



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

The Collector of Customs, Collectorate of Customs (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

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

(VALUATION RULING NO 1648/2022)

C. No. Misc/01/2013/V/475.

Dated: 17-05-2022



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

2. **Background of the valuation issue:** Earlier, the customs value of Low-End Brand Shoes, Slippers, Sandals, Chappals and Joggers was determined vide Valuation Ruling No. 1466/2020 dated 24-08-2020. The said Valuation Ruling and Order-in-Revision issued under section 25D of the Customs Act, 1969 was challenged before the Customs Appellate Tribunal, Karachi vide Customs Appeal No. K-258 to 268, dated 20.01.2022. The Customs Appellate Tribunal, Karachi vide judgment dated 19.02.2022 remanded the cases for de-novo consideration after providing proper opportunity of hearing to the appellants. Accordingly, this Directorate General initiated an exercise for the determination of Customs value of subject goods under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs value:** Meeting with all stakeholders, trade bodies including representatives of clearance Collectorates was held in this Directorate General on 31-03-2022. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs value could be determined:

- i. Invoices of import during last three months showing factual values.
- 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 / LCs opened during the last three months showing the value of item in question.

- iv. 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. The meeting was attended by importers and other stakeholders. The importers submitted that the values determined vide Valuation Ruling No. 1466/2020 dated 24.08.2020 are exorbitantly high as the values of shoes of various low-end brands was enhanced upto 84% as compared to Valuation Ruling No. 1405/2019 dated 31.10.2019. It was also pointed out that the Valuation Ruling No. 1405/2019 which was superseded by Valuation Ruling No. 1466/2020 was issued in lieu of the Valuation Ruling 902/2016 after more than 03 years but the determined values were increased to the extent of 11% for china whereas, the Valuation Ruling No. 1466/2020 has been issued just after few months of Valuation Ruling No. 1405/2019 but surprisingly the values of impugned goods have been enhanced as much as 50% to 84% without any reason. It was also observed that boys and girls shoe sizes has been incorrectly included in the category of sizes pertaining to men and women against the accepted international and local practices. The stakeholders view points were heard in detail and considered to arrive at customs value of the subject goods. All the importers were asked to submit relevant documents to support their contention.

5. **Methods Adopted to Determine Customs Value:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at customs value 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 no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for same product according to different origins. Identical/similar goods value methods provided in Sections 25 (5) & (6) ibid were examined for applicability to determine customs values of subject goods. The data provided some references; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available was, hence, found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries using deductive value methods under sub-section (7) of Section 25 of the Customs Act, 1969, wide ranges of prices were observed for some items depends upon variety/quality/quantity/ brand etc., and location of market. Hence this method of valuation could not be relied upon due to aforesaid reasons. Valuation method vide Section 25(8) of the Customs Act, 1969, was examined for valuation, but the same also could not be applied due to non availability of conversion and processing cost of exporting country. Finally, clearance data, raw material prices, local market prices including international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of Customs Values of Low-End Brand Shoes, Slippers, Sandals, Chappals and Joggers under Section 25(9) of the Customs Act, 1969.



6. Customs value for Low-End Brand Shoes, Slippers, Sandals, Chappals and Joggers -hereinafter specified shall be assessed to duty/taxes on the Customs value mentioned against them in the Table below:

