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**DETERMINATION OF CUSTOMS VALUES OF CARBON STEEL SEAMLESS PIPES**  
**UNDER SECTION 25A READ WITH PROVISIO TO SECTION 25A(1) OF THE**  
**CUSTOMS ACT, 1969**

Publication Value Reference No. 32 /2023

No. Misc/01/2009-VIA 1646

Dated: 23-06-2023

In exercise of the powers conferred under Section 25A, read with proviso to Section 25A(1) of the Customs Act, 1969, the Publication values of Carbon Steel Seamless Pipes are determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs values of Carbon Steel Seamless Pipes were determined vide Valuation Ruling No. 1556/2021 dated 22-10-2021. The existing Valuation Ruling is more than 1 year old and it needs revision to reflect the current price trend prevailing in international market. Therefore, an exercise was undertaken by the Directorate to determine the Customs value of Carbon Steel Seamless Pipes under Section 25A of the Customs Act, 1969.

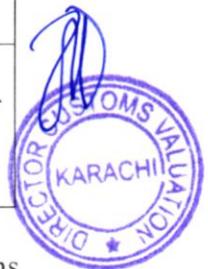
3. **Analysis / Exercise done to determine Customs Values:** After analyzing import data, process for getting input from relevant stakeholders was initiated. Accordingly, two meetings were held on 15-03-2023 and 29-03-2023 in the Directorate which were attended by the importers for determination of Custom values of Carbon Steel Seamless Pipes under Section 25A of the Customs Act, 1969. The issues pertaining to the valuation of the subject goods were deliberated upon in detail in the afore-referred meetings. The importers contended that the fixed values in ruling were causing problems to them at the clearance stage because the international market prices vary due to demand and supply factor. It was also observed by the participants that LME prices also fluctuate on weekly / monthly basis. Moreover, it was also observed by the participants that prices of Steel Billet – basic ingredient for manufacturing of Carbon Steel Seamless Pipe – are also published in (London Metal Bulletin) LMB now known as Fastmarkets Metal Bulletin, which may be taken as a basis to ensure transparency, fairness and uniformity in assessment. Therefore, a consensus was developed among the participants that linking Carbon Steel Seamless Pipes values with LMB prices of Steel Billet will be a more suitable and reliable benchmarking, which has been now legally been provided by the legislature in amended Section 25A of the Act.



4. **Method (s) adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in sequential order to arrive at customs values of subject goods. In this regard, the importers provided a number of Export Goods Declarations of China Customs which indicated the values of Carbon Steel Seamless pipes from the range US\$ 780/MT to US\$ 790/MT. These export GDs have been sent for verification to China. However, the Transaction value method, as provided in sub-section (1) of Section 25 (1) of the Customs Act, 1969, was found inapplicable because requisite information (as required under sub-section 2 of section 25 of Customs Act, 1969) was not available. Moreover, different values were declared by different importers for same product. Therefore, Identical and Similar goods valuation methods as provided in sub-section (5) & (6) of Section 25 of the Customs Act, 1969, were examined for applicability to determine custom values of subject goods. The same provided some reference values but could not be exclusively and solely relied upon due to variation in data. Another reason for non-application of the instant method (s) was that the evidences of identical / similar goods were not processed under Section 25(1) of Customs Act, 1969 as stipulated under rule 117(3) of Customs Rules, 2001. In line with the statutory sequential order of Section 25, this office conducted market inquiries as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969, but could yield no results as prices varied significantly according to selling point in the market. Therefore, valuation method vide section 25 (8) was examined for valuation of the subject goods keeping in view the LME prices of constituent raw material i.e., Steel Billet, as published in LMB and adding applicable manufacturing cost and actual freight. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the values of Carbon Steel Seamless Pipes have been determined under Section 25(9), read with 25(8), of the Customs Act, 1969.

5. **Customs values for Carbon Steel Seamless Pipe:** Carbon Steel Seamless Pipe shall be assessed to duty / taxes at the following Customs Values:

Sr. No	Description of Goods	PCT Code	Proposed PCT CODE for WeBOC	Origin	Customs Value (C&F) US\$/MT
(1)	(2)	(3)	(4)	(5)	(6)
1	Carbon Steel Seamless Pipes, assorted sizes	7304.3900	7304.3900.1000	All Origins	LME Price of Steel Billet + Add 75% on account of cost of conversion to pipes + Actual Freight



6. In cases, where declared values are higher than the above-stated Customs values, 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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Publication Value.

7. **Validity of these Publication Values:** The Customs values for assessment of subject imported goods shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

8. **Revision of the determined Publication Values:** In case of disagreement (with such customs values) by any importer / exporter, the assessing officer shall give the

reasons in writing and shall issue an Assessment Order which shall be appealable before the Collector (Appeals) under Section 193 of the Customs Act, 1969.

9. The Collectors of Customs may kindly ensure that the said determined values are applied by the concerned assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of the Directorate of Customs Valuation, Karachi immediately. Customs values so determined are for the description and specification as mentioned in the table above. PCT Codes are mentioned for illustrative purposes so that Publication 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.

10. *These Publication Values rescind the Valuation Ruling No. 1556/2021 dated 22-10-2021.*



(Fayaz Rasool Maken)  
Director

Copy to: -

- 1) The Member Customs (Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation (Customs), FBR, Islamabad.
- 11) The Director General, PCA & Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 14) The Director, Transit Trade, Custom House Karachi
- 15) The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
- 16) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 17) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 18) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 19) The Karachi Customs Agents Association (KCAA), Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.