



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, CUSTOM HOUSE, KARACHI

The Collectors of Customs, Collectorates of Customs (Appraisalment – West) / Appraisalment – East / Appraisalment – Port Muhammad Bin Qasim / Enforcement / JIAP, Karachi / Hyderabad / Quetta (Appraisalment / Enforcement), Gawadar / (Appraisalment / Enforcement), AIIA, Lahore / Appraisalment (East/West), Lahore, Faisalabad / Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment / Enforcement), Peshawar (Appraisalment / Enforcement), Dera Ismail Khan / Exports (Port Qasim / Custom House, Karachi) / Transit Trade, Karachi.

DETERMINATION OF CUSTOMS VALUES OF VARIOUS TYPES OF ALUMINUM SCRAP
UNDER SECTION 25A READ WITH PROVISIO TO SECTION 25A(1)
OF THE CUSTOMS ACT, 1969

Publication Value Reference No. 38 /2023

C.No. Misc/Aluminum Scrap/03/2022-V1/1153

Dated: 14-12-2023

In exercise of the powers conferred under Section 25A, read with proviso to Section 25A(1) of the Customs Act, 1969, the Publication values of Aluminum scrap are determined as follows:

Background of the valuation issue: Earlier, the Customs values of various types of Aluminum Scrap were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1636/2022 dated 25-04-2022. Representations were received from Collectorate of Customs Appraisalment (PMBQ), Karachi, vide letters bearing No. C. No. Group-V-19-2022-PQ dated 25.02.2022, 02.04.2022, 15.04.2022, 24.12.2022 and 08.08.2023 with request to determine the Customs values of assorted items of aluminum scrap i.e. aluminum foil scrap (with and without backing), aluminum dross scrap and aluminum condenser which were not covered in previous Valuation Ruling. Accordingly, an exercise has been undertaken by this Directorate to re-determine Customs values afresh in line with values prevalent in the international market.

2. **Analysis / Exercise done to determine Customs Values:** Considering the volume of imports and revenue involved, an exercise for redetermination of customs values of various types of aluminum scrap was initiated. After analyzing import data, process for getting input from relevant stakeholders was carried out. Accordingly, meetings were held on 05-04-2023, 11-05-2023, 19-05-2023 and 24.10.2023 in the Directorate, which were attended by the relevant stakeholders including members of FPCC&I, KCC&I, Gujranwala Chamber of Commerce & Industry (GCCCI), and importers, for determination of Custom values of various types of Aluminum Scrap under Section 25-A of the Customs Act, 1969.

3. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in their sequential order to arrive at the 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 due to absence of information as required under sub-

section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. The data provided some reference; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities and variation in declarations. Information available was, hence, found incomplete and inapplicable. Subsequently, similar goods value method provided in Section 25(6) was examined for applicability to determine Customs values of subject goods. The assessed values of similar goods of various origins in the last 90 days' import data of Aluminum Scrap reflected values as per the previous Valuation Ruling No. 1636/2022 dated 25-04-2022. However, declared values of similar goods showed consistent variations. Hence, this method was also found inapplicable. 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. In line with statutory sequential order of Section 25 of the Customs Act, 1969, Computed Value Method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent material and allied expenses, in the country of export, was not available for manufacturing of Aluminum Scrap. Finally, available data / information collected through international publication London Metal Bulletin (LMB), now known as Fastmarkets Metal Bulletin, was thoroughly scrutinized and compared with the import data of the relevant period to determine Customs values of the subject goods. Moreover, discount has been rationalized. Consequently, the values of various types of Aluminum Scrap have been determined in terms of Section 25A read with proviso to Section 25A(1) of the Customs Act, 1969.

4. **Customs values of Aluminum Scrap:** Various types of Aluminum Scrap, hereinafter specified, shall be assessed to duty / taxes at the Customs values as per the following table:

| S. No. | Description of Goods | Origin | PCT Heading | Proposed PCT Heading for WeBOC | Customs Values (C&F) (US\$ per MT) |
|--------|----------------------------------------------------------------------------------------|----------------------|-------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | Aluminum Broken Parts without Iron attachments (including Aluminum Beverage Can Scrap) | All Origins (by sea) | 7602.0090 | 7602.0090.1000 | LME price published in LMB for Aluminum Scrap, plus actual freight. |
| 2 | Aluminum Broken Parts with Iron attachment | All Origins (by sea) | 7602.0090 | 7602.0090.1100 | 85% of the LME price published in LMB for Aluminum Scrap, plus 15% of the LME price published in LMB for Iron & Steel Shredded Scrap, plus actual freight. |

