

The Collectors of Customs, Collectorates of Customs (Appraisement – West) / Appraisement – East / Appraisement – Port Muhammad Bin Qasim / Enforcement / JIAP, Karachi / Hyderabad / Quetta (Appraisement / Enforcement), Gawadar / (Appraisement / Enforcement), AIIA, Lahore / Appraisement (East/West), Lahore, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement), Peshawar (Appraisement / 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 Appraisement-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

