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)/Faizabad/Hyderabad/
Quetta/Peshawar/Quetta/Chilgh-Balotor

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 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 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 or 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
(s) 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:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Description of goods</th>
<th>PCT Heading</th>
<th>Proposed PCT for W0Boe</th>
<th>Origin</th>
<th>Customs Values C&amp;F (US$/MT)</th>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>LMB prices +</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>US $ 45 on account of</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>freight &amp; other charges</td>
</tr>
<tr>
<td>1</td>
<td>Non-Alloy Iron &amp; Steel Bars</td>
<td>7214.2010</td>
<td>7214.2010.1000</td>
<td>Europe</td>
<td>LMB prices +</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7214.2090</td>
<td>7214.2090.1100</td>
<td></td>
<td>US $ 45 on account of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7214.3010</td>
<td>7214.3010.1200</td>
<td></td>
<td>freight &amp; other charges</td>
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<td></td>
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<td>7214.3090</td>
<td>7214.3090.1300</td>
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<td>7214.9990</td>
<td>7214.9990.1400</td>
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<td>7215.1010</td>
<td>7215.1010.1000</td>
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<td>7215.1090</td>
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<td>7215.9010</td>
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<td>7215.9090</td>
<td>7215.9090.1300</td>
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<tr>
<td>2</td>
<td>Non-Alloy Iron &amp; Steel Bars</td>
<td>7214.2010</td>
<td>7214.2010.1000</td>
<td>Middle East</td>
<td>LMB prices +</td>
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<td></td>
<td></td>
<td>7214.2090</td>
<td>7214.2090.1100</td>
<td></td>
<td>US $ 40 on account of</td>
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<td></td>
<td>7214.3010</td>
<td>7214.3010.1200</td>
<td></td>
<td>freight &amp; other charges</td>
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<td>7214.3090</td>
<td>7214.3090.1300</td>
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<td>7214.9990</td>
<td>7214.9990.1400</td>
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<td>7215.1010</td>
<td>7215.1010.1000</td>
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<td>7215.1090</td>
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<td>7215.9010</td>
<td>7215.9010.1200</td>
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<td>7215.9090</td>
<td>7215.9090.1300</td>
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<td></td>
<td>Steel Bars including rebars / deformed bars where boron or chromium has been added</td>
<td>7228.3090</td>
<td>7228.3090.1000</td>
<td>China</td>
<td>560</td>
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<td></td>
<td></td>
<td>7228.4000</td>
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<td></td>
<td></td>
<td>7228.6000</td>
<td>7228.6000.1200</td>
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<td>4</td>
<td>Alloy Steel Bars (other than with boron or chromium addition) (Non-Magnetic)</td>
<td>7228.3090</td>
<td>7228.3090.1000</td>
<td>China</td>
<td>885</td>
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<tr>
<td></td>
<td></td>
<td>7228.4000</td>
<td>7228.4000.1100</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>7228.6000</td>
<td>7228.6000.1200</td>
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</table>
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

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Copy for information to:

1. Member (Customs), E.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraiser), 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.
13. Chairman (Valuation Committee), FPCCI, Federation House, Clifton, Karachi.
14. Chairman (Valuation Committee), KCC&I, Aiwan-e-Ittihad 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, Appraiser, 1st floor, Custom House, Karachi.