



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, Exports(Karachi/Port Qasim).

Determination of Customs Values of Men / Women Leather Shoes
Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1235 / 2017)

No. Misc/07/2017-V

Dated: December 14, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Men / Women Leather Shoes are determined as follows:-

2. **Description of the valuation issue:** The Customs values of Men / Women Leather Shoes were earlier determined vide valuation ruling No. 1078/2107 dated 10-03-2017. Representations were received from a number of importers to re-determine the values as per prevailing international market. Therefore, an exercise was conducted to determine Customs values of Men / Women Leather Shoes under Section 25A of the Customs Act, 1969.

3. **Stakeholder's participation in determination of Customs values:** Stakeholders' meetings were scheduled on 26.09.2017 and 29-11-2017. The stakeholders were requested to submit the following documents before or during the course of stakeholders meeting:

- i. Invoices of imports 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 paid invoices issued during last four months (excluding duty and taxes) to substantiate the contentions of the importers.

4. Representations were received from Ms Sputnik Footwear and Ms Firhaj Footwear Pvt Ltd along with certain documents. M/s. Firhaj Footwear contended during the stakeholders' meetings that they are sole authorized agent for Hush Puppies, Caterpillar and Clarks and their import prices are dependent on their contract / agreement with their principal Ms Wolverine Worldwide Group. They contended that their declarations to Customs are strictly according to the price list as per agreement and submitted their declarations along with detailed price list of different specification of the leather shoes. They furthermore, contended that they are the only importers / manufacturers of Hush Puppies, Caterpillar and Clarks in Pakistan manufacturing and distributing these products under license from their principals. In furtherance of their



contentions they submitted their invoices, manufacturers' price list, catalogue and relevant documents to substantiate their claims.

5. M/s Sputnik claimed that Sputnik shoes are locally manufactured; therefore, their brand may be excluded from the Valuation Ruling 1078/2107 dated 10-03-2017 as they do not intend to import this brand from abroad.

6. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed sequentially. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available as per law. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively.

Consequently, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. Consequently Customs values of Men / Women Leather Shoes are determined under Section 25(7) of the Customs Act, 1969.

7. **Customs Values of Men / Women Leather Shoes *hereinafter specified*,** shall be assessed to duty /taxes at the Customs Values as per Annex-I to this Ruling:

8. The prices of the different sizes, shapes and model numbers of shoes of Hush Puppies, Clarks and Caterpillar brands were checked from market and it was found that the prices were in conformity with the detailed price lists furnished by Ms Firhaj Footwear Pvt Ltd. The clearance Collectrates may assess the aforementioned brands of men/women leather shoes etc under section 25 of the Customs Act, 1969. However, if there are any value related disputes, the same may please be forwarded to this Directorate General for suitable advice.

9. 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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account air freight while applying the Customs values determined in this Ruling.

10. **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 (1) or (3) of Section 25-A of the Customs Act, 1969.

11. **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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

12. 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the table above of this Ruling. HS Codes are mentioned for illustrative purposes 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.

13. *This ruling supersedes Valuation Ruling No.1078/2017 dated 10-03-2017.*


(Muhammad Iqbal Muneeb)
Director

14/12/17

Copy for information to: -

1. Member (Customs), FBR, 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/ Multan.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system and deleting VR 1078/2017 dated 10-03-2017.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Revision Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Association, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR website.
22. Guard File.



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

(Men / Women Leather Shoes)
Annex-I to the Valuation Ruling No. 1235 Dated: 14-12-2017

S. No.	Description of Goods	PCT	Proposed PCT for WebOC	Origin	Customs Values (C&F) US\$/Pair			
					Loafers/ Moccasins/ Slip-ons	Dress Shoes / Formal Shoes / Laced up	Long Boots/ Long Shoes / High Knee Shoes	Other shoes
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Men / Women Leather Shoes (Leoss, Empoli & Luca Bossi, Madaf / Mario Fagni, Santoni, Mercanti Fiorentini, Lohn White, Veljee, Dressaulls, Timberland, Henley and Similar Brands)	6403.5100 6403.5900 6403.9100 6403.9900	6403.5100.1000 6403.5900.1000 6403.9100.1000 6403.9900.1000	Italy, UK, Spain, USA, Brazil	55	65	70	60
2.				Other Origins	48	55	60	52
3.	Men / Women Leather Shoes (Crocs, Pedro, Charles & Keith, Mango, Next, Faith, Zapata, Nine West, Levis & Similar Brands)	6403.5100 6403.5900 6403.9100 6403.9900	6403.5100.1200 6403.5900.1200 6403.9100.1200 6403.9900.1200	All origins	43	48	52	46
4.	Men / Women Leather Shoes (Pampa, Polaris, Saltoni & Similar Brands)	6403.5100 6403.5900 6403.9100 6403.9900	6403.5100.1300 6403.5900.1300 6403.9100.1300 6403.9900.1300	Turkey	30	33	37	32
5.	Men / Women Leather Shoes	6403.5100 6403.5900 6403.9100 6403.9900	6403.5100.1400 6403.5900.1400 6403.9100.1400 6403.9900.1400	China	20	23	26	22
	Note:- The above mentioned values shall not be applicable on brands such as Bally, Louis Vuitton, Jimmy Choo, Christian Louboutin, Walter Steiger, Gucci, Manolo Blahnik, Churches, Jala Zenit, Ralph and Russo, Valentino, Emporio Armani, Florsheim, Givenchy, Versace, Prada, Dolce & Gabbana and similar brands etc. The clearance Collectors shall assess the aforementioned and similar brand shoes under section 25 of the Customs Act, 1969.							

Shahdad Khan Mari
Shahdad Khan Mari
Valuation Officer

Abdul Qudoos Sheikh
Abdul Qudoos Sheikh
Deputy Director

Muteen Alam
Muteen Alam
Additional Director

Muhammad Iqbal Muneeb
Muhammad Iqbal Muneeb
Director
15/12/17