

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 SHOE POLISH UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO/1625/2022)

C. No. Misc/05/2014-II/327.

Dated: 31-03-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the customs value of Shoe Polish is determined as follows:

2. **Background of the valuation issue:** Earlier, the customs value of Shoe Polish was determined vide Valuation Ruling No. 1177/2017 dated 08-06-2017. Representations from the stakeholders for fresh determination of Customs Value were received in this Directorate General. The Valuation Ruling was more than four years old. In view of the foregoing, an exercise for fresh determination of Customs Value under Section 25A of the Customs Act, 1969 was initiated.

3. **Stakeholders' participation in determination of Customs values:** Meeting was held on 02-12-2021 with the stakeholders, trade bodies including representatives of clearance Collectorates in this Directorate General. 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. During the meeting stakeholders were of the view that the values of the subject goods in the international market have shown mixed trend and the values of the subject goods may be determined on the basis of imported brands being sold in the local market. The stakeholders also requested that the aspect of tare weight of essential packing may also be clarified in the upcoming valuation ruling. The stakeholders' viewpoints were heard in detail to arrive at the customs values of subject goods.

5. **Methods 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 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 numbers of market inquiries from various markets. Finally, reliance had to be made on sub-section (7) of the section 25 of the Customs Act, 1969 to determine Customs value of Shoe Polish to arrive at the assessable Customs values.

6. **Customs values for Shoe Polish -hereinafter specified** shall be assessed to duty/taxes on the minimum Customs values mentioned against them in the Table below:

Sr. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Shoe Polish with tin/plastic pack	3405.1010	3405.1010.1000	China	2.53
			3405.1010.1100	Turkey	3.51
			3405.1010.1200	Other Origins	4.99
2	Shoe Polish in Liquid		3405.1010.1300	China	2.82
			3405.1010.1400	Turkey	3.80
			3405.1010.1500	Other Origins	5.16
Note: The Customs value as specified in the above table has been determined after accounting for the aspect of weight of essential packing. Accordingly, the assessment officer(s) shall include the weight of tin/plastic pack etc in the assessable weight.					



7. In cases where declared 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 consignment 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 values 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) 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. HS 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 therein.

11. ***This Ruling supersedes Valuation Ruling No. 1177/2017 dated 08-06-2017.***


(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.