



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

The Collector of Customs, Collectorate of Customs, (Appraisalment - West / Appraisalment - East/ Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore/ Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot)/ Enforcement, Multan / Islamabad/ Gilgit -Baltistan / (Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan/ Exports (Port Muhammad Bin Qasim/ Custom House), Karachi.

DETERMINATION OF CUSTOMS EXPORTS VALUES OF REFINED COPPER (BILLETS, BARS, INGOTS) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 1549 /2021)

No. Misc/01/2021-VI/782.

Dated: 20-09-2021



In exercise of the powers conferred under Section 25A read with sub-section 15 of Section 25 of the Customs Act, 1969, the Customs values of Copper Scrap are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values for exports in respect of Copper Scrap and Copper Billets were determined vide Valuation Advice No. 1551/2018, dated 07-12-2018. However, a reference was received from M/s Mughal Iron & Steel Industries Limited, for re-determination of customs export value of Refined Copper (Billets, Ingots, and Bars etc) in line with values prevalent in international market. Therefore, an exercise to determine the Customs values of the subject goods afresh was initiated under section 25A read with sub-section 15 of Section 25 of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting was held on 26-08-2021, which was attended by various stakeholders including the representatives of trade bodies, manufacturers-cum-exporters and commercial exporters. All the participants were requested to submit following documents so that correct customs values could be determined:-

- i) Invoices of exports during last three months showing factual value.
- ii) Websites, names and E-mail addresses of known local and foreign sources of the item in question through which the actual current value can be ascertained.

- iii) Copies of Contracts made / LCs opened during the last three months.
- iv) Copies of Sales Tax Invoices issued during last four months.

4. During the meeting commercial exporters argued that export values of copper waste and scrap may not be enhanced; whereas customs export values for copper ingots/ Billets under PCT Heading 7403.1900 are already on higher side. However, manufacturer-cum-exporters of copper ingots/ billets opined that values of refined copper are determined on the basis of LMB in international market, which has consistently shown an upward trend over the last few months/ years. The said commodities are traded internationally on the basis of LME prices and that some exporters are exporting the refined copper at a hugely under-invoiced values as compared to the internationally acceptable LME values published in the LMB. The documents submitted by the stakeholders, arguments advanced during meeting, LME price trends and exports data were also examined for determination of customs value of subject goods.

5. **Method adopted to determine Customs values:** Valuation provisions given in sub-section 15 of Section 25 of the Customs Act, 1969 were examined to determine which methods/ provisions were applicable to address the valuation issue at hand in terms of Section 25A of the Act. Therefore, export data, market survey, international market trend based on LME and documents submitted by stakeholders were examined to arrive at customs export values of the subject goods. The export data of identical/ similar goods showed the variation in the export prices as some exporters were found to be exporting on or around the LME prices whereas others were found at far lower export prices.

6. **Customs values hereinafter specified** shall be assessed at the following minimum Customs Export Values:-

Sr	Description of goods	Origin	PCT	Proposed PCT for WEBOC	Customs Export FOB Values (US\$ per MT)
(1)	(2)	(3)	(4)	(5)	(6)
01.	Refined Copper (Billets, Bars, Ingots etc)	Pakistan & all other origins	7403.1200 7403.1300 7403.1900	7403.1200.1000 7403.1300.1000 7403.1900.1000	Average prices for refined copper published in LME for the relevant month of L/C opening or signing of the contract less upto 10% discount.




7. For the purposes of assessment, the average price shall be calculated for the prices of refined copper published in LMB/ LME for the whole month. The average price shall be the minimum customs export value for assessment of copper in the next month. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Section 25 of the Customs Act, 1969.

8. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject export goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Section (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of issuance of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling 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 exportability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Export Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.


(Syed Fawad Ali Shah)
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Intelligence and Investigation (Customs)-Federal Board of Revenue, Islamabad.

- 3) The Director General, Customs Valuation, Custom House, Karachi.
- 4) The Director General (Reforms & Automation), Custom House. Karachi.
- 5) The Director General, PCA& Internal Audit, Custom House, Karachi.
- 6) The Director General, IOCO, Custom House, Karachi.
- 7) The Director General, Transit Trade, Custom House, Karachi.
- 8) The Chief Collector of Customs (North), Custom House, Islamabad.
- 9) The Chief Collector of Customs Enforcement (Central), Custom House, Lahore.
- 10) The Chief Collector of Customs Appraisement, (Central), Custom House, Lahore.
- 11) The Chief Collector of Customs, Balochistan, Custom House, Quetta.
- 12) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 13) The Chief Collector of Customs, Appraisement (South), Custom House, Karachi.
- 14) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 15) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 16) The Director, Transit Trade, Custom House Karachi
- 17) The Director, Directorate of Customs Valuation, Lahore.
- 18) The Secretary (Valuation & Audit), Federal Board of Revenue, Islamabad.
- 19) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 20) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 21) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 22) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 23) The Webmaster, Federal Board of Revenue, Islamabad.
- 24) Guard File.