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|---|-----------------------------------------------------|----------------------|-----------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | Aluminum Cable Cutting Scrap (excluding ACSR scrap) | All Origins (by sea) | 7602.0090 | 7602.0090.1200 | 40% of the LME price published in LMB for Aluminum Scrap, plus 5% of the LME price published in LMB for Copper Scrap, less 25% on account of processing and recovery charges plus actual freight. |
| 4 | Aluminum ACSR Scrap (Bare Wire) | All Origins (by sea) | 7602.0090 | 7602.0090.1300 | 50% of the LME price published in LMB for Aluminum Scrap plus 50% of the LME price published in LMB for Iron & Steel Shredded Scrap, less 20% on account of processing and recovery charges plus actual freight. |
| 5 | Aluminum Windows / Door Cutting Scrap | All Origins (by sea) | 7602.0090 | 7602.0090.1400 | 80% of the LME price published in LMB for Aluminum Scrap, less 20% on account of processing and recovery charges plus actual freight. |
| 6 | Aluminum Bottle Cap Scrap | All Origins (by sea) | 7602.0090 | 7602.0090.1500 | 60% of the LME price published in LMB for Aluminum Scrap, less 5% on account of processing and recovery charges plus actual freight. |
| 7 | Aluminum Sandwich Sheet Scrap | All Origins (by sea) | 7602.0090 | 7602.0090.1600 | 30% of the LME price published in LMB for Aluminum Scrap, less 10% on account of processing and recovery charges plus actual freight. |
| 8 | Aluminum Auto Parts Scrap (unserviceable) | All Origins (by sea) | 7602.0010 | 7602.0010.1000 | 85% of the LME price published in LMB for Aluminum Scrap, plus 15% of the LME price published in LMB for Iron & Steel Shredded Scrap, plus actual freight. |
| 9 | Aluminum Foil Scrap (without backing) | All Origins (by sea) | 7602.0090 | 7602.0090.1700 | 52% of the LME price published in LMB for Aluminum Scrap plus actual freight. |

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|----|------------------------------------------------------------------------------------------------------------|----------------------------|-----------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 | Aluminum Foil Scrap (with backing.) | All Origins (by sea) | 7602.0090 | 7602.0090.1800 | 42% of the LME price published in LMB for Aluminum Scrap, plus actual freight. |
| 11 | Aluminum Dross Scrap | All Origins (by sea) | 7602.0090 | 7602.0090.1900 | 20% of the LME price published in LMB for Aluminum Scrap, plus 30% of the LME price published in LMB for Iron & Steel Shredded Scrap, less 20% on account of processing and recovery charges plus actual freight. |
| 12 | Aluminum - Iron Condenser Pipe Scrap | All Origins (by sea) | 7602.0090 | 7602.0090.2200 | 25% of the LME price published in LMB for Aluminum Scrap, plus 75% of the LME price published in LMB for Iron & Steel Shredded Scrap, less 20% on account of processing and recovery charges plus actual freight. |
| 13 | Aluminum Condenser Scrap (Automobile radiators, HVAC Condensers etc. broken, pressed or loose) | All Origins (by sea) | 7602.0090 | 7602.0090.2200 | 80% of the LME price published in LMB for Aluminum Scrap, plus 20% of the LME price published in LMB for Iron & Steel Shredded Scrap, less 20% on account of processing and recovery charges plus actual freight. |
| 14 | Aluminum - Copper Condenser Scrap (Automobile radiators, HVAC Condensers etc. broken, pressed or loose) | All Origins (by sea) | 7602.0090 | 7602.0090.2000 | 40% of the LME price published in LMB for Aluminum Scrap, plus 45% of the LME price published in LMB for Copper Scrap, plus 15% of the LME price published in LMB for Iron & Steel Shredded Scrap, less 20% on account of processing and recovery charges plus actual freight. |

NOTE 1: For imports made through Land Routes, 15% discount on LMB on account of freight from values mentioned at column 6 of the above table shall be allowed and thereafter actual land freight charges incurred for respective land import station shall be added.

NOTE 2: For the purpose of LME/ LMB prices, the applicable price shall be taken from the LC opening date or Master Bill of Lading issuance date, whichever is available in the said sequence.

5. In cases, where declared values are higher than the above-stated Customs values, 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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Publication Value.

6. **Validity of these Publication Values:** The Customs values for assessment of subject imported goods shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

7. **Revision of the determined Publication Values:** In case of disagreement (with such customs values) by any importer / exporter, the assessing officer shall give the reasons in writing and shall issue an Assessment Order which shall be appealable before the Collector (Appeals) under Section 193 of the Customs Act, 1969.

8. The Collectors of Customs may kindly ensure that the said determined values are applied by the concerned assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of the Directorate of Customs Valuation, Karachi immediately. Customs values so determined are for the description and specification as mentioned in the table above. PCT Codes are mentioned for illustrative purposes so that Publication 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 certifications 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.

9. *These Publication Values rescind the Valuation Ruling No.1636/2022 dated 25-04-2022.*


(Fayaz Rasool Maken)
Director

Copy to:-

- 1) The Member Customs (Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisement (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisement (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation (Customs), FBR, Islamabad.
- 11) The Director General, PCA & Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi.
- 13) The Director, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 14) The Director, Transit Trade, Custom House Karachi