

The Collectors of Customs, Collectorates 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 Qasim/Custom House, Karachi)/Transit Trade. Karachi.

**DETERMINATION OF CUSTOMS VALUES OF USED TYRE SCRAP (CUT INTO  
PIECES) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 1734 /2023)**

C.No.Misc/01/2022-III/0100

Dated: 27-01-2023

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of used tyre scrap (cut into pieces) are determined as follows:

**Background of the valuation issue:** Earlier, a letter was received from the Collectorate of Customs Appraisalment (East), Karachi, requesting the Directorate of Customs Valuation for determination of customs values for waste & scrap of second hand or used tyre (cut into pieces). Therefore, an exercise has been undertaken by this Directorate to determine the same.

2. **Stakeholders' participation in determination of Customs values:** Meeting was convened on 18.01.2023 which was attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting. They submitted their proposals for consideration and the same were considered pertaining to the valuation of subject goods.

3. **Analysis / Exercise done to determine Customs Values:** The Importers contended that the Customs values of the Tyre scrap (cut into pieces) were being assessed at US \$ 0.40 /kg since long and the prevalent data is of the same value and the same should be determined as Customs value of the said item. Therefore, Ninety (90) days' clearance data has been retrieved and the same has been scrutinized.

4. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the Customs values of subject goods. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable due to absence of information as required under sub-section (2) of Section 25 of The Customs Act, 1969. Therefore, identical/similar goods value methods provided in Section 25(5) & (6) ibid were examined for applicability to determine Customs values of subject goods. As the import of this item is restricted for industrial consumers only in terms of Import Policy Order, 2022 (subject to Environmental Protection Agency approval), therefore, this item is not available in market for sale. Ninety (90) days' data has been analyzed which transpires that Tyre scrap (cut into pieces) Gds are mostly being assessed/cleared at US\$ 0.40/kg. Therefore, on the



basis of available data / information collected and exercise conducted, the values of Used Tyres Scrap (Cut into Pieces) have been determined under sub-section (5), read with Section 25(9), of Section 25 of the Customs Act, 1969.

5. **Customs values of Used Tyres Scrap (Cut into Pieces)** - Used Tyres Scrap (Cut into Pieces), hereinafter specified, shall be assessed to duty / taxes at the Customs values as per the following table:

Sr. No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	<b>Used Tyres Scrap (Cut into Pieces)</b>	4004.0020	4004.0020.1000	All Origins	0.04

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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

7. **Validity of this Valuation Ruling:** This Ruling, containing 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 values determined vide this Valuation Ruling:** If aggrieved, 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 its issuance, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. Customs values determined in the Ruling are for the description and specification as mentioned in the table 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 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.

  
(Fayaz Rasool Maken)  
Director

Copy for information 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, Custom House, Karachi.
- 12) The Director General, IOCO, Custom House, 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.

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