

(This Ruling has been revised / superseded vide Valuation Ruling No. 1753/2023 dated 20-03-2023)

**GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS (VALUATION)
7TH FLOOR, CUSTOM HOUSE, KARACHI**

The Collectors of Customs, Collectorates 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 VALUES OF SECOND HAND CLOTHING, SHOES,
USED TOYS AND KITCHENWARE ETC. UNDER SECTION 25-A OF THE CUSTOMS
ACT, 1969.**

(VALUATION RULING No. 1713/2022)

No. Misc/08/2008-IV (Part III)/1318

Dated: 16th December, 2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Second Hand clothing, Shoes, used Leather Bags, Jackets/ Belts, Used Toys and Kitchenware etc. are determined as follows:

2. Background of the valuation issue: Earlier, the Customs values of Second Hand clothing, Shoes, used Leather Bags, Jackets/ Belts, Used Toys and Kitchenware etc. Were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.986/2016 dated 06-12-2016. Subsequently, this Directorate withdrew Sr. No.2 of above-mentioned Valuation Ruling vide letter No. Misc/08/2008-IV(part-II)/2558 dated 02.11.2019. Later on, in complaint No. 0017/0M/2022 dated 12.04.2022, the FTO recommended FBR to: "*direct Directorate General of Customs Valuation Karachi to revise Valuation Ruling No. 986/2016 dated 06.12.2016, keeping in view global inflation and increase in freight charges*". Therefore, an exercise has been undertaken by this Directorate to determine the same.

3. Stakeholders' participation in determination of Customs values: Meetings were convened on 03.11.2022 and 17.11.2022 which were attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting.

4. Analysis / Exercise done to determine Customs Values: The members of Pakistan Second Hand Clothing Association contended that the values are already higher in the existing Valuation Ruling and it needs to be revised downward at prevailing international prices. Moreover, they further stated that most of goods are low quality and catering poorest segment of society, as these clothes are very much affordable to poor. In this regard, Ninety (90) days' data has been retrieved and the same has been scrutinized. Subsequently, Market inquiry has been conducted and examined in the light of this Directorate's Office Order No. 17/2014 dated 19.03.2014 and in terms of Section 25 (7) read with Section 25 (9) of the Customs Act, 1969.

5. Method (s) adopted to determine Customs values: Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in their sequential order to arrive at the 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 due to wide variation of values in import data. Moreover, the requisite information under law was not available to arrive at correct/ transaction value. Therefore, identical/similar goods value methods provided in Section 25(5) & (6) *ibid* were examined for applicability to determine Customs value of subject goods. The data provided some reference; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities, variation in declaration, variety and specifications.

Information available was, hence, found incomplete. In line with statutory sequential order of Section 25 of the Customs Act, 1969, this Directorate conducted market survey under sub-section (7) of Section 25 of the Customs Act, 1969. Various markets were visited to observe the actual prices of Second Hand clothing, Shoes, Used Toys and Kitchen ware etc. On the basis of available data/information collected and exercise conducted, the values of Second Hand clothing, Shoes, Used Toys and Kitchenware etc. have been determined under sub-section (7), read with Section 25 (9), of Section 25 of the Customs Act, 1969.

5. Customs values of Second Hand clothing, Shoes, Used Toys, Kitchenware etc.: Second Hand clothing, Shoes, Used Toys and Kitchenware etc. hereinafter specified shall be assessed to duty / taxes at the Customs values as per the following Table.

S. No	Description	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C & F) US\$/per Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Second Hand Worn Clothing	6309.0000	6309.0000.1000	USA, Canada, New Zealand, Australia & Europe	1.00
				Japan	0.95
				South Korea	0.90
				Far East & China	0.85
				Middle East & Gulf States	0.80
				Other Origins	0.85
2	Second Hand Shoes	6309.0000	6309.0000.2000	USA, Canada, New Zealand, Australia & Europe	1.05
				Japan	1.00
				South Korea	0.95
				Far East & China	0.90
				Middle East & Gulf States	0.85
				Other Origins	0.90
3	Second Hand Toys	9503.0090	9503.0090.1000	USA, Canada, New Zealand, Australia & Europe	1.10
				Japan	1.05
				South Korea	1.00
				Far East & China	0.95
				Middle East & Gulf States	0.90
				Other Origins	0.95
4	Used Kitchenwares	7323.9900	7323.9900.1000	USA, Canada, New Zealand, Australia & Europe	1.10
				Japan	1.05
				South Korea	1.00
				Far East & China	0.95
				Middle East & Gulf States	0.90
				Other Origins	0.95

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. In case of consignments imported by air, the assessing officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. Validity of this Valuation Ruling: This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

9. Revision of the value determined vide this Valuation Ruling: If aggrieved, 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 its issuance, 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 Valuation Ruling, for the given description of goods, are applied by the concerning assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in Para-6 of this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling is made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

9. This ruling supersedes Valuation Ruling No. 986/2016 Dated 06.12.2016.

(FAYAZ RASOOL MAKEN)

Director

Copy for information to:-

1. The Member Customs (Operations), Federal Board of Revenue, Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
4. The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
5. The Chief Collector of Customs, Appraisalment (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, Baluchistan, Custom House, Quetta.
9. The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
10. The Director General, Intelligence and Investigation (Customs) FBR, Islamabad.
11. The Director General, PCA & Internal Audit, Karachi.
12. The Director General, IOCO, Karachi.
13. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
14. The Director, Transit Trade, Custom House, Karachi.
15. The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
16. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
17. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
18. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
19. The Karachi Customs Agents Association, Bohri Road, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.

21. Guard File.