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**GOVERNMENT OF PAKISTAN**  
**DIRECTORATE GENERAL OF CUSTOMS VALUATION**  
**CUSTOM HOUSE KARACHI**

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

**DETERMINATION OF CUSTOMS VALUES OF IRON OR NON ALLOY STEEL WIRE**  
**ROD LOW/HIGH CARBON (DRAW QUALITY) UNDER SECTION 25A OF THE**  
**CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 693/ 2014)**

No.Misc/26/2010-VI

Dated: September 26, 2014

The Customs values of Iron or Non-Alloy Steel Wire Rod, Low Carbon (draw quality) and High Carbon (draw quality), were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.550 dated 23-04-2013.

2. In the process of revision and updating of Valuation Ruling, representations were filed by All Pakistan High Carbon Steel Wires Manufacturers Association, manufacturers and importers stating that they were facing hardship as prices of Wire Rod have declined in the international market and that Customs values determined vide Valuation Ruling No.550 dated 23-04-2013 as of today are not in accordance with international prices which needed to be revised. It transpired from the case record that the valuation of subject goods was based upon the prices of metals quoted in LME. As a matter of principle previously it was agreed with the importers/stakeholders that average price of 90 days period would be worked out for determination of customs value and this consented formula continued in vogue. However, in consideration of the representations, meetings with importers/manufacturers and relevant stakeholders were held on 17.03.2014, 26.06.2014 and 23.09.2014 to discuss the valuation criteria and to resolve the issue. During the meeting, the majority of the participants/stakeholders agitated the fixation of prices of prime quality iron and steel products. They stated that in view of Board's letter C.No.(13)CTR/2000-Pt dated 30.10.2003 to ensure transparency, fairness as well as uniformity in assessment, the assessable value should be based on LMB prices with addition of freight.

3. The views tendered by importers/stakeholders were examined in the light of relevant data in terms of section 25(5) & (6) of the Customs Act, 1969 and it was observed that:



- (i) The subject goods are items, whose spot prices are periodically and regularly reflected in the London Metal Bulletin. It is indicative of prevailing market price structure of these goods and is regarded to be an appropriate tool for the verification and price confirmation.
- (ii) All prime quality iron and steel products are assessed on the basis of prices reflected in the London Metal Bulletin.
- (iii) The case history shows that the value of this item is volatile, as there has been price variation in the international market.

- (iv) The transaction/declared values are easily verifiable on the basis of LMB of a specific period and this method of valuation is generally acceptable.

4. During the deliberations in the meetings, the Pakistan High Carbon Steel Wires Manufacturers Association contended that present Valuation Ruling may be withdrawn as it was done previously in case of Valuation Ruling No.360/2011 dated 02.08.2011 which was withdrawn vide Advice C.No.Misc/26/2010-VI-A dated 27.01.2012.

5. It was, therefore, viewed that in the presence of fixed values in valuation ruling, the above cited situation would be causing problems to importers and subsequent difficulties in their proper valuation at the clearance stage. It was also observed that the prices of prime quality metals are easily verifiable through prices published in London Metal Bulletin.

6. **The Customs Values of Iron or Non Alloy Steel Wire Rod, Low Carbon (draw quality) and High Carbon (draw quality):** Iron or Non Alloy Steel Wire Rod, Low Carbon (draw quality) and High Carbon (draw quality) of different origins *hereinafter specified* shall be assessed to duty/taxes on the Customs values given against them in the following table:

S.No	Description of goods	PCT Heading	Proposed PCT for WeBoc	Customs Values C&F (US\$/MT)
(1)	(2)	(3)	(4)	(5)
1.	Iron or Non-Alloy Steel Wire Rod Low Carbon (Draw Quality)	7213.9190 7213.9990	7213.9190.1000 7213.9990.1000	LMB prices + 5% (on account of Draw Quality, Size, etc) + US\$ 45/MT (minimum, on account of freight)
2.	Iron or Non-Alloy Steel Wire Rod High Carbon (Draw Quality)	7213.9190 7213.9990	7213.9190.1100 7213.9990.1100	Iron or Non-Alloy Steel Wire Rod Low Carbon (Draw Quality) as determined above + US\$ 66/MT

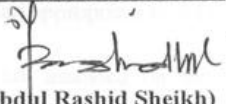
7. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officer shall apply those values in terms of sub-section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into 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 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 25A 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, 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 Ruling or 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.

11. **This Ruling supersedes Valuation Ruling No.550/2013 dated 03-04-2013.**

  
 (Abdul Rashid Sheikh)  
 Director

Copy for information to :-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.