



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI  
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The Collectors of Customs, Collectorate of Customs, (Appraisalment - West / Appraisalment - East / Appraisalment - Port Muhammad Bin Qasim / Enforcement JIAP / Export / Export PMBQ), Karachi / / Hyderabad / (Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore / Appraisalment, Faisalabad / Appraisalment Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Giligit - Baltistan / (Appraisalment Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

**DETERMINATION OF CUSTOMS VALUES OF ALUMINUM SCRAP UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

**(VALUATION RULING NO 1636 /2022)**

No.Misc/03/2012-VI/404.

Dated:- 25-04-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Aluminum Scrap are determined as follows:-

2. **Background of the valuation issue:** Earlier, the customs values of assorted type of Aluminium Scraps were determined vide Valuation Ruling No. 1567/2021, dated 17/11/2021 read with Valuation Ruling 472/2012 dated 25-09-2012. Representations were received from Collectorate of Customs (Appraisalment) Port Qasim vide letter No. Group V-19-2022-PQ dated 19-01-2022 and Gujranwala Chamber of Commerce and Industry (GCCCI) to determine the values of different types of Assorted Aluminium Scraps. Therefore, an exercise to determine the Customs values of the subject goods afresh was initiated under section 25A of the Customs Act, 1969.
3. **Stakeholders' participation in determination of Customs values:** Meeting were held with stakeholders including the representatives of trade bodies i.e. FPCC&I & KCC&I, GCC&I, Pakistan Steel Melters Association, Pakistan Steels Re-Rolling Mills Association and individual firms. The importers/Stake holders contended that the fixed values in ruling were causing problems to importers at the clearance stage because the international Market prices vary with demand and supply factor. Moreover, it was also brought into the notice that prices of scrap are also published in London Metal Bulletin (LMB), for Pakistan imports which may be utilized to ensure transparency, fairness and uniformity in assessment. All the participants were requested to submit following documents so that correct customs values could be determined:-
  - i) *Invoices of imports during last three months shoeing factual value.*
  - ii) *Websites, names and E-mail addresses of Known foreign manufactures 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 showing the value of item in question.*

iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. **Method 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. Transaction value method provided in Section 25 (1) of the Act *ibid* was found inapplicable because the required information under the law was not available. Identical and Similar goods valuation methods provided some reference values but could not be relied upon due to variation in data. 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 accordingly to selling point in the market. Online values were also checked. Since the manufactures costs and raw material prices of producing the goods in question in the country of exportation were not available. Computed value method as provided in Section 25 (8) could not be applied for valuation of the aforesaid goods. London Metal Exchange (LME) Prices of different types of scrap were checked from the London Metal Bulletin (LMB), within the meanings of proviso to sub-section (1) of Section 25A *ibid*, inserted vide Finance Act, 2021. Finally, PRAL database, market information and international prices through Web were examined thoroughly. All the information so gathered was 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 was applied to arrive at assessable customs value of Aluminium Scrap.

5. **Customs values hereinafter specified** shall be assessed to duty / taxes at the following minimum Customs Values:-

S.No.	Description of goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) (Per MT)
(1)	(2)	(3)	(4)	(5)	(6)
01.	Aluminum Broken Parts without Iron attachments (including Aluminum Beverage Can Scrap)	7602.0090	7602.0090.1000	All Origins (by sea)	LME price published in LMB for Aluminum Scrap, plus actual freight
02.	Aluminium Broken Parts with Iron attachment	7602.0090	7602.0090.1100	All Origins (by sea)	85% of the LME price published in LMB for Aluminum Scrap, plus 15% of the LME price published in LMB for iron & steel shredded scrap, plus actual freight
03	Aluminium Cable Cutting Scrap (excluding ACSR scrap)	7602.0090	7602.0090.1200	All Origins (by sea)	40% of the LME price published in LMB for Aluminum Scrap plus 5% copper scrap LMB price less 25% on account of





					processing and recovery charges plus actual freight
04	Aluminium ACSR Scrap (Bare Wire)	7602.0090	7602.0090.1300	All Origins (by sea)	50% of the LME price published in LMB for Aluminum Scrap plus 50% shredded scrap LME price less 25% on account of processing and recovery charges plus actual freight
05	Aluminium windows/ Door Cutting Scrap	7602.0090	7602.0090.1500	All Origins (by sea)	80% of the LME price published in LMB for Aluminum Scrap price less 20% on account of processing and recovery charges plus actual freight
06	Aluminium Bottle Cap Scrap	7602.0090	7602.0090.1600	All Origins (by sea)	60% of the LME price published in LMB for Aluminum Scrap price less 5% on account of processing and recovery charges plus actual
07	Aluminium Sandwich Sheet Scrap	7602.0090	7602.0090.1700	All Origins (by sea)	30% of the LME price published in LMB for Aluminum Scrap price less 10 % on account of processing and recovery charges plus actual freight
08	Aluminium Auto Parts Scrap (unserviceable)	7602.0010	7602.0010.1000	All Origins (by sea)	85% of the LME price published in LMB for Aluminum Scrap, plus 15% of the LME price published in LMB for iron & steel shredded scrap, plus actual freight

**Note I:** For imports through Land Routes, 35% discount on LMB on account of freight from values mentioned at column 6 of the above table shall be allowed and thereafter actual land freight charges incurred for respective land import station shall be added.

**Note II:** For purpose of LMB prices for Pakistan Imports, the applicable price shall be taken from the date of Purchase Contract, L.C. opening date or Bill of Lading issuance date, whichever is available in the said sequence.

6. In cases where declared values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub- Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

7. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (4) of Section 25A of the Customs Act, 1969, read with Rule 107(a), Chapter IX, of the Customs Rules, 2001.

8. **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 issue of this ruling, before the Director General, Directorate General of Customs Valuation. 7th Floor, Custom House, Karachi.

9. 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 for redressed. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. PCT 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 importability 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 Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

10. ***This ruling supersedes Valuation Ruling No. 472/2012 dated 25-09-2012 and Valuation Ruling No. 1567/2021 dated 17.11.2021.***

s. 

(Syed Fawad Ali Shah)  
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.