

SL.No.34/2011-CA) Policy DA. 29-3-2011

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GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE
KARACHI

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28 MAR 2011

RULING U/S 25-A NO. 303

No. Misc/01/2009-VIA 1251

DC/HQ OFFICE
MCC PREVENTIVE
Dated 22-03-2011

Note :



- i) The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.
- ii) Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.

Subject: DETERMINATION OF CUSTOMS VALUE OF CARBON STEEL SEAMLESS PIPE UNDER SECTION 25A OF THE CUSTOMS ACT, 1969



Customs value of Seamless Pipe was determined vide Valuation Ruling No. Misc/13/06-IVA, dated 21-05-2007, against which review application was filed under Section 25-D of the Customs Act, 1969, before the Director General of Customs Valuation. The Director General vide Order-in-Review No. 03/2007, dated 18-04-2009, directed the Director (Valuation) to convene a meeting of all the stakeholders to determine the values of the instant item under Section 25A of the Customs Act, 1969 by issuing a revised Valuation Ruling.

28/3

Defence
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2. Accordingly, meeting with all stakeholders including local manufacturer were fixed for 12-11-2009, 17-05-2010, 20-01-2011 & 14-02-2011. The meetings were attended by importers including the local manufacturers. During the meetings, the importers insisted that the value of Carbon Steel Seamless Pipe of all sizes is around US\$ 750/MT, whereas, the local manufacturers contended that the value is in range of US\$ 1150/MT. The importers also contested the conversion formula adopted for the issuance of previous Ruling and contended that due to cost effective machinery their conversion cost is low. However, the importers & the local manufacturer failed to substantiate their contention with relevant supporting documents. The importers contention is also not tenable, in presence of value worked out in terms of section 25 (7) of the Customs Act, 1969.



3. Imports data of the under reference item indicates that declared prices are in the range of US\$ 0.62/kg to US\$ 0.77/kg as compared to their much higher selling prices in the local market.

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Therefore, these values do not reflect true values in terms of Section 25 (1), (5) & (6) of the Customs Act, 1969, for determination of customs value of the said item. Market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969, was conducted and the aggregate values of the items of different sizes was taken which showed that the values worked back are more than the values appearing in the data base. Even, the prices have also been worked out from the sales tax paid invoices provided by the local manufacturer in terms of section.25(8) which confirmed the value worked back from market survey. In view of the above, the following value is determined in terms of section. 25(7) under Section 25A of the Customs Act, 1969, for implementation:-

S. No.	Description	H.S. Code	Origin	Customs value
01.	Carbon Steel Seamless Pipe ASTM A-106 assorted size	7304.3900	China/ South Africa/ Romania / Ukraine	US\$ 0.852/kg

4. The above values are hereby determined under section 25A of the Customs Act, 1969. All the Customs Collectorates are advised to finalize the assessment on the value mentioned above. These values shall remain valid until revised. However, if the invoice value is higher than the value in this ruling, then such higher value shall be adopted for assessment under Section 25 of the Customs Act, 1969.


 (MUHAMMAD FAHIM)
 DIRECTOR

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01. S.O. to Chairman, Federal Board of Revenue, Islamabad.
02. Member (Customs), Federal Board of Revenue, Islamabad.
03. Chief Collectors of Customs (North/South), Lahore/Karachi.
04. The Director General of Intelligence Investigation-FBR, Islamabad.
05. The Director General of Customs Valuation, Karachi.
06. The Director General of Post Clearance Audit, Karachi.
07. The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
08. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
09. Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
10. Chairman (Valuation Committee), KCC&I, Aiwana-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KcAG), Bohri Road, Karachi
12. Guard File.