Sr. No.	Description of Goods	PCT Code	Proposed PCT Code for WeBOC	Origin	Customs Values (C&F) USS/Pair
(1)	(3)	(3)	(4)	(5)	(6)
1	Baby/ Baba shoes (Booty) Artificial Leather, sizes up-to 2 years (Low-end Brands)	6404.1900	6404.1900.1000	China	0.80
		6405.1000	6405.1000.1000		
		6405.2000	6405.2000.1000		
		6405.9010	6405.9010.1000	Thailand	0.96
		6405.9090	6405.9090.1000		
2	Children Shoes Artificial Leather, Sizes 3 to 5 years (Low-end Brands)	6404.1900	6404.1900.1100	China	0.91
		6405.1000	6405.1000.1100		
		6405.2000	6405.2000.1100		
		6405.9010	6405.9010.1100	Thailand	1.28
		6405.9090	6405.9090.1100		
3	Children Shoes Artificial Leather, Sizes 6 to 12 years (Low-end Brands)	6404.1900	6404.1900.1200	China	0.97
		6405.1000	6405.1000.1200		
		6405.2000	6405.2000.1200		
		6405.9010	6405.9010.1200	Thailand	1.40
		6405.9090	6405.9090.1200		
4	Children Sandals Artificial Leather, Sizes 3 to 5 years (Low-end Brands)	6404.1900	6404.1900.1300	China	0.80
		6405.1000	6405.1000.1300		
		6405.2000	6405.2000.1300		
		6405.9010	6405.9010.1300	Thailand	1.02
		6405.9090	6405.9090.1300		
5	Children Sandals Artificial Leather, Sizes 6 to 12 years (Low-end Brands)	6404.1900	6404.1900.1400	China	0.97
		6405.1000	6405.1000.1400		
		6405.2000	6405.2000.1400		
		6405.9010	6405.9010.1400	Thailand	1.20
		6405.9090	6405.9090.1400		
6	Children Slippers Artificial Leather, Sizes 3 to 5 years (Low-end Brands)	6404.1900	6404.1900.1500	China	0.80
		6405.1000	6405.1000.1500		
		6405.2000	6405.2000.1500		
		6405.9010	6405.9010.1500	Thailand	1.02
		6405.9090	6405.9090.1500		
7	Children Slippers Artificial Leather, Sizes 6 to 12 years (Low-end Brands)	6404.1900	6404.1900.1600	China	0.97
		6405.1000	6405.1000.1600		
		6405.2000	6405.2000.1600		
		6405.9010	6405.9010.1600	Thailand	1.14
		6405.9090	6405.9090.1600		
8	Boy/ Girls Shoes Artificial Leather, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.1700	China	1.65
		6405.1000	6405.1000.1700		
		6405.2000	6405.2000.1700		
		6405.9010	6405.9010.1700	Thailand	2.15
		6405.9090	6405.9090.1700		



9	Boy/ Girls Slippers Artificial Leather, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.1800	China	1.41
		6405.1000	6405.1000.1800		
		6405.2000	6405.2000.1800	Thailand	1.80
		6405.9010	6405.9010.1800		
		6405.9090	6405.9090.1800		
10	Boy/ Girls Sandals Artificial Leather, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.1900	China	1.58
		6405.1000	6405.1000.1900		
		6405.2000	6405.2000.1900	Thailand	2.03
		6405.9010	6405.9010.1900		
		6405.9090	6405.9090.1900		
11	Ladies Shoes Artificial Leather, Sizes 39 and above (Low-end Brands)	6404.1900	6404.1900.2000	China	2.93
		6405.1000	6405.1000.2000		
		6405.2000	6405.2000.2000	Thailand	3.94
		6405.9010	6405.9010.2000		
		6405.9090	6405.9090.2000		
12	Ladies Sandals Artificial Leather, Sizes 39 and above (Low-end Brands)	6404.1900	6404.1900.2100	China	2.24
		6405.1000	6405.1000.2100		
		6405.2000	6405.2000.2100	Thailand	2.69
		6405.9010	6405.9010.2100		
		6405.9090	6405.9090.2100		
13	Ladies Slippers Artificial Leather, Sizes 39 and above (Low-end Brands)	6404.1900	6404.1900.2200	China	1.78
		6405.1000	6405.1000.2200		
		6405.2000	6405.2000.2200	Thailand	2.31
		6405.9010	6405.9010.2200		
		6405.9090	6405.9090.2200		
14	Gents Shoes Artificial Leather, Sizes 39 and above (Low-end Brands)	6404.1900	6404.1900.2300	China	4.16
		6405.1000	6405.1000.2300		
		6405.2000	6405.2000.2300	Thailand	5.06
		6405.9010	6405.9010.2300		
		6405.9090	6405.9090.2300		
15	Gents Sandals Artificial Leather, Sizes 39 and above (Low-end Brands)	6404.1900	6404.1900.2400	China	2.45
		6405.1000	6405.1000.2400		
		6405.2000	6405.2000.2400	Thailand	3.06
		6405.9010	6405.9010.2400		
		6405.9090	6405.9090.2400		
16	Gents Slippers Artificial Leather, Sizes 39 and above (Low-end Brands)	6404.1900	6404.1900.2500	China	1.88
		6405.1000	6405.1000.2500		
		6405.2000	6405.2000.2500	Thailand	2.34
		6405.9010	6405.9010.2500		
		6405.9090	6405.9090.2500		
17	Children Jogger Shoes, Sizes up-to 5 years (Low-end Brands)	6404.1900	6404.1900.2600	China	1.19
		6405.1000	6405.1000.2600		
		6405.2000	6405.2000.2600	Thailand	1.32
		6405.9010	6405.9010.2600		
		6405.9090	6405.9090.2600		
18	Children Jogger Shoes, Sizes 6 to 12 years (Low-end Brands)	6404.1900	6404.1900.2700	China	1.31
		6405.1000	6405.1000.2700		
		6405.2000	6405.2000.2700	Thailand	1.86
		6405.9010	6405.9010.2700		
		6405.9090	6405.9090.2700		



