

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 VALUES OF ALLOY & NON ALLOY STEEL BAR/DEFORMED STEEL BAR UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.7/2 / 2015)

No. Misc /06/2012-VI

18/37

Dated: January 29, 2015

The Customs values of Alloy & Non-Alloy Steel Bars, were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.545 dated 26-03-2013. Numerous representations had been received in this Directorate to revise the values keeping in view fluctuations in the prices in international market, therefore the issue was taken up for redetermination of values.

2. **Background of the Valuation Issue:** Representations of importers and local manufacturers have been received in this Directorate expressing their points of view. There is significant divergence in their respective points of view regarding values of alloy and non-alloy steel bars especially rebar or deformed bars imported from China. Importers have asserted that they were facing hardship as prices of steel bars have declined in the international market and that Customs values determined vide Valuation Ruling No.545 dated 26-03-2013 as of today are not in accordance with international prices. It transpired from the case record that the valuation of subject goods was based upon the prices of metals quoted in LMB. 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 26.05.2014, 18.09.2014, 01.10.2014, 15.10.2014, 19.11.2014 & 26.11.2014 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. Local manufacturers on the other hand pleaded that there are no problems with imports from any origin regarding the subject items, but Chinese imports are not truly reflected in any of the publications including LMB and stated that through different manipulations, prices are grossly understated and that give undue advantage to importers from China. To resolve the issue diligently numerous stakeholders' meetings were conducted in this Directorate General.

3. **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. The method provided in section 25(1) could not be relied as adequate and reliable information as per law was not available. Identical /similar goods value methods provided under sub-section 25(5) and (6) ibid could not be applied exclusively due to significant variations in the values. Consequently market inquiry was also conducted but only a few reference values could be determined which was found not sufficient. Keeping all the factors in view and after analyzing



all the available information from different sources, Customs Values of the subject items were determined under section 25(9) of the Customs Act, 1969.

The international price of non-alloy Iron and steel bars as available in the London Metal Bulletin pertaining to the countries from where the goods are imported, has, therefore, been considered. As prices of alloys are not quoted in the LMB, therefore, for the purpose of determination of Customs Values different factors have been taken into consideration including last 90 days clearance data and the peculiar nature of the alloys.

4. **The Customs Values of Alloy & Non-Alloy Steel Bar/Deformed Steel Bar:** Alloy & Non-Alloy Steel Bar/Deformed Steel Bar 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	Origin	Customs Values C&F (US\$/MT)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Non-Alloy Iron & Steel Bars	7214.2010	7214.2010.1000	Europe	LMB prices + US \$ 45 on account of freight & other charges
		7214.2090	7214.2090.1100	CIS	
		7214.3010	7214.3010.1200	Latin America	
		7214.3090	7214.3090.1300	Turkey	
		7214.9990	7214.9990.1400	Middle East	LMB prices + US \$ 40 on account of freight & other charges
		7215.1010	7215.1010.1000		
		7215.1090	7215.1090.1100		
		7215.9010	7215.9010.1200		
		7215.9090	7215.9090.1300		
		7215.9090	7215.9090.1300		
2.	Non-Alloy Iron & Steel Bars	7214.2010	7214.2010.1000	China	LMB prices + 15% of LMB prices on account of Export Duty at China+ US \$ 45 on account of freight & other charges
		7214.2090	7214.2090.1100		
		7214.3010	7214.3010.1200		
		7214.3090	7214.3090.1300		
		7214.9990	7214.9990.1400		
		7215.1010	7215.1010.1000		
		7215.1090	7215.1090.1100		
		7215.9010	7215.9010.1200		
		7215.9090	7215.9090.1300		
		7215.9090	7215.9090.1300		
3	Steel Bars including rebars / deformed bars where boron or chromium has been added	7228.3090	7228.3090.1000	China	560
		7228.4000	7228.4000.1100		
		7228.6000	7228.6000.1200		
4.	Alloy Steel Bars (other than with boron or chromium addition) (Non-Magnetic)	7228.3090	7228.3090.1000	China	885
		7228.4000	7228.4000.1100		
		7228.6000	7228.6000.1200		



5. 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.
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 25A of the Customs Act, 1969.
7. **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, 7th Floor, Custom House, Karachi.
8. 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.
9. **This Ruling supersedes Valuation Ruling No.545/2013 dated 26-03-2013.**


(Abdul Rashid Sheikh)
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 (Appraisalment), 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, Islamabad.
8. Director General, Post Clearance Audit, Islamabad.
9. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
10. The Project Director, WeBOC, 11th Floor, Custom House, Karachi.
11. Director, Customs Valuation, Custom House, Lahore.
12. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database and deleting Valuation Ruling No.545/2013 dated 26-03-2013
13. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
15. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
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, Appraisalment, 1st floor, Custom House, Karachi.
21. Guard File.