



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

RULING U/S 25A NO. 314

No. Misc/16/2010-IV

Dated 13-05-2011

Note:

- i) The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.
- ii) Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling:

The Collectors of Customs, Model Customs Collectorates
(Appraisement/ PaCCS/ Port-Qasim/ Preventive), Karachi/ Lahore/
Sambrial/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.

Subject: DETERMINATION OF CUSTOMS VALUE OF COPPER TUBE
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969:

Customs value of Copper Tube was determined vide Valuation Ruling No. 292, dated 04-02-2011, against which review application was filed under Section 25D of the Customs Act, 1969, before Director General of Customs Valuation. The Director General vide Orders-in-Review No. DG(V)VAL.REV/370,373,374&375/2011, dated 04-03-2011, remanded the case back to the Director Valuation with directions to associate the applicants and revise the valuation ruling of said items afresh.


2. Accordingly, the meeting was scheduled for 12-03-2011, which was attended by most of the stakeholders who opined that copper tube is imported and used in the appliances industries which are among the large tax payers and the value of copper tube should be derived in accordance with their contract, L/C, proforma invoice etc. They further stated that the fabrication cost of 30% of LMB prices are on higher side which should be in the range of US\$ 650/MT to US\$ 750/MT. All stakeholders were requested to submit their L/C, Proforma invoice, invoice and other import documents to determine the extent of conversion cost in the light of documents furnished by the stakeholders and data available on record. The import documents revealed that the value of copper tube fluctuates on the basis of prices of copper published in LMB and their fabrication cost also ranges from US\$ 650/MT to US\$ 750/MT for copper tube and US\$ 2100/MT for capillary tube. The fabrication cost also depends upon sizes, thickness of copper tube, copper inner tube and capillary.

3. Import data of the relevant period has been examined which reveals declared prices ranging from US\$ 4.23/kg to US\$ 8.81/kg. Due to wide variation in imports data, the same cannot be relied upon as envisaged under Section 25 (1), 25(5) & (6) of the Customs Act, 1969. Local market enquiry as envisaged under Section 25 (7) *ibid*, was also conducted but goods were not available in the market in commercial quantity.

4. In view of the above, the Collectorates are directed to assess the subject goods after taking LMB price of copper of relevant period of contract, L/C, proforma invoice, (whichever is earlier), plus fabrication cost of US\$ 700/MT for Copper tube & US\$ 2100/MT for the capillary tube & freight @US\$ 45/MT. The said formula is determined under section 25 (8) of the Customs Act, 1969, and the same shall be implemented under Section 25A of the Customs Act, 1969. Example is given below:-

S.No.	Description	H.S.Code	LMB price 01-04-2011	Fabrication	Freight	C&F Value
01.	Copper tube	7411.1010 7411.1020	US\$ 9335/MT	US\$ 700/MT	US\$ 45/MT	US\$ 10080/MT
02.	Capillary tube	7411.1090	US\$ 9335/MT	US\$ 2100/MT	US\$ 45/MT	US\$ 11480/MT

5. The above formula based values are hereby determined under section 25A of the Customs Act, 1969. All the Customs Collectorates are advised to finalize the assessment on basis of above formula. The above formula shall remain valid until revised. However, if the invoice value is higher than that determined on the basis of above formula, then such higher value shall be adopted for assessment under Section 25 of the Customs Act, 1969.


(MUHAMMAD JALEEL)
DIRECTOR

DISTRIBUTION

01. SA to Chairman, Federal Board of Revenue, Islamabad.
02. Member (Customs), Federal Board of Revenue, Islamabad.
03. Chief Collectors of Customs (North/South), Lahore/Karachi.
04. The Director General of Intelligence Investigation-FBR, Islamabad.
05. The Director General of Customs Valuation, Karachi.
06. The Director General of Post Clearance Audit, Karachi.
07. The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
08. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
09. Chairman (Valuation Committee), EPCC&I, Federation House, Karachi.
10. Chairman (Valuation Committee), KCC&I, Aiwana-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KCAAG), Bohri Road, Karachi/Lahore
12. Guard File.