

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West)/ Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination of Customs Values of Galvanized Razor Wire

Under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO.1329/ 2018)


No.Misc/12/2011-VI/1352

Dated: September 28, 2018

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

2. **Background of the valuation issue:** A number of representations were received from stakeholders that values Razor Wire being declared to Customs are not correct transaction values, and needs remedial action by the Directorate. Therefore, this Directorate General initiated an exercise for determination of customs values of Galvanized Razor Wire under Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were scheduled on 18-07-2018 and 12.09.2018. The participants were requested to submit following documents before or during the stakeholders' meetings:

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- i) Invoice of Imports made during last three months showing factual value.
 - ii) Websites, names and E-mail address of known foreign suppliers / manufacturers of the item in question through which the actual current value could be ascertained.
 - iii) Copies of contracts made / LCs opened during the last three months showing the value of items in question.
 - iv) Copies of Sales Tax paid invoices issued during last four months (excluding duty and taxes) to substantiate their contentions.

4. Different stakeholders including importers attended the meetings. Certain importers contended that increasing in price would adversely affect their business. However, certain other stakeholders contended that there are fluctuations in the current market prices and it would be prudent to determine customs values keeping in view the values of two main raw material, i.e., Wire Rod and Galvanized Coil thickness 1.00 mm. During the discussion, participants agreed that the ratio of the two material is same, about 50% each and customs values can be easily hedged with LMB' published prices of the two material with certain adjustments. All the participants were heard in detail and their input was considered to arrive at customs values.

5. **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 under Sub-Section (1) of Section 25 of the Act ibid was found inapplicable because there were wide differences in values in the declarations and in most cases the values had been suppressed significantly. Identical /Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 were examined for applicability to the valuation issue in the instant case which provided some customs values of subject goods but the same could not be exclusively relied on due to variations in the declared values of the subject goods. In line with the statutory sequential order of Section 25, this office then conducted market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. Online available information was also checked. All the available information was analyzed and evaluated. Keeping all the above in view, Customs values of Iron or Galvanized Razor Wire are determined under Sub-Section (9) of Section 25 of the Customs Act, 1969.

6. **Customs values for Galvanized Razor Wire:** Galvanized Razor Wire, *hereinafter specified*, shall be assessed to duty /taxes at the following Customs Values:

S.No	Description	PCT Heading	Proposed PCT for WeBOC	Origin	Custom Value in C&F US\$/MT
(1)	(2)	(3)	(4)	(5)	(6)
1	Galvanized Razor Wire	7313.0000	7313.0000.1000	China	i. Wire Rod (Mesh quality) LMB price (50%), add ii. Galvanized Coils thickness 1.00 mm LMB price (50%), add iii. US\$ 165 /MT (on account of conversion cost including costs on account of draw quality wire rod), add iv. US\$ 40/MT (on account of freight)

7. 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 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.

8. **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 (1) or (3) of Section 25-A 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 25-D 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.

10. The Collectors of Customs may kindly ensure that the values given in the 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 specifications as mentioned in this Valuation 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 certifications 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.

(Muhammad Iqbal Muneeb)
Director

Copy for information to:

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisement), Custom House, Karachi.

4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta, Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. The CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC,
21. Appraisement, 1st Floor, Custom House, Karachi.
22. Guard File.