



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, 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 Artificial Flowers and Material Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. ¹²⁷¹ /2018)

No. Misc/09/2015-V /341

Dated: March 21, 2018

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of artificial flowers, are determined as follows: -

2. **Background of the Valuation Issue:** The customs values of artificial flowers were notified vide Valuation Ruling No.749/2015 dated 15th June, 2015. Since valuation ruling was more than two years old and it was brought to the notice of this Directorate General that a large number of consignments of materials of artificial flowers comprising leaves, stems, flowers etc are being imported and the same are being assessed at lower values and since a reference was also received from MCC Appraisement (West) regarding valuation of materials of artificial flowers, an exercise was initiated to determine the customs values of artificial flowers and materials thereof afresh under Section 25A of the Customs Act, 1969.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with stakeholders were held on 14-02-2018 and 28-02-2018 in the Directorate General of Valuation, Custom House, Karachi. The importers were requested to submit the following documents so that customs values could be determined: -

- Invoices of imports during last three months showing factual value.
- Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- Copies of Sales Tax Invoices issued during last four months showing the values of supplies (excluding duty and taxes) to substantiate their contentions.

4. The representatives of FPCC&I and Customs field formations attended the same. However, despite lapse of considerable time and two meeting notices, neither any importer appeared in the meeting nor any documents were submitted in this regard.

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 available. 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. Online information was also obtained. All the information so gathered was analyzed and evaluated. Keeping all the above facts in view, customs values of artificial



flowers and materials thereof are determined under Sub-Section (7) of Section 25 of the Customs Act, 1969.

6. **Customs Values for Artificial Flowers:** Customs values of Artificial Flowers, and materials thereof, *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

S. No	Description	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Artificial Flowers	6702.1000	6702.1000.1000	China	4.25
02.	Artificial Flower material consisting of stems, flowers, leaves etc		6702.1000.1100	China	3.75

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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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 Ruling No.749/2015, dated 15-06-2015.*

(Muhammad Aqbal Muneeb)
Director

Copy for information to :-

- The Member (Customs), F.B.R., Islamabad.
- The Director General, Customs Valuation, Custom House, Karachi.