



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUE OF RE-ROLLABLE SCRAP & COMPRESSOR SCRAP UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.653 / 2014)

No. Misc/03/2012-VI

Dated: March 27, 2014

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Re-Rollable Scrap and Compressor Scrap are determined as follows:-

1. **Description of the valuation issue:** The Customs values of Metal Scrap were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.472/2012, dated 25-09-2012. A complaint dated 29-05-2013 was received from Pakistan Steel Manufacturers Association regarding under invoicing in import of Re-Rollable Scrap. Furthermore, the Customs values of Compressor Scrap were requested to be determined afresh as the prevailing international prices of the said goods were on the higher side. Therefore, an exercise to determine the Customs values of the subject goods was initiated.
2. **Method adopted to determine Customs values :** The valuation methods provided in Section 25 of the Customs Act, 1969 were followed. Transaction value method as laid down vide Sub-Section (1) of Section 25 was found inapplicable due to non-availability of sufficient information as per law. Identical / Similar goods valuation method as provided in Sub-Sections (5) & (6) of Section 25 of the Customs Act were examined which provided some reference values for Re-Rollable Scrap. Deductive Value Method as envisaged under Sub-Section (7) Section 25 of the Customs Act, 1969, was found applicable in respect of Compressor Scrap; therefore, the Customs values of Re-Rollable Scrap and Compressor Scrap were determined under the Fall Back Method under Sub-Section (9) of Section 25 of the Customs Act, 1969.
3. **Stakeholders' participation in determination of Customs values :** Meetings were held with all stakeholders for discussion on the current international prices of subject goods on 23-05-2013, 14-06-2013 and 28-06-2013, 02-1-2014, 16-01-2014 and 12-03-2014 which were attended by the representatives of KCCI, importers and local manufacturers. As regards the valuation of Compressor Scrap, Gunjanwala Chamber of Commerce & Industry vide representation dated 20-02-2014, requested to maintain the Customs values determined vide Valuation Ruling No.472/2012, dated 25-09-2012.
4. **Customs value for Re-Rollable Scrap & Compressor Scrap :** Re-Rollable Scrap & Compressor Scrap *hereinafter specified* shall be assessed to duty / taxes at the following customs values mentioned against them in the Table below :-



S.No.	Description of goods	PCT Heading	WeBOC PCT Heading	Origin	Customs Value (C&F) (US\$ per ton)
(1)	(2)	(3)	(4)	(5)	(6)
01.	Re-Rollable Scrap	7204.4910	7204.1010.1000	All Origins	440
02.	Compressor Scrap	7204.4990	7204.4900.1000	All Origins	620

5. In cases where declared/ transaction values are higher than the Customs value 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.
6. **Validity of this Valuation Ruling :** The value 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-Section (1) or (3) of Section 25 of the Customs Act, 1969.
7. **Review of the value determined vide this Valuation Ruling :** A review 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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.
8. 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 with respect to PCT may kindly be brought to the notice of the Directorate General immediately.
9. **This Ruling supersedes Valuation Ruling No.472/2012, dated 25-09-2012 to the extent of Customs values of Compressor Scrap appearing at Serial No.8 of Table of the said ruling. Values of all other items of the said ruling shall continue to remain applicable.**

(SURAIYA AHMED BUTT)
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, South (Appraisal), Custom House, Karachi.
5. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
6. Chief Collector of Customs (Central), Lahore.
7. Chief Collector of Customs (North), 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/ Quetta/ Peshawar/ Faisalabad.
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 and making necessary updation in Valuation Ruling No.472/2012, dated 25-09-2012 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.
16. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
17. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Review Section, Customs Valuation, 7th floor, Custom House, Karachi.
19. Karachi Customs Agents Group, Bohri Road, Karachi.
20. Guard File.