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DETERMINATION OF CUSTOMS VALUE OF ELECTROLYTIC TIN PLATE (ETP) AND TIN FREE SHEET (TFS) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO 1681 /2022)

No. Misc/13/2006-VI-A (Part-II)/722.

Dated: 22-07-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of Electrolyte Tin Plate (ETP) and Tin Free Sheet (TFS) are determined as follows:-

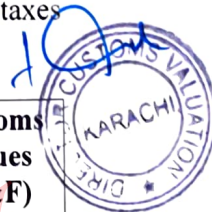
2. **Background of the valuation issue:** The customs values of Electrolytic Tin Plate (ETP) and Tin Free Sheet (TFS) were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1613/2022, dated 18-03-2022, which was set aside by the Director General Customs Valuation vide Order-in-Revision No. 42/2022 dated 26-05-2022 under Section 25D of the Act with the directions to issue a fresh ruling within 45 days, taking into account the last 90 days data of imports in line with the sequential methodology prescribed in Section 25 of the Act. Accordingly, an exercise, to determine the Customs values of subject goods afresh was under taken.
3. **Stakeholders' participation in determination of Customs values:** Meeting was held with stakeholders on 23-06-2022, including importers and local manufacturers to seek their input about the current prices of the subject goods. The participants contended that the prices of the instant items in the international market have been fluctuating over the period of time. Deliberations were held in the Directorate and the points of view of the participants/stakeholders were heard at length. The data of import of last 90 days was also scrutinized, alongwith price trends of raw material i.e; HRC, CRC and particularly GP sheets and the valuation addition process involving rolling, tin coating, electrolysis, cleaning, annealing and finishing etc.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Act, were duly followed and applied sequentially to address the valuation issue at hand. "Transaction value method" provided in Sub-Section (1) of Section 25 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 and hence the requisite information required under the law was not available to arrive at the correct transaction value. "Identical goods value method" provided in Sub-Sections (5) *ibid* was examined and considered for applicability to determine Customs value of subject goods. The data provided some reference, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc. In line with sequential methods, next method of "Similar Goods" under Section 25(6) of the Act was considered. The similar imports data of ETP & TFS for last 90 days of various origins reflected the Assessed Values (AV) given in the previous VR No. 1613/2022 dated 18-03-2022 which remained in field till 26-05-2022, whereas there was variation of AVs during the period when VR was not in field. However, the data of Declared Values (DV) had been showing consistent variations within certain range. As an example of similar goods data analysis, the extended value range of secondary quality ETP reflected that out of 132 GDs analyzed, during the time when above VR was not in field, the price range of 116 GDs per metric ton was between US\$ 530 to 800, 05 GDs between US\$ 800 to 900, 03 GDs between US\$ 900 to 1000 and 08 GDs between US\$ 1000 and above. The mean, mode, median and weighted average of the entire import data of primary and secondary ETP & TFS was also analysed thereof, which yielded useful results for determination of value. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969, however, it was found that subject items are not sold openly in market but to specific industrial concerns and so market values also varied and could not be made the sole basis for determination of customs values. Valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as though the data of conversion cost in Pakistan was available, but the exact data of conversion cost of constituent materials and allied expenses, at country of export were are not available. Finally, PRAL database, market information and international prices through Web and LME Prices of raw materials were examined thoroughly. The LME prices of the raw materials like HRC, CRC and GP iron & steel were checked in terms of the first proviso to Sub-Section (1) of Section 25A of the Act, inserted vide Finance Act, 2021. The LME prices as of last week of June, 2022 in respect of HRC ranged from US\$ 570 to 820, those of CRC from US\$ 680 to 1000 and GP from



US\$ 900 to 1400 for various origins, (f.o.b as well C&F values). The highest LME prices mentioned above were C&F USA prices to which participants objected that C&F USA prices were not the FOB values due to steel tariff imposed by USA and do not form a fair benchmarking basis. Keeping all the factors in view and after carefully analyzing all the available information from different sources, the Customs values of subject items were determined under Section 25(9) of the Customs Act, 1969.

5. Customs value for Electrolytic Tin Plate (ETP) and Tin Free Sheet (TFS): Electrolytic Tin Plate (ETP) and Tin Free Sheet (TFS) *hereinafter specified* shall be assessed to duty / taxes at the following minimum Customs Values: -



S. No	Description of goods	Specification of goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) (Per KG)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
01.	Electrolytic Tin Plate (ETP)	Prime Quality	7210.1290	7210.1290.1000	All Origins	1.160
		Secondary Quality	7210.1210	7210.1210.1000		0.905
02.	Tin Free Sheet (TFS)	Prime Quality	7210.5090	7210.5090.1000	All Origins	1.055
		Secondary Quality	7210.5010	7210.5010.1000		0.810


6. In cases where declared 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 Act read with Section 25A (2) *ibid*. 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 (4) of Section 25A of the Act, or Section 25D *ibid*, read with Rule 107 (a), Sub-Chapter-I, Chapter-IX of the Customs Rules, 2001.

8. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25D of the Act, 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.

9. 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 for redressed. 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 Act, or any other law in vogue therein.

10. This Valuation Ruling supersedes the Valuation Ruling No. 1676/2022 dated 07-07-2022 and VR No. 1613/2022 dated 18-03-2022.


(Syed Fawad Ali Shah)
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, South (Appraisal), Custom House, Karachi.
- 4) The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
- 5) The Chief Collector of Customs (Central), Lahore.
- 6) The Chief Collector of Customs (North), Islamabad.
- 7) The Chief Collector of Customs, (Enforcement), Custom House, Quetta.
- 8) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 9) The Director General, PCA& Internal Audit, Karachi.
- 10) The Director General, IOCO, Karachi
- 11) The Director General, Transit Trade, Custom House Karachi
- 12) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 13) The Director, Transit Trade, Custom House Karachi
- 14) The Director, Directorate of Customs Valuation, Lahore.
- 15) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 16) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 17) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 18) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 19) The Webmaster, Federal Board of Revenue, Islamabad.
- 20) Guard File.