

**The Collectors of Customs**, Collectorates of Customs (Appraisalment– West) / Appraisalment – East/ Appraisalment – Port Muhammad Bin Qasim/Enforcement/JIAP), Karachi / Hyderabad/ (Appraisalment/Enforcement), Quetta/Gawadar/ (Appraisalment/Enforcement/AIIA), Lahore/ Appraisalment, Faisalabad/Appraisalment, Sambrial (Sialkot)/Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment/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 LEATHER BAGS/JACKETS/BELTS, USED TOYS AND KITCHENWARE ETC. UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1753 / 2023)

C. No. Misc/08/2008-IV/(Part-IV)/ 1316

Dated: 20 -03-2023

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 are determined as follow:

2. **Background of the valuation issue:** Earlier, the Customs values of Second-Hand Clothing, Shoes, Used Leather Bags/Jackets/Belts, Used Toys and Kitchenware were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1713/2022 dated 16-12-2022 that was challenged before the Director General under Section 25D of the Customs Act, 1969 and was upheld vide Order in Revision No. 01/2023 dated 04-01-2023. Being aggrieved, importers filed Customs Appeals before the Honorable Appellate Tribunal. The learned Appellate Tribunal vide orders dated 23-02-2023 set aside the said Valuation Ruling and the Order-In-Revision No. 01/2023 dated 04-01-2023. Moreover, letters No. SI/Misc/50/2022-CoC-App (East) dated 16.01.2023 and No. SI/Misc/50/2022-CoC-App (East) dated 28.02.2023 were received from the Collectorate of Customs Appraisalment (East), Custom House Karachi to consider the issuance of fresh Valuation Ruling. Therefore, an exercise for the re-determination of Customs Values of the same has been undertaken by this Directorate.

3. **Stakeholders' participation in determination of Customs values:** Meetings were convened on 13-02-2023 and 10-03-2023 that were attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the aforesaid meetings.

4. **Analysis / Exercise done to determine Customs Values:** The members of the Pakistan Second Hand Clothing Association requested to conduct a combined market survey. Subsequently, multiple market enquiries have 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. During market surveys, it was observed that the imported containers normally contain mixed items i.e., Used Clothing (Men/Women/Children)/Shoes/ Used Leather Bags/Jackets/Belts /Toys & used Kitchenware having various ratios of quantities. Later on, bails are sent to the warehouses where they get segregated on the basis of their quality and other end uses. After segregation in the warehouses,



the bails having different weights, types and qualities are sold out to the wholesalers and retailers. The team also visited & observed the places where wastages of used clothing items are shredded, separated and sold out to local markets for extraction of useful items i.e., Buttons, Zip & cloth pieces for cleaning etc. As a result of this survey, it was found that most of the goods are of low quality and are catering to poorest segments of the society, as these clothes are very much affordable to the poor. Moreover, there is lot of wastage when the used clothing are sorted out and the bales are opened.

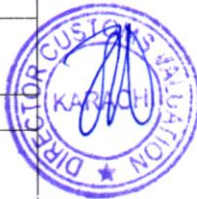
5. **Method (s) adopted to determine Customs values:** Valuation methods specified in section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the Customs value of subject goods. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable due to wide variation of values in import data. Moreover, requisite information for making adjustments, as provided under sub-section 2 of Section 25 of the Customs Act, 1969, was not available. Therefore, identical/similar goods value methods provided in Section 25(5) & 25(6) were examined for applicability to determine Customs values of subject goods. However, the same were also found inapplicable, because the evidences available in the ninety (90) days were not finalized under Section 25(1) of the Customs Act, 1969. Finally, Customs values of Second-Hand Clothing, Shoes, Used Leather Bags/Jackets/Belts, Used Toys and Kitchenware have been determined under Section 25(7) read with Section 25(9) of the Customs Act, 1969 and in light of the physical survey as referred in para 4 above.

6. **Customs Values of Second-Hand clothing, Shoes, Used Leather Bags/Jackets/Belts, Used Toys, Kitchenware - hereinafter specified** shall be assessed to duty/ taxes on the Customs values given against them in the Table below: -

S. No	Description	PCT Code	Proposed PCT for WeBOC	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	0.42
				Japan	0.44
				South Korea	0.75
				Far East & China	0.54
				Middle East & Gulf States	0.46
				Other Origins	0.46
2	Second Hand Leather Bags/Jackets/Belts	4202.1210	4202.1210.1000	USA, Canada, New Zealand, Australia & Europe	0.96
		4202.1220	4202.1220.1000		
		4202.1290	4202.1290.1000		
		4202.2100	4202.2100.1000	Japan	0.95
		4202.2200	4202.2200.1000	South Korea	0.94
		4202.2900	4202.2900.1000	Far East & China	0.90
		4203.1010	4203.1010.1000	Middle East & Gulf States	0.80
		4203.1090	4203.1090.1000		
		4203.3000	4203.3000.1000	Other Origins	0.80



3	Second Hand Shoes	6309.0000	6309.0000.2000	USA, Canada, New Zealand, Australia & Europe	0.78
				Japan	0.77
				South Korea	0.98
				Far East & China	0.76
				Middle East & Gulf States	0.75
				Other Origins	0.75
4	Second Hand Toys	9503.0090	9503.0090.1000	USA, Canada, New Zealand, Australia & Europe	1.05
				Japan	1.04
				South Korea	1.03
				Far East & China	0.85
				Middle East & Gulf States	0.84
				Other Origins	0.84
5	Used Kitchenware	7323.9900	7323.9900.1000	USA, Canada, New Zealand, Australia & Europe	0.87
				Japan	0.86
				South Korea	0.85
				Far East & China	0.82
				Middle East & Gulf States	0.80
				Other Origins	0.80



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 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 the aforementioned table in this Ruling. HS Codes are

mentioned for illustrative purposes so that Valuation Ruling values are 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.

11. ***This ruling supersedes Valuation Ruling No. 1713/2022 dated 16-12-2022.***



**(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.