

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 FERRO MANGANESE, FERRO SILICON & SILICO MANGANESE
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 715 / 2015)

No. Misc/25/2010-VI

Dated: February 04, 2015

The Customs values of Ferro Manganese, Ferro Silicon and Silico Manganese were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No. 443/2012 dated 16.03.2012.

2. **Background of the Valuation issue:** Custom values of Ferro Manganese, Ferro Silicon and Silico Manganese had been determined about more than two years ago through Valuation Ruling No. 443/2012 dated 16.03.2012, a re-determination of custom values of these goods was needed to reflect the current price trends of these goods in the international markets. As per view point of importers/stakeholders of these goods, there was variation in the prices of imported goods as prevalent in the international markets and thus custom values determined through Valuation Ruling No. 443/2012 dated 16.03.2012 needs to be revised in consideration of the current price trend. Importers have sought substantial downward revision of customs value of these goods. Valuation issue in this case was to determine afresh the custom values of Ferro Manganese, Ferro Silicon and Silico Manganese in order to bring these values in line with those currently prevailing in the international markets.

In the process of revision and updating of Valuation Ruling, representations were filed by Pakistan Steel Melters Association and importers stating that they were facing hardship as prices of metal have declined in the international market and that Customs values determined vide Valuation Ruling No. 443/2012 dated 16.03.2012 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 international prices of metals as reflected in LMB London Metal Bulletin as well as Asian Metal Bulletin. In consideration of the representation made by the importers, the international market prices as relied upon earlier was taken into consideration in the revision of customs values.

4. **Methodology adopted to determine custom 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 read with section 25-A of the Act. Transactional value method provided in section 25 (1) was found inapplicable because sufficient information with respect to adjustments to be made to the transactional value in terms of section 25 (2) was not available. The Identical /Similar Goods Value Methods as provided in section 25(5) & (6) were examined for their applicability to the valuation issue in hand. There were wide variations in declarations; therefore, it was decided to determine custom values in the instant case in the light of prices of goods in international market as reflected in the London Metal Bulletin and Asian Metal Bulletin.

5. **Stakeholders' participation in determination of Customs values.** A detailed meeting was held with different stakeholders on 15.01.2015. All available clearance data, evidence and record provided by the stakeholders and other relevant information was evaluated and analyzed. International market price as reported in the market bulletins namely, LMB and Asian Metal Bulletin depicting values of Ferro Manganese, Ferro Silicon and Silico Manganese was considered to be the best available option. Therefore, Custom values of Ferro Manganese, Ferro Silicon and Silico Manganese have been determined under section 25(9) of the Customs Act, 1969.

6. **Custom values of Ferro Manganese, Ferro Silicon and Silico Manganese** imported from *origin* hereinafter specified shall be assessed to duty/taxes on the custom values mentioned against them in the table below:

S. No	Description of goods	Origin	PCT Heading	Proposed PCT for WeBOC	Custom Value (US\$ PMT)
(1)	(2)		(3)	(4)	(5)
1	Ferro Manganese	Europe	7202.1100 7202.1900	7202.1100.1000 7202.1900.1000	LMB prices + US\$ 45/MT (on account of freight)
2		China India Vietnam	7202.1100 7202.1900	7202.1100.1100 7202.1900.1100	Asian Metal Bulletin prices + US\$ 45/MT (on account of freight)
3	Ferro Silicon	Europe	7202.1900	7202.1900.1200	LMB prices + US\$ 45/MT (on account of freight)
4		China India Vietnam	7202.1900	7202.1900.1300	Asian Metal Bulletin prices + US\$ 45/MT (on account of freight)
5	Silicon Manganese	Europe	7202.3000	7202.3000.1000	LMB prices + US\$ 45/MT (on account of freight)
6		China India Vietnam	7202.3000	7202.3000.1100	Asian Metal Bulletin prices + US\$ 45/MT (on account of freight)

8. 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

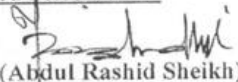
(1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

9. **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.

10. **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.

11. The Collectors of Customs may kindly ensure that the values given in the Ruling of 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 for redressal

12. *This Ruling supersedes Valuation Ruling No. 443/2012 dated 16.03.2012.*


(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 (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, 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.550/2013 dated 23-04-2013
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.