

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 COPPER  
SCRAP UNDER SECTION 25A READ WITH PROVISIO TO SECTION 25A(1)  
OF THE CUSTOMS ACT, 1969**

Publication Value Reference No. 34 /2023

C.No. Misc/Copper Scrap/02/2022-VI /780

Dated: 10-08-2023

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 Copper scrap are determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs values of various types of Copper Scrap were determined under Section 25A of the Customs Act, 1969 vide Publication Value Reference No.10/2023 dated 13-03-2023. However, the Publication Value Reference No.10/2023 dated 13-03-2023 was challenged by M/s. Fareed Metals (Pvt) Ltd. And M/s. Sarah Trading before Director General, Customs Valuation u/s 25-D of the Customs Act, 1969. The Worthy Director General, in the concluding paragraph, observed as under:

*“After hearing the contentions of the petitioners, it appears that the arguments advanced by the counsel/petitioners require re-consideration for serial No.4 of the Table of impugned Publication Value Reference No.10/2023 dated 13-03-2023, to the extent of proportion i-e “10% LME price Published in LMB for copper Scrap, add 90% of LME price Published in LMB for Iron & Steel Shredded Scrap(Pakistan Import)”. Therefore, the case is remanded to the Director of Customs Valuation, Karachi for denovo consideration and he is directed to undertake a fresh exercise, in terms of Section 25A of the Customs Act, 1969 as per law. The Petitioners are advised to present their case before the Director Customs Valuation, Karachi, supported by all relevant records and evidences presented before this forum. The petitions are hereby disposed of accordingly.”*



3. **Analysis / Exercise done to determine Customs Values:** Accordingly, fresh exercise, in terms of Section 25A of the Customs Act, 1969 was initiated and meeting notice was issued vide No. Misc/Copper Scrap/02/2022-VI/738 dated 27-07-2023 scheduled on 04-08-2023 at 11:30AM wherein the relevant stakeholders such as importers and representative from Collectorate of Customs Appraisalment-Port Muhammad Bin Qasim had participated and shared their opinions regarding the re-determination of Customs Values of Copper Scrap.

**4. Method(s) adopted to determine Customs Values:** Meeting was held with importers and representative from Collectorate of Customs Appraisement-Port Muhammad Bin Qasim for re-determination of Customs value of Compressor Scrap. The Deputy Collector, PMBQ provided the Collectorate's record that indicates constituents of compressor scrap as Iron and steel scrap (91%), Copper Scrap (8%) and Aluminum Scrap (1%). The aforementioned ratio has been followed by the Collectorate – as a long and established practice – for determination of Customs values of compressor scrap for the purpose of levy of duties/taxes. Reference was also forwarded to Scrap University, Washington, USA to ascertain actual ratio of copper and other metals in compressor scrap. Their reply is reproduced below for ease of reference:

*“Scrap metal price is determined by the intrinsic value of the metal contained in each item. Sealed units are primarily made of steel (92-93%) along with either a copper or aluminum winding representing the balance of 7-8%”*

**5. Customs values of Copper Scrap:** In view of all the above, the values of various types of Copper Scrap, hereinafter specified, have been determined in terms of Section 25A read with proviso to Section 25(A)1 of the Customs Act, 1969, as per the following table:

S. No.	Description of Goods	Origin	PCT	Proposed PCT for WeBOC	Customs Values (C&F) (US\$ per MT)
(1)	(2)	(3)	(4)	(5)	(6)
1	Copper Scrap (as a single separate item)	All Origins (by sea)	7404.0090	7404.0090.1000	LME price published in LMB, plus actual freight.
2	Copper Scrap attached with Ferrous Scrap (Excluding S.No. 3, 4, 5, 6)	All Origins (by sea)	7204.4990	7204.4990.1000	LME prices published in LMB for respective contents of Copper Scrap and each material attached, less 17.5% on account of wastage and processing cost, plus actual freight.
3	Motor Scrap	All Origins (by sea)	7204.4990	7204.4990.1100	10% of LME price Published in LMB for Copper Scrap, add 90% of LME price Published in LMB for Iron & Steel Shredded Scrap (Pakistan Import), less 17.5% on account of processing charges & wastages.
4	Compressor Scrap	All Origins (by sea)	7204.4940	7204.4940.1000	8% of LME price Published in LMB for Copper Scrap, add 91% of LME price Published in LMB for Iron & Steel Shredded Scrap, add 1% of LME price Published in LMB for Aluminum Scrap (Pakistan Import), less 17.5% on account of processing charges & wastages.
5	Transformer Scrap	All	7204.4940	7204.4940.1100	10% of LME price Published

		Origins (by sea)			in LMB for Copper Scrap, add 90% of LME price Published in LMB for Iron & Steel Shredded Scrap (Pakistan Import), less 17.5% on account of processing charges & wastages.
6	Ballast Scrap	All Origins (by sea)	7204.4940	7204.4940.1200	10% of LME price Published in LMB for Copper Scrap, add 90% of LME price Published in LMB for Iron & Steel Shredded Scrap (Pakistan Import), less 17.5% on account of processing charges & wastages.
7	PCB Scrap	All Origins (by sea)	7404.0090	7404.0090.1100	32% of LME price of Copper Scrap published in LMB, less 17.5% on account of processing charges & wastage, plus actual freight.
8	Computer related Scrap (excluding PCB/ Cables)	All Origins (by sea)	7404.0090	7404.0090.1200	10% of LME price Published in LMB for Copper Scrap, add 20% of LME price Published in LMB for Iron & Steel Shredded Scrap (Pakistan Import), less 17.5% on account of processing charges & wastages, plus actual freight.
9	Condenser Pipe Scrap (Copper)	All Origins (by sea)	7404.0090	7404.0090.1300	78% of the LME price published in LMB for Copper Scrap (Pakistan Import), less 17.5% on account of processing charges and wastages, 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 L.C opening date or Master Bill of Lading issuance date, whichever is available in the said sequence.

**NOTE 3:** This Publication Value is not applicable on copper cable cutting scrap. However, the Collectorates may determine the values of copper cable cutting scrap under Section 25 of the Customs Act, 1969 keeping in view the LME prices of content ratios of copper and other metals as deemed appropriate.

6. 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.

7. **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.

8. **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.

9. 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.

10. ***These Publication Values rescind the Publication Value Reference No. 10/2023 dated 13-03-2023.***



(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, Appraisalment (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (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
- 15) The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
- 16) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 17) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 18) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 19) The Karachi Customs Agents Association (KCAA), Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.