

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

**Determination of Customs Values of Artificial Flower and Material Under Section 25-A of the Customs Act, 1969**

**(VALUATION RULING NO. 1478/2020)**

C.No. Misc/09/2015-V

Dated: 22-10-2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Artificial Flower and Material are determined as follows:-

**2. Background of the valuation issue:** Custom Values of Artificial Flowers and material were earlier determined vide Valuation Ruling No. 1271/2018 dated 21.03.2018. The Valuation Ruling was more than two years old and the values in international market had shown upward trend, as per data analysis by this Directorate General. Therefore, an exercise was undertaken by this Directorate General to revise the same according to trends prevailing in the current international market.

**3. Stakeholders' Participation in Determination of Customs Values:** Meetings were held with stakeholders on 29.09.2020 and 12.10.2020 to discuss the current international prices of subject items. All the stakeholders were requested to submit the following documents before or during the course of stakeholder's meetings:

- i. Invoices of imports during last three months showing factual value.
- ii. Websites, names and E-mail addresses of known foreign manufacturers 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 the last four months showing the values of supplies (excluding duty and taxes) to substantiate their views.

**4.** Neither any importer attended the meeting nor submitted any of the above requested documents, despite being given reasonable opportunity of hearing.

**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 the requisite information under the law was not provided by the importers. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969, provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. In the sequential order this office



conducted market inquiries in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. All the information so gathered was analyzed and evaluated. Keeping all the above in view, customs values of Artificial Flower and Material are determined under Sub-Section (7) of Section 25 of the Customs Act, 1969.

6. **Customs Values** of Artificial Flower and Material of China origins *hereinafter specified* shall be assessed to duty/taxes on the minimum Customs values mentioned against them in the Table below:

S.No.	Description of Goods	H.S Code	Proposed PCT for WeBOC	Origin	Custom Value US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Artificial Flowers	6702.1000	6702.1000.1000	China	6.63
2	Artificial Flower Material consisting of stems, flowers, leaves etc.		6702.1000.1100	China	4.88



7. In cases where declared / transaction values are higher than the customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officers shall apply those values in terms of Sub-Section 25(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 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, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

10. 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. Customs values determined in the ruling are for the description and specification as mentioned in the table above of this Ruling. HS Codes are mentioned for illustrative purpose 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.

11. ***This ruling supersedes Valuation Rulings No. 1271/2018 dated 21.03.2018.***

  
(Shafique Ahmad Latki)  
Director

Copy for information to:

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Directorate General of 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 Chief Collector of Customs, (Enforcement), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
10. The Director General, Post Clearance Audit (PCA), Islamabad.
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 and deleting *Valuation Ruling No. 1271/2018 dated 21.03.2018*
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. The Karachi Customs Agents Group, Bohri Road, Karachi.
17. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi.
18. The Webmaster, Federal Board of Revenue, Islamabad.