



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, CUSTOM HOUSE, KARACHI
Phone: 021-99214144

C. No. Misc/14/2017-VI/1947

Dated: 17-12-2024

PUBLICATION VALUATION RULING NO. 50 / 2024

1. This ruling supersedes Valuation Ruling No. 1154/2017 dated 09.05.2017.
2. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
3. The revision petition against this Valuation Ruling can be filed under Section 25D of the Customs Act, 1969, within 30 days before the Director General, Customs Valuation.
4. The values in valuation ruling shall be treated as minimum benchmark values and shall be applicable to the given description and specification of goods.

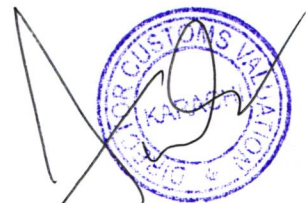
Subject: **DETERMINATION OF CUSTOMS VALUE OF ZINC INGOTS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

1.	Valuation Ruling	Redetermination / revision of values of earlier Valuation Ruling No. 1154/2017 dated 09.05.2017.
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 02.12.2024.

Background of the Issue: In pursuance of analysis of import data, current market trends, the difference in international trading prices and customs values, an exercise for the re-determination of customs values of subject goods was initiated under Section 25 and 25A of the Customs Act, 1969.

2. **Stakeholders' participation in determination of Customs values:** During meeting, the stakeholders pointed out that base metals like Zinc Ingot of 99.9% purity are traded against LME cash official settlement prices, from LME-registered warehouses, with varying premium charges. All aspects affecting the clearance values were discussed in detail and accordingly, keeping the nature of the goods i.e. 99.99% or less purity, it was agreed that the LMB values of the relevant dates shall be the criterion for valuation and the allied freight/logistic charges shall be included. ("Premium" defined in LME weekly base metal premiums report extract as acquisition and delivery charges on base metals, paid on top of LMB prices, to the supplier for transfer of ownership to importer).

3. **Method(s) 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 address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found inapt in light of the wide variety of import declarations contrary to the international selling prices. Hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon and unexplained



variation in values declared by the importers was observed. Information available was, hence, found inappropriate for purpose of Sub-Sections (5) & (6) of Section 25 *ibid*, for making sole basis of the determination. In line with statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that since the goods are of industrial use only therefore, were not available in open market therefore this method could not be applied. Valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, PRAL database and international prices via LME publications etc. were examined thoroughly. All the information so gathered vides above methods was utilized and analyzed for determination of Customs Value of the subject good. Consequently, the fall back method as provided under section 25(9) of the Customs Act, 1969 read with Customs Rule 121(2) of the Customs Rules, 2001, which are as under:

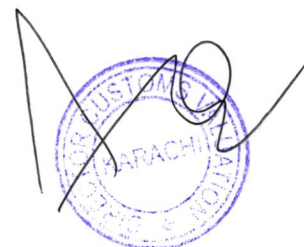
4. **Customs values for Zinc Ingots hereinafter specified** shall be assessed to duty/taxes at the following minimum Customs values:-

S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) per Metric Ton
1	2	3	4	5	6
1.	Zinc Ingots	7901.1100	7901.1100.1000	UAE / Iran	LMB price plus US\$ 120/- (On account of premium and sea freight charges)
		7901.1100	7901.1100.1100	Singapore / Malaysia / Korea / China	LMB price plus US\$ 150/- (On account of premium and sea freight charges)
		7901.1100	7901.1100.1200	Australia / Brazil / Europe / USA	LMB price plus US\$ 160/- (On account of premium and sea freight charges)
Note: For imports made through Land Routes 7% discount on account of sea freight charges from values mentioned at column no. 6 of the above table shall be allowed.					

5. The values determined in this Valuation Ruling shall be treated as minimum benchmark values. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.

6. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.

7. The Valuation Ruling shall be applicable for the descriptions and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.



8. The Collectorates of Customs shall ensure the implementation of Valuation Ruling and in case of any anomaly may be brought to the notice of this Directorate immediately.


(Dr. Tahir Qureshi)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Appraisalment-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisalment / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisalment / Enforcement / AIIA), (Appraisalment-East / West, Lahore / Faisalabad Appraisalment / Enforcement, Sargodha / Enforcement & Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.