



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

C. No. Misc/03/2012-VI/0250

Dated: 18 -02-2025

PUBLICATION VALUATION RULING NO. 56 / 2025

1. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
2. 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.
3. 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 IRON & STEEL SCRAP (REMELTABLE/HMS/SHREDDERED/RE-ROLLABLE SCRAP UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

1.	Valuation Ruling	This Publication Valuation Ruling supersedes Valuation Ruling No. 1566/2021 dated 17.11.2021.
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 11.02.2025.

Background of the Issue: The customs values of different types of Iron & Steel Scraps were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1566/2021 dated 17.11.2021. M/s. Pakistan Ship Breakers' Association and Pakistan Association of Large Steel Producers filed representation for reconsideration of 35% discount on LMB on account of freight from Land Route.

2. **Stakeholders' participation in determination of Customs Values:** Meeting was held on February 11, 2025, with key stakeholders, including the Pakistan Ship Breakers' Association, Pakistan Association of Large Steel Producers, and local manufacturers, to discuss concerns regarding the valuation of imported goods. During the stakeholders are contended that the 35% discount applied to LMB (London Metal Bulletin) rates for goods imported via land routes from Iran and Afghanistan was deemed inappropriate. The Valuation Ruling currently provides unsuitable discount on freight for scrap imported via land routes. However, this discount is being incorrectly applied to the entire C&F customs value rather than just the freight component. This misapplication results, Iranian and Afghan goods cheaper than goods imported through sea routes, affecting local industry competitiveness and causing revenue losses. Therefore, an exercise to determine the customs value of the subject goods afresh was initiated under Section 25A of the Customs Act, 1969.

3. **Method(s) adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable as declared values do not correspond to market prices. The values of identical and similar goods as per sections 25 (5) & (6) ibid could not



be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. 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. Computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods. All the information so gathered was evaluated and analyzed for the purpose of determination of customs value. Finally, online information as well as values from internationally acclaimed publications i.e. LMB etc. have been utilized and analyzed for determination of custom values of the subject goods under Section 25(9) of the Customs Act, 1969 read with proviso of sub-section (1) of Section 25A of the Customs Act, 1969 further read with Customs Rule 121(2) of the Customs Rules, 2001, which are as under:

4. **Customs values for Iron & Steel Scrap (Remeltable/HMS/Shredded/Re-Rollable Scraps) 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 in US\$ (C&F) Per MT
1	2	3	4	5	6
1	Iron & Steel Remeltable Scrap Shredded Scrap	7204.3000 7204.4100 7204.4990	7204.3000.1000 7204.4100.1000 7204.4990.1000	All origins (By Sea)	LME price published in LMB for Pakistan Import
2	Iron & Steel Re-Rollable Scrap	7204.4910	7204.4910.1000	All origins (By Sea)	Value at S. No. 1, add US\$ 75/-
3	Iron & Steel Remeltable HMS Scrap	7204.4990	7204.4990.1000	All origins (By Sea)	Value at S.No.1, less US\$ 25/-
4	Iron & Steel Bundle Scrap	7204.4100	7204.4100.1000	All origins (By Sea)	Value at S. No. 1, less US\$ 55/-
Note: For imports made through Land Routes, 7% discount on LMB on account of freight from values mentioned at column no. 6 of the above table shall be allowed and thereafter actual land freight charges incurred for respective Land import station shall be added.					

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.