



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, CUSTOM HOUSE
KARACHI
Phone: 021-99214144

PLEASE CIRCULATE

Meh
Mehmood ul Hasan Awan
General Secretary
Karachi Customs Agents Association

C. No. Misc/01/2013-V//855

Dated: 22-08-2024

VALUATION RULING NO. 1902 / 2024

1. This ruling supersedes Valuation Ruling No. 1648/2022 dated 17-05-2022.
2. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
3. The revision petition against this Valuation Ruling, can be filed under Section 25D of the Customs Act, 1969, within 30 days before the Director General, Customs Valuation.
4. The values in valuation ruling shall be treated as minimum benchmark values and shall be applicable to the given description and specification of goods.

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

1.	Valuation Ruling	Redetermination / revision of values of earlier Valuation Ruling No. 1648/2022 dated 17.05.2022.
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 07.03.2024, 16.05.2024 & 16.07.2024

3. **Background of the Issue:** In pursuance of analysis of import data, current market trends, the difference in market prices and customs values, an exercise for the re-determination of customs values of subject goods was initiated under Section 25 and 25A of the Customs Act, 1969.

4. **Analysis to determine Customs Values:** The importers contended that the customs values should not be changed due to the current international market prices and due to higher exchange rate of dollar which has affected their business and sales in the market due to high inflation rate. They stated that the Regulatory Duty has increased and there is 112% impact of duties and taxes on the subject items. The stakeholders informed that the local manufacturing has approximately 60% share in the local market and there is significant growth of corporate industry. Furthermore, they informed that due to aforesaid reasons the legitimate import volume has declined & business has been diverted toward smuggling via Afghan Transit Trade. Some of the importers also highlighted issues related to size during examination. They informed that the sizes between "36 to 40", as well as those "39 and above", were found to be duplicated, leading to confusion during clearance. As a solution, they suggested replacing sizes "39 and above" with sizes "41 and above", considering that sizes between 36 and 40 were already accounted for.

5. **Method (s) adopted to determine Customs values:** Valuation methods, provided in Section 25 of the Customs Act, 1969, were applied in sequential order. The transaction



value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable as declared values do not correspond to market prices. The values of Identical and similar goods as per sections 25 (5) & (6) *ibid* could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. A market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was conducted as per procedure of Office Order No. 17/2014 dated 19-03-2014. Various wholesale and retail markets were visited and the actual prices of subject goods were acquired and by adjusting the amounts of profits, the C&F value was determined under Section 25(7) of the Customs Act, 1969 read with customs rule 121(2) of the Customs Rules, 2001, which are as under:

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

Sr. No.	Description of Goods	PCT Code	Proposed PCT Code for WeBOC	Origin	Customs Values (C&F) US\$/Pair
(1)	(2)	(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	0.70
		6405.1000	6405.1000.1000		
		6405.2000	6405.2000.1000		
		6405.9010	6405.9010.1000	Thailand	0.84
		6405.9090	6405.9090.1000		
2	Children Shoes Artificial Leather, Sizes 3 to 5 years (26 to 30) (Low-end Brands)	6404.1900	6404.1900.1100	China	0.94
		6405.1000	6405.1000.1100		
		6405.2000	6405.2000.1100		
		6405.9010	6405.9010.1100	Thailand	1.32
		6405.9090	6405.9090.1100		
3	Children Shoes Artificial Leather, Sizes 6 to 12 years (31 to 35) (Low-end Brands)	6404.1900	6404.1900.1200	China	1.00
		6405.1000	6405.1000.1200		
		6405.2000	6405.2000.1200		
		6405.9010	6405.9010.1200	Thailand	1.44
		6405.9090	6405.9090.1200		
4	Children Sandals Artificial Leather, Sizes 3 to 5 years (26 to 30) (Low-end Brands)	6404.1900	6404.1900.1300	China	0.83
		6405.1000	6405.1000.1300		
		6405.2000	6405.2000.1300		
		6405.9010	6405.9010.1300	Thailand	1.06
		6405.9090	6405.9090.1300		
5	Children Sandals Artificial Leather, Sizes 6 to 12 years (31 to 35) (Low-end Brands)	6404.1900	6404.1900.1400	China	1.00
		6405.1000	6405.1000.1400		
		6405.2000	6405.2000.1400		
		6405.9010	6405.9010.1400	Thailand	1.24
		6405.9090	6405.9090.1400		
6	Children Slippers Artificial Leather, Sizes 3 to 5 years (26 to 30) (Low-end Brands)	6404.1900	6404.1900.1500	China	0.83
		6405.1000	6405.1000.1500		
		6405.2000	6405.2000.1500		
		6405.9010	6405.9010.1500	Thailand	1.06
		6405.9090	6405.9090.1500		
7	Children Slippers Artificial Leather, Sizes 6 to 12 years (31 to 35) (Low-end Brands)	6404.1900	6404.1900.1600	China	1.00
		6405.1000	6405.1000.1600		
		6405.2000	6405.2000.1600		
		6405.9010	6405.9010.1600	Thailand	1.18
		6405.9090	6405.9090.1600		



