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**The Collectors of Customs, Collectorates of Customs (Appraisement – West)/ Appraisement – East / SAPT / Appraisement – Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad/ (Appraisement/Enforcement), Quetta/Gawadar/ Khuzdar (Appraisement / Enforcement/ AIIA), (Appraisement – East / Appraisement –West, Lahore/ Faisalabad Appraisement / Enforcement, Sargodha/ Enforcement. 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 SHOE POLISH UNDER SECTION  
25A OF THE CUSTOMS ACT, 1969**  
**(VALUATION RULING NO. 1851 /2024)**

C.No.Misc/05/2014-II/101

Dated: 01-02-2024

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

2. **Background of the valuation issue:** Earlier, the customs values of Shoe Polish were determined vide Valuation Ruling No. 1744/2023 dated 14.02.2023. Several representations were received in this Directorate to re-determine Customs values of the said goods afresh in line with values prevalent in the international market. Therefore, an exercise has been undertaken by this Directorate to determine the same.
3. **Stakeholders' participation in determination of Customs values:** Meeting was convened on 25.01.2024 which was attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting. The stakeholders submitted their proposals and the same were considered pertaining to the valuation of subject goods.
4. **Analysis / Exercise done to determine Customs Values:** The importers contended that the Customs values of Shoe Polish are on higher side as compared to the prices in the international markets. Therefore, the existing Valuation Ruling needs to be revised downwards according to the prevailing prices in the international markets. The participants also submitted proposals in this regard. Ninety (90) days' clearance data has been retrieved and the same has been scrutinized. The available data / information collected was thoroughly scrutinized and freight values at the time of previous VR No. 1744/2023 dated 14.02.2023 and prevailing freight values have been examined.

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 absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore,

identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values 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 and variation in declaration. Information available was, hence, found incomplete and inapplicable. Subsequently, similar goods value method provided in Section 25(6) was examined for applicability to determine Customs value of subject goods. The assessed values in similar goods import data of Shoe Polish for the last 90 days of various origins reflected values as per previous VR No. 1744/2023 dated 14.02.2023. However, Declared Values (DV) of similar goods had shown consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted. Various Wholesale Markets were visited to observe the actual prices of Shoe Polish of various origins. The exercise provided some applicable reference values. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of Shoe Polish. Finally, the Customs values of the subject goods have been determined under Section 25(9), read with Section 25(7), and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

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

Sr. No.	Item Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/Kg	
(1)	(2)	(3)	(4)	(5)	(6)	
1	Shoe Polish with tin/plastic pack	3405.1010	3405.1010.1000	China	1.85	
			3405.1010.1100	Turkey	3.05	
			3405.1010.1200	Other Origins	4.10	
	Shoe Polish in Liquid		3405.1010.1300	China	2.35	
			3405.1010.1400	Turkey	3.35	
			3405.1010.1500	Other Origins	4.60	

*Note: The Customs values as specified in the above table have been determined on net content basis.*

**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 is

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 values 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, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. Customs values determined in the Ruling are for the description and specification as mentioned in the table above of this Ruling. PCT 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 certifications required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration therein of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue.

11. *This Ruling supersedes the Valuation Ruling No. 1744/2023 dated 14.02.2023.*



(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, 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, 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 Director, 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 (KCAA), Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.