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) / Samrial (Sialkot) /
Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

Determination of Customs Values of Iron & Stainless Steel Wire Net / Mesh,
under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO.275/2016)


In exercise of the powers conferred under Section 25-A of the Customs Act, 1969,
Customs values of Iron & Stainless Steel Wire Net / Mesh, are determined as follows:

2. Background of the valuation issue: Recently the importers of Iron & Stainless Steel
Wire Net / Mesh have agitated against the customs values of Iron & Stainless Steel Wire Net
/Mesh determined vide Valuation Ruling No.622 / 2013, dated 20-12-2013 mainly on the
ground that the values of the subject goods are traded in the international market on much
lower side. Thus, an exercise to determine the Customs values of the subject goods afresh
was initiated.

3. Stakeholders’ participation in determination of Customs values: A meeting
was held on 20-06-2016 with all stakeholders including the representatives of trade bodies
i.e. FPCC&I & KCC&I etc. All the participants were requested to submit the following
documents so that correct customs values could be determined:

   i) Invoices of imports during last three months showing factual value.
   ii) Websites, names and E-mail addresses of known foreign manufacturers of the item in
       question through which the actual current value can be ascertained.
   iii) Copies of Contracts made / LCs opened during the last three months showing the
        value of item in question.
   iv) Copies of Sales Tax Invoices issued during last four months showing the difference in
        price (excluding duty and taxes) to substantiate that the benefit of difference in price
        is passed on to the local buyers.

4. No one appeared for the meeting except for M/s. Alfalah International Traders,
Lahore nor were any required documents submitted to this Directorate General. During the
meeting M/s. Al-Falah International Traders, emphasized that the value of iron wire mesh has
decreased considerably in the international market. He also emphasized that prices of metals
especially, iron and steel, prevalent at the time of previous ruling in December 2013 were
considerably higher than the current ones but Department has not rationalized the values on
the same pattern. However, no documents to substantiate their claim were submitted.

5. Method adopted to determine Customs values: Valuation methods given in
Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue
at hand. Transaction value method provided in Section 25 (1) of the Act ibid was found
inapplicable because the required information under the law was not available. Identical and
Similar goods valuation methods provided some reference values but could not be relied
upon due to variation in data. Market enquiry as envisaged under Sub-Section (7) of Section
25 of the Customs Act, 1969 was conducted but could yield no results as prices varied
according to selling point in the market. Online values were also checked. Since the
manufacturers’ costs and raw material prices of producing the goods in question in the
country of exportation were not available. Computed value method as provided in Section
25(8) could not be applied for valuation of the aforesaid goods. All the information so gathered
was evaluated and analyzed for the purpose of determination of customs values. Consequently,
reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, for the
determination of customs values.
6. **Customs values for Iron & Stainless Steel Wire Net / Mesh**: Iron & Stainless
Steel Wire Net / Mesh _hereinafter specified_ shall be assessed to duty / taxes at the
following Customs Values:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Description of goods</th>
<th>PCT</th>
<th>Proposed PCT for WEBOC</th>
<th>Origin</th>
<th>Customs Values (C&amp;F) US$/Kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Iron Wire Net / Mesh</td>
<td>7314.2000</td>
<td>7314.2000.1000</td>
<td>China</td>
<td>0.69</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7314.3900</td>
<td>7314.3900.1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7314.4900</td>
<td>7314.4900.1000</td>
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<td>7314.3900</td>
<td>7314.3900.2000</td>
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<tr>
<td></td>
<td></td>
<td>7314.4900</td>
<td>7314.4900.2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03.</td>
<td>Stainless Steel Wire Net / Mesh</td>
<td>7314.2000</td>
<td>7314.2000.3000</td>
<td>China</td>
<td>4.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7314.3900</td>
<td>7314.3900.3000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7314.4900</td>
<td>7314.4900.3000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. 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.

8. **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

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

10. The Collectors of Customs may kindly ensure that the values given in this Valuation
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 this Directorate General
immediately. Customs values determined in the ruling are for the description and
specification as mentioned in the tables above of this Ruling. HS Codes are mentioned for
illustrative purposes so that valuation ruling values are made accessible to the assessing
officers. The assessment shall be finalized on the basis of correct classification after fulfilling
requisite formalities related to importability or any other certification required thereon. In
addition to this, it is further necessary to verify that there is no mis-declaration of any sort or
violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in
vogue therein.

11. **This ruling supersedes Valuation Ruling No.622 / 2013, dated 20-12-2013.**

[Signature]

Dr. Wasif Ali 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 (Appraisement), 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.
9. 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.622/2013, dated 20-12-2013 from the system.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, 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, Appraisement, 1st Floor, Custom House, Karachi.