19	Boys/ Girls Jogger Shoes, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.2800	China	1.48
		6405.1000	6405.1000.2800	Thailand	2.23
20	Ladies/ Gents Jogger Shoes, Sizes 39 and above (Low-end Brands)	6405.2000	6405.2000.2800	China	2.71
		6405.9010	6405.9010.2800	Thailand	3.24
21	Children EVA Chappals (Kitchen/ Bathroom/ Casual/), All sizes (Low-end Brands)	6405.9090	6405.9090.2800	China	0.57
		6404.1900	6404.1900.2900	Thailand	0.66
22	Boys/ Girls EVA Chappals (Kitchen/ Bathroom/ Casual/), Sizes 36 to 40 (Low-end Brands)	6405.1000	6405.1000.2900	China	0.86
		6405.2000	6405.2000.2900	Thailand	0.96
23	Ladies/ Gents EVA Chappals (Kitchen/ Bathroom/ Casual/), Sizes 39 and above (Low-end Brands)	6405.9010	6405.9010.2900	China	1.21
		6405.9090	6405.9090.2900	Thailand	1.38
24	Children Plastic Sandals, All Sizes (Low-end Brands)	6404.1900	6404.1900.3000	China	1.04
		6405.1000	6405.1000.3000	Thailand	1.20
25	Children Plastic Slippers, All Sizes (Low-end Brands)	6405.2000	6405.2000.3000	China	0.75
		6405.9010	6405.9010.3000	Thailand	0.90
26	Boys/ Girls Plastic Sandals, Sizes 36 to 40 (Low-end Brands)	6405.9090	6405.9090.3000	China	1.31
		6404.1900	6404.1900.3100	Thailand	1.56
27	Boys/ Girls Plastic Slippers, Sizes 36 to 40 (Low-end Brands)	6405.1000	6405.1000.3100	China	1.08
		6405.2000	6405.2000.3100	Thailand	1.21
28	Ladies/ Gents Plastic Sandals, Sizes 39 and above (Low-end Brands)	6405.9010	6405.9010.3100	China	1.77
		6405.9090	6405.9090.3100	Thailand	1.96



