



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.

Determination of Customs Values of Copper Tube & Copper Capillary Tube Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 911/2016)

No. Misc/16/2009/IV A

19254

Dated: August 16, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Copper Tube & Capillary Tube, are determined as follows: -

2. **Background of the valuation issue:** Since the previous Customs values of Copper Tube & Capillary Tube determined and notified vide Valuation Ruling No.314/2011 dated 13-05-2011 were more than five years old, an exercise was undertaken by this Directorate General to revise the same according to trends prevailing in the current international market.

3. **Stakeholders' participation in determination of Customs values:** A meeting for the determination of customs values of Copper Tube & Capillary Tube with stakeholders was scheduled on 11-08-2016. All the participants were requested to submit the following documents so that correct customs values could be determined: -

- 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 Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. The meeting was attended by certain importers. The importers contended that prices in the international market keep on changing; therefore, previously Directorate of Valuation had hedged the customs values of the subject goods with LMB prices with certain adjustments. They contended that there is no need to revise valuation ruling keeping the above in view. However, no one submitted the requisite documents, including L/C, Proforma Invoice and relevant import documents to justify their contentions. It was argued that the subject items are finished goods and are not quoted as such in the LMB, therefore, it was prudent to issue a revised valuation ruling.

Method adopted to determine Customs values: Valuation methods provided under Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value Methods provided in Section 25(5) & (6) of the Act indicated



some reference values which could not be exclusively relied upon due to variation in the declarations. Consequently Deductive value method as envisaged under Section 25(7) of the Customs Act, 1969, was examined but the market values also varied and could not be made the sole basis for the determination of customs values. The values were worked out by applying the methodology under Section 25(8) of the Customs Act, 1969, after taking LMB prices of the main constituent materials, i.e, copper with value addition on account of conversion costs and freight. In the previous ruling notified vide VR No. 314/2011 dated 13-5-2011, the fabrication cost was US \$ 700/MT and 2100/MT for copper tube and capillary tube respectively. After making reasonable adjustments in the fabrication costs, the customs values are notified.

6. **Customs values for Copper Tube & Capillary Tube :** Copper Tube & Copper Capillary Tube *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

S. No.	Description of goods	P.C.T.	Proposed PCT for WEBOC	C&F Value US\$ / MT
(1)	(2)	(3)	(4)	(5)
01.	Copper Capillary Tube	7411.1010 7411.1090	7411.1010.1000 7411.1090.1000	LMB price + US \$ 800 as fabrication costs + US \$ 45 on account of freight and other charges
02.	Copper Tube	7411.1020 7411.1090	7411.1020.1000 7411.1090.1100	LMB price + US \$ 2350 as fabrication costs + US \$ 45 on account of freight and other charges

7. 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 Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

8. **Validity of this 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.

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

10. The Collectors of Customs may kindly ensure that the values given in the 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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.

11. ***This ruling supersedes Valuation Ruling No.314/2011, dated 13-05-2011.***

(Dr. Wasif Ali Memon)
Director

Copy for information to : -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisal), 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/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.314/2011, dated 13-05-2011 from the system on the date of issue of this ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisal, 1st Floor, Custom House, Karachi.
21. Guard File.