

GOVERNMENT OF PAKISTAN

DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI



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

DETERMINATION OF CUSTOM VALUES OF STAINLESS STEEL SHEETS/
COILS / CIRCLES (SECONDARY QUALITY) UNDER SECTION 25-A
OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.773 /2015)

No. Misc/27/2010-VIA/Part-II

Dated: November 27, 2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Stainless Steel Sheets / Coils/ Circles (Secondary Quality) are determined as follows :-

2. **Background of the valuation issue:** Customs values of Stainless Steel Sheets / Coils/ Circles (Secondary Quality) were determined vide Valuation Ruling No.291/2011, dated 24-01-2011. All Pakistan Stainless Steel Importers Association has been demanding revision in prices of this commodity owing to downward trend in its price in international market. In order to address their concern, meeting with the stakeholders was fixed on 19-11-2015 which was adjourned to 24-11-2015 on the request of the Association.

3. **Stakeholders' participation in determination of Customs values:** A meeting with the Association was held on 24-11-2015. It was attended by the President and Vice President, Vice Chairman and members of the All Pakistan Stainless Steel Importers Association requesting for downward revision in view of decline in prices in international market. After deliberations, it was agreed with consensus that the fresh Valuation Ruling of Stainless Steel 300 Series and 200 Series should be based on LMB of Stainless Steel, as per previous practice which included 10% loading on account of thinner size, 37% discount upon value of 300 Series stainless steel for determining value of 200 Series Stainless steel, a loading of 15% for Japan origin, 5% and 10% discounts for India and China origins respectively; except 40% discount for secondary quality given previously. It was informed to the Association that 40% discount on account of secondary quality, being given previously was unreasonable and is on very higher side. It was also informed them that Department has been allowing 15% discount on account of secondary quality in all Iron & Steel related Valuation Rulings, such as Valuation Ruling No.717/2015, dated 11-02-2015 of HRC, CRC & GP, secondary quality products. The importers agitated that 15% discount was low, though they principally agreed that the discount of 40% given formerly on



account of secondary quality was not based on plausible justification. Their resistance on decrease of discount on account of secondary quality from 40% to 15% was overruled being inconsistent with other iron & steel related items / products of secondary quality. It was also decided that value for 400 Series Stainless Steel shall be determined from Chinese Domestic LMB 430 Series values, by deducting local taxes.

4. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at fair value of Stainless Steel Sheets / Coils/ Circles (Secondary Quality). Transaction value method provided in Section 25 (1) was found inapplicable as authentic documents of the Stainless Steel of secondary quality were not available. The identical / similar goods value method provided in the Section 25(5) and (6) were examined for the applicability of the valuation issue in hand. These methods of valuation were not reliable as there were wide variations in the declarations. In fact there is no known source to indicate international prices of secondary quality stainless steel. The Deductive Value Method as provided in Section 25(7) of the Act was also examined but market values also varied and could not be made the sole basis for determination of customs values. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Keeping all the factors in view and after carefully 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.

5. **Customs values for Stainless Steel Sheets / Coils / Circles (Secondary Quality):** Customs values for Stainless Steel Sheets / Coils / Circles (Secondary Quality) *hereinafter specified* shall be assessed to duty / taxes as proposed as under :-

S.No.	Description of Goods	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values C&F US\$ / Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Stainless Steel Sheets/ Coils/ Circles AISI-200 Series (Secondary Quality)	7219.1100	7219.1100.1000	All Origins excluding Japan / India & China	1.054
		7219.1200	7219.1200.1000		
		7219.1300	7219.1300.1000		
02.	Stainless Steel Sheets/ Coils/ Circles AISI-200 Series (Secondary Quality)	7219.1400	7219.1400.1000	Japan	1.212
		7219.2100	7219.2100.1000		
		7219.2200	7219.2200.1000		
03.	Stainless Steel Sheets/ Coils/ Circles AISI-200 Series (Secondary Quality)	7219.2310	7219.2310.1000	India	1.001
		7219.2390	7219.2390.1000		
		7219.2410	7219.2410.1000		

04.	Stainless Steel Sheets/ Coils/ Circles AISI-200 Series (Secondary Quality)	7219.2490	7219.2490.1000	China	0.948
		7219.3100	7219.3100.1000		
		7219.3210	7219.3210.1000		
05.	Stainless Steel Sheets/ Coils/ Circles AISI-300 Series (Secondary Quality)	7219.3290	7219.3290.1000	All Origins excluding Japan & China	1.673
		7219.3310	7219.3310.1000		
		7219.3390	7219.3390.1000		
06.	Stainless Steel Sheets/ Coils/ Circles AISI-300 Series (Secondary Quality)	7219.3410	7219.3410.1000	Japan	1.924
		7219.3490	7219.3490.1000		
		7219.3510	7219.3510.1000		
07.	Stainless Steel Sheets/ Coils/ Circles AISI-300 Series (Secondary Quality)	7219.3590	7219.3590.1000	China	1.506
		7219.9010	7219.9010.1000		
		7219.9090	7219.9090.1000		
08.	Stainless Steel Sheets/ Coils/ Circles AISI-400 Series (Secondary Quality)	7220.1100	7220.1100.1000	All Origins excluding Japan & China	0.870
		7220.1210	7220.1210.1000		
		7220.1290	7220.1290.1000		
09.	Stainless Steel Sheets/ Coils/ Circles AISI-400 Series (Secondary Quality)	7220.2010	7220.2010.1000	Japan	1.000
		7220.2020	7220.2020.1000		
		7220.2090	7220.2090.1000		
10.	Stainless Steel Sheets/ Coils/ Circles AISI-400 Series (Secondary Quality)	7220.9010	7220.9010.1000	China	0.791
		7220.9090	7220.9090.1000		

6. In cases where declared/ transaction values are higher than the Customs values 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.

7. **Validity of this Valuation Ruling:** The values 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-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **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 issuance of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. 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 may kindly be brought to the notice of Directorate General immediately.

10. ***This ruling supersedes Valuation Ruling No.291/2011, dated 24-01-2011.***


(Manzoor Hussain Memon)
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-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.291/2015, dated 24-01-2011 on the date of issue of this Valuation Ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
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.