



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

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

**DETERMINATION OF CUSTOMS VALUES OF IRON OR STEEL
WOOL/POT SCOURER UNDER SECTION 25A OF THE
CUSTOMSACT,1969.**

(VALUATION RULING NO 1577 /2021)



File No.V.Khi/15/Scourer/25A/VI /1015.

Dated: -08-12-2021

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Iron or Steel Wool/Pot Scourer are determined as follows:

2. **Background of the valuation issue:** A letter was received from Model Customs Collectorate of Appraisement Lahore vide Reference No. V-Cus-/Misc/G-III/14/2021/193 Dated 06-04-2021. They informed that they have assessed a GD provisionally and importer has filed a review petition under section 25D of Custom Act 1969 before Director General of Customs Valuation, Karachi which was not finalized. They requested for an early issuance of revised Valuation Ruling. Accordingly, an exercise was initiated to re-determine the customs value of Iron and Steel Wool/Pot Scourer under Section 25A of the Customs Act, 1969, in terms of sub-rule (a) of Custom Rule 107.

3. **Stakeholders' participation in determination of Customs values:** Meetings with all stakeholders, trade bodies including the representatives of clearance Collectorates was held in this Directorate General on 11-11-2021. The importers/stakeholders were requested to submit their proposals/suggestions, as well as the following documents before or during the course of stakeholders' meeting, so that Customs values could be determined.

i) Invoices of imports during last three months showing factual value.

- 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 importers and stakeholders and their points of view were heard in detail to arrive at custom values of subject goods. They claimed that the manufacturing process was relatively simple and that the end product was of low value/quality Iron and Steel. On the other hand manufacturers were of the view that the values in the previous ruling are in order since raw material prices are high.

5. **Method 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 of the Customs Act 1969, was found inapplicable because no substantial 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. Identical / similar goods values methods provided in Section 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references but due to wide variations in declaration, verity and specification could not be relied upon exclusively. In line with statutory sequential order of section 25, this office conducted various market inquiries under sub-section (7) of Section 25 of the Customs Act, 1969. Finally, reliance had to be made on sub-section (7) of Section 25 of the Customs Act, 1969 to determine Customs Values of Port Scourer.

6. **Customs values for Port Scourer hereinafter specified** shall be assessed to duty / taxes at the following minimum Customs Values given against them in the Table below:-



