



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

To,

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

DETERMINATION OF CUSTOMS VALUES OF IRON & STEEL HRC, CRC
AND GP SECONDARY QUALITY UNDER SECTION 25-A OF THE CUSTOMS
ACT, 1969

(VALUATION RULING NO.560 / 2013)

No. Misc/32/2007-VI

Dated: 12th June, 2013

1. Description of the valuation issue - The customs values of Iron & Steel products namely HRC, CRC and GP secondary quality were earlier determined through Valuation Ruling No.490, dated 08-11-2012. A fresh determination of custom values of these goods was undertaken to examine the valuation of HRC, CRC and GP secondary quality and to reflect the current price trend of these goods in the international markets in the light of Customs Appellate Tribunal's order dated 29-04-2013 in Customs Appeal No.K-522/2012, received on 07-05-2013, and Honourable High Court of Sindh's orders dated 14-05-2013 in Suit No.1536/2012.
2. Methodology adopted to determine customs values - Valuation methods given in section 25 of the Customs Act, 1969 were examined to ascertain which methods were applicable to the valuation issue in hand in terms of section 25A (1) of the Act. Transactional value method provided in section 25(1) was found inapplicable because sufficient information with respect to adjustments to be made to the transactional value in terms of section 25(2) was not available. Identical/ similar goods value methods provided in section 25 (5) & (6) were examined and considered as reference values for further corroboration. Local market enquiry of secondary quality goods could not produce any tangible results because of variation in quality of goods. Computed method as provided in section 25(8) of the Customs Act, 1969 could not be applied as the value of the raw materials of the goods and its manufacturing cost in country of exportation were not available. Finally, the value was determined on the basis of value derivation as provided in the Fall Back Method in section 25(9) of the Customs Act, 1969.
3. Evidence used to determine customs values - Meetings were held on 25-03-2013, 24-05-2013, 05-06-2013 & 06-06-2013 with the stakeholders. Metal bulletin prices of LME were also examined as indicative prices while determining the customs values in flexible manner as provided in section 25(9) of the customs Act, 1969 of HRC, CRC and GP secondary quality. As regards the discount on prime quality



goods for their sale as secondary quality, no consensus could be reached among stakeholders.

4. HRC, CRC and GP sheet secondary quality – Iron & Steel HRC, CRC and GP secondary quality hereinafter specified shall be assessed to duty / taxes on the customs values mentioned against them in the table below:-

S.No.	Description of goods	PCT Heading	Proposed PCT for Weboc	Origin	Customs values (US\$ PMT)
(1)	(2)	(3)	(4)	(5)	(6)
01.	Iron & Steel HRC Secondary quality	7208.1010, 7208.3910, 7208.2510, 7208.4010, 7208.2610, 7208.5110, 7208.2610, 7208.5210, 7208.3610, 7208.5310, 7208.3710, 7208.5410, 7208.3810, 7208.9010 and other respective PCTs	7208.3910.1000, 7208.1010.1010, 7208.2510.1020, 7208.4010.1030, 7208.2610.1040, 7208.5110.1050, 7208.2710.1060, 7208.5210.1070, 7208.3610.1080, 7208.5310.1090, 7208.3710.1100, 7208.5410.1110, 7208.3810.1120, 7208.9010.1130	All origins	536
02.	Iron & Steel CRC Secondary quality	7209.1510, 7209.1610, 7209.1710, 7209.1810, 7209.2510, 7209.2610, 7209.2710, 7209.2810, 7209.9010 and other respective PCTs	7209.1510.1200, 7209.2610.1210, 7209.1610.1230, 7209.2710.1240, 7209.1710.1250, 7209.2810.1260, 7209.1810.1270, 7209.9010.1280, 7209.2510.1290	All origins	594
03.	Iron & Steel GP Secondary quality	7210.4910 and other respective PCTs	7210.4910.1300	All origins	637

5. Validity of this Valuation Ruling - The customs values determined in this Ruling shall continue to be the applicable customs values for the aforementioned goods till the time this Valuation Ruling is rescinded or revised by the competent authority in terms of section 25A of the Customs Act, 1969. Moreover, this Valuation Ruling applies to cases where declared values are less than the customs values determined in the ruling. In cases where declared values are more than the customs values determined in the ruling, the concerned assessing officers shall apply such higher values in terms of section 25(1) of the Customs Act, 1969. Moreover, in case of consignments imported by air, if the differential between air freight and sea freight, when taken into account, raises the customs values above those



determined in this ruling, the concerned assessing officers shall apply such higher values in terms of section 25(1) of the Customs Act, 1969.

6. Remedies against this Valuation Ruling : The Customs Act, 1969 provides efficacious alternate remedies against this Ruling. Section 25-D provides that any person aggrieved of the Ruling may file a revision petition within 30 days from the date of this Ruling before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi. An appeal against the decision in revision of the Director General can be filed within 60 days of the decision before the Customs Appellate Tribunal, under section 194-A (1) (e) of the Customs Act, 1969.

(Muhammad Javed Ghani)

Director

Copy for information to :-

- 1) S.A. to Chairman, F.B.R., Islamabad.
- 2) Member (Customs), F.B.R, Islamabad.
- 3) Director General, Customs Valuation, Custom House, Karachi.
- 4) Chief Collector of Customs (Appraisement), South, Custom House, Karachi.
- 5) Chief Collector of Customs (Enforcement), South, Custom House, Karachi.
- 6) Chief Collector of Customs (Central), Custom House, Lahore.
- 7) Chief Collector of Customs (North), Custom House, Islamabad.
- 8) Director General, Intelligence and Investigation, Islamabad.
- 9) Director General, Post Clearance Audit, Islamabad.
- 10) Director General Internal Audit, (Customs), Islamabad.
- 11) Directors, Intelligence & Investigation, Karachi/Lahore/ Islamabad/ Peshawar/ Faisalabad/ Quetta.
- 12) The Project Director Weboc, 11th Floor, Custom House, Karachi.
- 13) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading in One Customs & Weboc database on the date of issue of this ruling.
- 14) Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 15) Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi/ Lahore.
- 16) Customs Revenue Audit, 8th floor, Custom House, Karachi.
- 17) Karachi Customs Agents Group, Bohri Road, Karachi.
- 18) Law Section, Customs Valuation, Custom House, Karachi.
- 19) Review Section, Custom Valuation, Karachi.
- 20) Guard File.