



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

The Collector of Customs, Collectorate of Customs, (Appraisalment - West / Appraisalment - East / Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP / Export / Export, PMBQ), Karachi / Hyderabad / (Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore / Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit -Baltistan / (Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

DETERMINATION OF CUSTOMS VALUES OF CARBON STEEL SEAMLESS PIPE UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 1556 /2021)

No. Misc/01/2009-VIA /829.

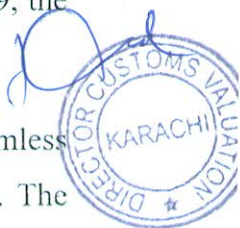
Dated: 22-10-2021

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Carbon Steel Seamless Pipe are determined as follows:

2. **Background of the valuation issue:** The Customs values of Carbon Steel Seamless Pipes was earlier determined vide Valuation Ruling No. 785/2015, dated 31-12-2015. The representations received from M/s. People Steel Mills Ltd. and also M/s. Huffaz Seamless Pipe Industries Ltd. stated that the values of subject goods were determined in aforementioned Valuation Rulings below the cost of raw material of the seamless pipes in the international markets (LME basis) and requested to revise the values on the basis of raw material prices. Therefore, an exercise to determine the Customs values of the subject goods was initiated under section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings were held on 08-06-2021 & 30-09-2021 with stakeholders. All the participants were requested to submit 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. The meeting was attended by the importers and stakeholders and their point of view was heard in detail to arrive at customs values were true transactional values and may be considered. The stakeholders submit the documents in support of their contention.

5. **Methods adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at customs value of subject goods. The Transaction value method as provided in sub-section (1) of Section 25 (1) of the Customs Act, 1969, was found inapplicable because no substantial import documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for same product according to different origins. Therefore, Identical and Similar goods valuation methods as provided in sub-section (5) & (6) of Section 25 ibid were examined for applicability to determine custom values of the subject goods. The same provided some reference values but could not be exclusively and solely relied upon due to variation in data. In line with the statutory sequential order of Section 25, this office conducted market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969, but could yield no results as prices varied significantly according to selling point in the market. Therefore, valuation method vide section 25(8) was also examined for valuation of the subject goods keeping in view the LME prices of constituent raw material as published in LMB (taking strength from proviso to Section 25A inserted vide Finance Act, 2021), adding relevant conversion cost and prevalent freight. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, Customs Values were determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values hereinafter specified** shall be assessed to duty / taxes at the following minimum Customs Values: -

S.No.	Description of goods	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US\$ / Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Carbon Steel Seamless Pipes, assorted sizes	7304.3900	7304.3900.1000	China	1.23

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-



