

(This Ruling has been revised / superseded vide Valuation Ruling No. 1380/2019 dated 09-07-2019)

**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 Aerosoft & Similar Brands of Footwear of Thailand Origin under section 25-A of the Customs Act 1969.

(VALUATION RULING No. 872/2016)

No. Misc/12/2006/2009-V

Dated: 21-06-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Aero soft & Similar Brands of Footwear of Thailand Origin are determined as follows:-

2. Background of the valuation issue: Customs values of Aero soft & Similar Brands of Footwear of Thailand Origin were determined vide Valuation Ruling No.53 1120 13 dated 07-01-2013 and its corrigendum dated 29th April, 2014. Being more than 03 years old it was deemed expedient to revise the same, keeping in view the trends of the international market. Thus an exercise to determine the same was initiated by this Directorate General.

3. Stakeholder's participation in determination of Customs values: Meetings with the stakeholders including importers and representatives of trade bodies were scheduled on 09-06-2016 and 20-06-2016 to discuss the current international prices of Aero soft & Similar Brands of Footwear of Thailand Origin. All participants were requested to bring the following documents so that correct values of the subject goods could be determined:-

- (i) Invoices of imports made 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 / 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. No one appeared for the meeting on June 09, 2016. Thereafter a final meeting notice was issued for June 20, 2016. On the said date, some representatives of manufacturers and importers attended the meeting. The participants elaborated that Aero soft, Kito and other similar brands do not manufacture shoes. Their production is limited to slippers, and sandals. Hence, it was decided to remove shoes from the new ruling. However, no documents as requisitioned were presented during the course of meeting. Later Ms International Trading Co submitted some sales tax invoices which were not of the pertinent period as requisitioned. The importers put forward their arguments that the prices of the subject goods in the international market have seen no change but failed to produce any evidence to substantiate this claim.

5. 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 (I) 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

due to wide variation in values. Consequently, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted from various markets.

This method yielded information for most of the types of shoes included in the ruling. Online values were also checked. Since the manufacturers' costs and raw material prices of producing the goods in question in the country of exportation were not available, computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods. Consequently, reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, and customs values of Aero soft and similar brands footwear of Thailand Origin were determined under Section 25(9) of the Customs Act, 1969.

6. Customs values for Aero soft & Similar Brands of Footwear of Thailand Origin here in after specified shall be assessed to duty / taxes at the following Customs Values:-

| S. No | Description of Goods | P.C.T Code | Proposed PCT for WeBOC | Customs values (US\$ per pair) |
|-------|--|---|--|--------------------------------|
| (1) | (2) | (3) | (4) | (5) |
| (1) | Artificial Leather Gents Sandal (Aero soft) and similar other brand Size 39-45 | 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 | 4.00 |
| (2) | Artificial Leather Gents Slippers (Aero soft) and similar other brand Size 35-42 | 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 | 2.80 |
| (3) | Artificial Leather Ladies Sandal (Aero soft) and similar other brand Size 39-45 | 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 | 3.08 |
| (4) | Artificial Leather Ladies Slipper (Aero soft) and similar other brand Size 39-42 | 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 | 2.56 |
| (5) | Artificial Leather Boys & Girls Sandal (Aero soft) and similar other brand Size 22-38 | 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 | 2.50 |
| (6) | Artificial Leather Boys & Girls Slipper (Aero soft) and similar other brand Size 39-45 | 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 | 2.22 |

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 (I) 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.

8. 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 (I) or (3) of Section 25- A of the Customs Act, 1969. 9. 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.

10. 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 ruling are for the descriptions and specifications as mentioned in para 6. HS code are mentioned for illustrative purposes only so that VR values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling all formalities relating to importability or any 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 15 of the Customs Act, 1969 or any other law in vogue therein.

11. This Ruling supersedes Valuation Ruling No.53112013 dated 7-1-2013 and its corrigendum dated 29-04-2014.

(DR.WASIF ALI MEMON)

Director

Copy for information to:-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi , for uploading in One Customs & We BOC database system and deleting the Valuation Ruling No.531 dated 07-01-2013 and its corrigendum dated 29-04-2014 on the date of issue of this ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta