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**The Collectors of Customs**, Collectorate of Customs (Appraisement -West / Appraisement -SAPT / Appraisement -East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisement / Enforcement),Quetta / Gawadar / Khuzdar (Appraisement / Enforcement / AIIA), (Appraisement-East/ Appraisement-West, Lahore / Faisalabad Appraisement/ Enforcement /Sargodha Enforcement/Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

**DETERMINATION OF CUSTOMS VALUES OF FLORAL FOAM  
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

**VALUATION RULING NO. 1928 / 2024**

C. No. Misc/23/2015-II/1307

Dated: 09-12-2024

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

**Background of the Issue:** The customs values were determined vide Valuation Ruling No. 745/2015 dated 10-06-2015 was challenged before the Honorable Director General under Section 25D of the Customs Act, 1969 that was upheld vide Order-in-Revision No. 128/2015 dated 16.09.2015. Moreover, the stakeholders being aggrieved filed Customs Appeals before the Honorable Customs Appellate Tribunal. The Honorable Customs Appellate Tribunal vide its judgment dated 09.01.2023 set-aside the subject appeals to extent of appellants. Furthermore, as the Valuation Ruling was quite old, therefore, this Directorate initiated an exercise for the determination of Customs Values under Section 25A of the Customs Act, 1969.

2. **Stakeholders' participation in determination of Customs Values:** Meetings were convened on 24.05.2023, 02.06.2023 and 06.11.2024, which were attended by the relevant stakeholders. The issue pertaining to the valuation of subject goods was deliberated upon in detail in the afore-referred meeting. During the meeting, a representative of M/s. Ishaque Nursery stated that they import cut to size floral foams in cartons. He also informed that life of a floral foam ranges from 6 months to one year. He further stated that floral foam imported from China is of a lower price than that of Malaysia because of low quality and material composition. Moreover, one of the major applications of subject item is in the decoration of flowers mostly in marriage ceremonies. Thermopole is also used underneath flowers for decoration purposes. Lastly, he said that import of floral foam has gone down in the recent past. The participants were requested to provide written arguments, literature and other relevant documents i.e. Export GD's, Sales Tax Invoices & Sales Tax Returns before the Directorate in support of their contentions.

3. **Analysis / Exercise done to determine Customs values:** The importers contentions were duly examined. For the determination of customs values of subject goods, ninety (90) days' data was retrieved and the same was thoroughly scrutinized. Some references of declared values were available. Subsequently, market inquiry has been conducted and examined in the light of this Directorate's Office Order No.17/2014 dated 19-03-2014 and in terms of Section 25(7) of the Customs Act, 1969.



4. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, are duly considered 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 Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. However, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was also examined for applicability to determine Customs values of subject goods and was not considered (for application) due to afore-stated reasons. Moreover, Declared Values (DV) of similar goods had showed consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub section (7) of Section 25 of the Customs Act, 1969 was conducted. Finally, the Customs values of the subject goods have been determined under Section 25(9) & 25(6) of the Customs Act, 1969 read with Rule 121 of Customs Rules, 2001.

5. **Customs Values for Floral Foam - hereinafter specified** shall be assessed to duty / taxes at following Customs Values:

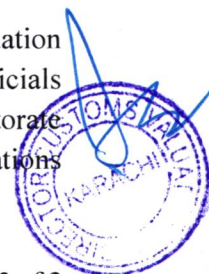
Sr. No.	Item Description	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
1	Floral Foam (All types / shapes)	3921.9090	3921.9090.1000	China	4.00
2			3921.9090.1100	Iran	4.95
3			3921.9090.1200	Malaysia	5.25
4			3921.9090.1300	Other Origins	5.00

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 is 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 the Valuation Ruling, for the given description of goods, are applied by the concerning assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in the ruling are for the descriptions and specifications



as mentioned in the aforementioned table in this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

**10. This Ruling supersedes Valuation Ruling No. 745/2015 dated 10.06.2015.**



**(Dr. Tahir Qureshi)**  
Director

Copy to:

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.