29	Ladies/ Gents Plastic Slippers, Sizes 39 and above (Low-end Brands)	6404.1900	6404.1900.3800	China	1.60
		6405.1000	6405.1000.3800		
		6405.2000	6405.2000.3800	Thailand	1.78
		6405.9010	6405.9010.3800		
		6405.9090	6405.9090.3800		
30	Hawai Chappals, All Sizes (Low-end Brands)	6404.1900	6404.1900.3900	China	0.40
		6405.1000	6405.1000.3900		
		6405.2000	6405.2000.3900	Thailand	0.65
		6405.9010	6405.9010.3900		
		6405.9090	6405.9090.3900		
31	Ladies/ Gents Casual Shoes made up of Artificial Leather/ Textile Material/ Canvas Fabric (upper) with Rubber Sole, Sizes 39 & above (Low-end Brands)	6404.1900	6404.1900.4000	China	2.40
		6405.1000	6405.1000.4000		
		6405.2000	6405.2000.4000	Thailand	3.01
		6405.9010	6405.9010.4000		
		6405.9090	6405.9090.4000		
32	Boys/ Girls Casual Shoes made up of Artificial Leather/ Textile Material/ Canvas Fabric (upper) with Rubber Sole, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.4100	China	1.82
		6405.1000	6405.1000.4100		
		6405.2000	6405.2000.4100	Thailand	2.60
		6405.9010	6405.9010.4100		
		6405.9090	6405.9090.4100		
Brand Names: RG, Pink Princess, Kids Club, Xingbao, Xienchong, Global Lady, Kokee, Sweet Baby, Syam Lide, Gracy, Ivory Man, Modish, IK Collection, Vilakont, H.K, Gig, Free Walk, Walkeaze, Adels, Mid o, Amol, Original and Likewise Low End Brands.					

7. 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 difference between air freight and sea freight while applying the customs values determined in this Ruling.

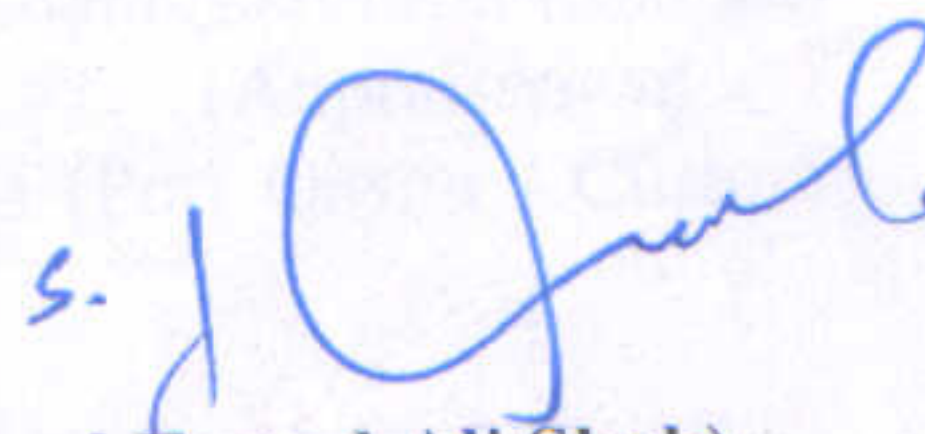
8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (4) of Section 25A of the Customs Act, 1969, read with rule 107 (a), Chapter IX, of the Customs Rules, 2001.

9. **Revision of the Value Determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25D 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.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation 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. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officers. The

assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification 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 15 of the Customs Act, 1969, or any other law in vogue.

11. *This Ruling supersedes Valuation Ruling No. 1466/2020 dated 24-08-2020.*


(Syed Fawad Ali Shah)
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, Appraisement (South) Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisement (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Balochistan, Custom House, Quetta.
- 9) The Chief Collector of Customs Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 11) The Director General, PCA& Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director General, Transit Trade, Custom House Karachi
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 15) The Director, Transit Trade, Custom House Karachi
- 16) The Director, Directorate of Customs Valuation, Lahore.
- 17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 20) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 21) The Webmaster, Federal Board of Revenue, Islamabad.
- 22) Guard File.