thailand	2.11
		6405.1000	6405.1000.3700		2.31
		6405.2000	6405.2000.3700		
		6405.9010	6405.9010.3700		
		6405.9090	6405.9090.3700		
29.	Ladies/Gents Plastic Slippers (Size 39 and above)	6404.1900	6404.1900.3800	China/ Thailand	1.81
		6405.1000	6405.1000.3800		2.0
		6405.2000	6405.2000.3800		
		6405.9010	6405.9010.3800		
		6405.9090	6405.9090.3800		
30.	Hawai Chappals All Sizes	6404.1900	6404.1900.3900	China/ Thailand	0.50
		6405.1000	6405.1000.3900		0.78
		6405.2000	6405.2000.3900		
		6405.9010	6405.9010.3900		
		6405.9090	6405.9090.3900		
31.	Ladies/Gents Casual Shoes Size 39 and above) made up of Artificial Leather/Textile Material/Canvas Fabric (Upper) with Rubber Sole	6404.1900	6404.1900.4000	China/ Thailand	2.99
		6405.1000	6405.1000.4000		3.52
		6405.2000	6405.2000.4000		
		6405.9010	6405.9010.4000		
		6405.9090	6405.9090.4000		
32.	Boys/Girls Casual Shoes Size 36-38 made up of Artificial Leather/Textile Material/Canvas Fabric (Upper) with Rubber Sole	6404.1900	6404.1900.5000	China/ Thailand	2.35
		6405.1000	6405.1000.5000		3.21
		6405.2000	6405.2000.5000		
		6405.9010	6405.9010.5000		
		6405.9090	6405.9090.5000		

Brands Names:- RG, Pink Princess, Kids Club, Xingbao, Xienchong, Global Lady, Kokee, Sweet Baby, Syam Eide, Gracy, Ivory Man, Modish, IK Collection, Vilakont, H.K, Gig, Free walk, Walkeaze, Adels, Mid o, Amol, Original and Likewise Low End Brands.

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 and the same may be communicated to this Directorate General forthwith. 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:** 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.

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 Directorate General immediately. The Customs 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. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section of the Customs Act, 1969 or any other law in vogue therein.

12. This ruling supersedes Valuation Ruling No.1405/2019 dated 31.10.2019.

  
(Shafique Ahmad Latki)  
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
- 4) The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
- 5) The Chief Collector of Customs (Central), Lahore.
- 6) The Chief Collector of Customs (North), Islamabad.
- 7) The Chief Collector of Customs, (Enforcement), Custom House, Quetta.
- 8) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 9) The Director General, PCA& Internal Audit, Karachi.
- 10) The Director General, IOCO, Karachi
- 11) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad
- 12) The Director, Directorate of Customs Valuation, Lahore.
- 13) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 14) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 15) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 16) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 17) The Webmaster, Federal Board of Revenue, Islamabad.
- 18) Guard File.