8	Boy/ Girls Shoes Artificial Leather, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.1700	China	1.72
		6405.1000	6405.1000.1700	Thailand	2.24
9	Boy/ Girls Slippers Artificial Leather, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.1800	China	1.47
		6405.1000	6405.1000.1800	Thailand	1.88
10	Boy/ Girls Sandals Artificial Leather, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.1900	China	1.62
		6405.1000	6405.1000.1900	Thailand	2.08
11	Ladies Shoes Artificial Leather, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.2000	China	3.00
		6405.1000	6405.1000.2000	Thailand	4.03
12	Ladies Sandals Artificial Leather, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.2100	China	2.30
		6405.1000	6405.1000.2100	Thailand	2.76
13	Ladies Slippers Artificial Leather, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.2200	China	1.83
		6405.1000	6405.1000.2200	Thailand	2.37
14	Gents Shoes Artificial Leather, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.2300	China	4.26
		6405.1000	6405.1000.2300	Thailand	5.18
15	Gents Sandals Artificial Leather, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.2400	China	2.52
		6405.1000	6405.1000.2400	Thailand	3.15
16	Gents Slippers Artificial Leather, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.2500	China	1.94
		6405.1000	6405.1000.2500	Thailand	2.41
17	Children Jogger Shoes, Sizes up-to 5 years (21 to 30) (Low-end Brands)	6404.1900	6404.1900.2600	China	1.24
		6405.1000	6405.1000.2600	Thailand	1.38
18	Children Jogger Shoes, Sizes 6 to 12 years (31 to 35) (Low-end Brands)	6404.1900	6404.1900.2700	China	1.37
		6405.1000	6405.1000.2700	Thailand	1.95
19	Boys/ Girls Jogger Shoes, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.2800	China	1.52
		6405.1000	6405.1000.2800	Thailand	2.29



20	Ladies/ Gents Jogger Shoes, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.2900	China	2.78
		6405.1000	6405.1000.2900		
		6405.2000	6405.2000.2900	Thailand	3.32
		6405.9010	6405.9010.2900		
		6405.9090	6405.9090.2900		
21	Children EVA Chappals (Kitchen/ Bathroom/ Casual/), All sizes (Low-end Brands)	6404.1900	6404.1900.3000	China	0.60
		6405.1000	6405.1000.3000		
		6405.2000	6405.2000.3000	Thailand	0.69
		6405.9010	6405.9010.3000		
		6405.9090	6405.9090.3000		
22	Boys/ Girls EVA Chappals (Kitchen/ Bathroom/ Casual/), Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.3100	China	0.90
		6405.1000	6405.1000.3100		
		6405.2000	6405.2000.3100	Thailand	1.00
		6405.9010	6405.9010.3100		
		6405.9090	6405.9090.3100		
23	Ladies/ Gents EVA Chappals (Kitchen/ Bathroom/ Casual/), Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.3200	China	1.25
		6405.1000	6405.1000.3200		
		6405.2000	6405.2000.3200	Thailand	1.43
		6405.9010	6405.9010.3200		
		6405.9090	6405.9090.3200		
24	Children Plastic Sandals, All Sizes (Low-end Brands)	6404.1900	6404.1900.3300	China	1.08
		6405.1000	6405.1000.3300		
		6405.2000	6405.2000.3300	Thailand	1.25
		6405.9010	6405.9010.3300		
		6405.9090	6405.9090.3300		
25	Children Plastic Slippers, All Sizes (Low-end Brands)	6404.1900	6404.1900.3400	China	0.78
		6405.1000	6405.1000.3400		
		6405.2000	6405.2000.3400	Thailand	0.94
		6405.9010	6405.9010.3400		
		6405.9090	6405.9090.3400		
26	Boys/ Girls Plastic Sandals, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.3500	China	1.36
		6405.1000	6405.1000.3500		
		6405.2000	6405.2000.3500	Thailand	1.62
		6405.9010	6405.9010.3500		
		6405.9090	6405.9090.3500		
27	Boys/ Girls Plastic Slippers, Sizes 36 to 40 (Low-end Brands)	6404.1900	6404.1900.3600	China	1.11
		6405.1000	6405.1000.3600		
		6405.2000	6405.2000.3600	Thailand	1.24
		6405.9010	6405.9010.3600		
		6405.9090	6405.9090.3600		
28	Ladies/ Gents Plastic Sandals, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.3700	China	1.83
		6405.1000	6405.1000.3700		
		6405.2000	6405.2000.3700	Thailand	2.03
		6405.9010	6405.9010.3700		
		6405.9090	6405.9090.3700		
29	Ladies/ Gents Plastic Slippers, Sizes 41 and above (Low-end Brands)	6404.1900	6404.1900.3800	China	1.67
		6405.1000	6405.1000.3800		
		6405.2000	6405.2000.3800	Thailand	1.86
		6405.9010	6405.9010.3800		
		6405.9090	6405.9090.3800		
30	Hawai Chappals, All Sizes (Low-end Brands)	6404.1900	6404.1900.3900	China	0.43
		6405.1000	6405.1000.3900		
		6405.2000	6405.2000.3900	Thailand	0.70
		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 41 & above (Low-end Brands)	6404.1900	6404.1900.4000	China	2.46
		6405.1000	6405.1000.4000		
		6405.2000	6405.2000.4000	Thailand	3.09
		6405.9010	6405.9010.4000		
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	1.87
		6405.1000	6405.1000.4100		
		6405.2000	6405.2000.4100	Thailand	2.67
		6405.9010	6405.9010.4100		
Brand Names: RG, Pink Princess, Kids Club, Xingbao, Xienchong, Global Lady, Kokee, Sweet Baby, Syam Lid e, 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 values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.

8. The values determined in this VR shall be treated as minimum benchmark values and do not bar the collectorate from applying from the higher transaction values of identical or similar goods available in 90 days for the assessment of goods.

9. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.

10. The VR shall be applicable for the descriptions and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.

11. The Collectorates of customs shall ensure the implementation of VR and in case of any anomaly may be brought to the notice of this Directorate immediately.

(Sanauallah Abro)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Appraisalment-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisalment / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisalment / Enforcement / AIIA), (Appraisalment-East / West, Lahore / Faisalabad Appraisalment / Enforcement, Sargodha / Enforcement & Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.