



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



C. No. Misc/03/2012-VI/837

Dated: 08-08-2025

PUBLICATION VALUATION RULING NO. 63 / 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 This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.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/SHREDDED/RE-ROLLABLE SCRAP UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

1.	Valuation Ruling	This Publication Valuation Ruling supersedes Publication Valuation Ruling No. 56/2025 dated 18.02.2025.
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 29.07.2025.

Background of the Issue: The customs values of Iron & Steel Scrap (Remeltable/HMS/Shredded/Re-Rollable Scrap determined vide Publication Valuation Ruling No. 56/2025 dated 18.02.2025. The Chamber of Commerce & Industry, Quetta, M/s. Mehmoob Re-rolling Mills and M/s. Amir Asim Steel Re-rolling Mills (Pvt) Ltd., filed a review appeal under Section 25D of the Customs Act, 1969 before the Director General, Directorate General of Customs Valuation. The Director General vide its Order-in-Revision No. 31/2025 dated 24.04.2025 remanded back the case with directions that the Directorate, reconsider the percentage of freight discount. The matter requires re-examination, taking into account all relevant documentary evidence and after affording ample opportunity of hearing to the petitioners, so as to address and resolve the issue appropriately. The Directorate initiated the exercise for re-determination of the customs values of the afore stated items under Section 25-A of the Customs Act, 1969.

2. **Stakeholders' participation in determination of Customs Values:** A meeting was held on 29.07.2025 with key stakeholders, including the Pakistan Ship Breakers' Association, Pakistan Association of Large Steel Producers and Quetta Chamber of Commerce and Industry, to discuss the valuation of imported goods. The President of the Quetta Chamber of Commerce and Industry argued that Iranian-origin goods are cheaper due to lower quality and land-route transportation, and therefore merit a higher freight discount. However, other stakeholders maintained that the existing discount is fair, and cautioned that increasing it beyond 7% would adversely impact importers using sea ports, leading to market distortion and competitive imbalance. The Directorate assured that all concerns will be reviewed in light of documentary evidence and after affording a fair hearing to all parties.

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, because the manufacturing cost of originating countries are not available. The freight element, wherein the consignments arrived through land routes, has also been examined in detail during the course of valuation. In several comparable cases, where customs values were determined with reference to London Metal Exchange (LME) FOB prices, a freight adjustment was applied separately to account for average international market fluctuations. In those instances, a standard freight element of US\$ 60/MT was added to the LME-based values. Considering the similarity in nature and import conditions of the subject goods, the same methodology has been adopted in the current case to maintain uniformity, transparency, and consistency in customs valuation practices. 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 sub-section 25(1) and proviso to sub-section (1) of Section 25A of the Customs Act, 1969, 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	7204.4990.1100	All origins (By Sea)	Value at S.No.1, less US\$ 25/-
4	Iron & Steel Bundle Scrap	7204.4100	7204.4100.1100	All origins (By Sea)	Value at S. No. 1, less US\$ 55/-

Note:

For imports made through land routes, a deduction of US\$ 60/MT shall be allowed from the customs values mentioned at S. No. 1, Column 6 of the above table on account of freight, as these values are based on CFR Port Qasim terms. Thereafter, the actual land freight charges incurred up to the respective land import station shall be added accordingly.

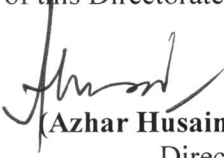


5. The values determined in this Valuation Ruling shall be treated as minimum benchmark values. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made 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.


(Azhar Husain Merchant)
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.