



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations

R APR 16 2024
D No 24-0427
CRA REGISTERED
ST: 12h

Date APR 15 2024

CUSTOMS MEMORANDUM ORDER (CMO)

NO. OG-2024

SUBJECT: IMPLEMENTATION OF THE ELECTRONIC PAYMENT PORTAL SYSTEM (ePay) OF THE BUREAU OF CUSTOMS

Section 1. Scope. This Order shall cover the collection of duties and taxes due on goods covered by goods declaration manually processed under the informal entry procedure and the miscellaneous fees payable to the Bureau using the Electronic Payment Portal System (ePay), which shall be monitored by the Collection Division of the Ports, the Revenue Accounting Division (RAD), the Statistical Analysis Division (STAD) and other concerned offices in the Bureau.

Section 2. Objectives.

- 2.1. To implement Executive Order No. 170 s. 2022 on the adoption of digital payments for government disbursements and collections;
- 2.2. To provide a user interface as an alternative mode of payment for the settlement of duties and taxes and miscellaneous fees integrated into different online payment channels that will be available on a 24/7 basis;
- 2.3. To provide a centralized system for the online generation of the Order of Payment and provide real-time confirmation of payment;
- 2.4. To provide the procedures for the use of the ePay by concerned offices/units of the Bureau; and
- 2.5. To monitor daily collection and remittances of duties and taxes and miscellaneous fees transaction using digital payment.

Section 3. Definition of Terms. For purposes of this Order, the following terms are defined accordingly:

- 3.1. **Electronic Payment Portal System (ePay)** – shall refer to the online application by the BOC for online payments using



authorized digital payment platforms with payment instruments like credit card, debit card, and digital wallet.

- 3.2. **Order of Payment (OP)** – shall refer to the instructions given through the ePay for the external stakeholder to pay any duties, taxes and/or miscellaneous fees due to the Bureau.
- 3.3. **Digital Payment Platform** – shall refer to information and communication technology-enabled mechanisms that connect and integrate the BOC's ePay and financial institutions to reflect real-time confirmation of online payment.
- 3.4. **Digital Payment Provider** – shall refer to accredited juridical entities that provide the digital payment platforms for the use of the external stakeholders for online payment.
- 3.5. **Fixed Values** – shall refer to the fixed amount of administrative fees or miscellaneous fees provided under existing rules and regulations such as Customs Documentary Stamp, Document Stamp Tax, Registration Charge for Auction, Registration Charge for Account Management Office, Accreditation Charge, etc.

Section 4. **Administrative Provisions.**

- 4.1. The ePay shall be maintained by the Management Information System and Technology Group (MISTG).
- 4.2. Requests for creation of accounts for BOC personnel responsible for the issuance of OPs and access for monitoring purposes in the ePay must be submitted to the Technical Support Division (TSD) of the MISTG by completing the Account Creation Form (Annex "A") together with indorsement letter from the chief concerned and submitted electronically via email to tsd@customs.gov.ph.
- 4.3. The MISTG shall provide comprehensive training to all concerned personnel before access is given to ensure competence and familiarization in the use of the ePay for their respective roles and responsibilities.
- 4.4. Upon grant of access to the ePay, the users shall receive their assigned username and default password together with the link to the ePay homepage.
- 4.5. In order to ensure the security of accounts and accountability of ePay Portal System users, a login authentication code shall be sent to the email of the user using the BOC official domain



(<name>@customs.gov.ph). Only authorized personnel using the BOC official domain shall be granted access to the system.

- 4.6. Concerned offices shall validate the confirmation of payment through ePay by checking the status of the OP as tagged.
- 4.7. The Collection Division of the Port, RAD, STAD and other concerned offices shall be responsible for generating reports from the data gathered from the ePay.
- 4.8. The Collection Division of the Ports shall submit daily/monthly collection report to the STAD and RAD. The RAD shall reconcile the daily ePay collection report against the submitted collection report of Digital Payment Provider.

Section 5. Operational Provisions. Generation of Order of Payment in the ePay by users thereof shall follow the prescribed procedures:

5.1. By Stakeholders for Fixed Values.

- 5.1.1. Click the "Generate Order of Payment" (OP) button. A pop-up screen will appear;
- 5.1.2. Enter the Consignee/Company, Email Address, then Select Port. Click Request;
- 5.1.3. Stakeholders will receive a link through the entered Email address. Click the link. The stakeholder will be re-directed to the BOC ePay;
- 5.1.4. Click Add Miscellaneous Items. From the pop-up menu, click the "Action" Button/s from the type of Miscellaneous Fees to be paid;
- 5.1.5. Enter in the Remarks Box (optional) additional information that may be relevant to the type of fees to be paid such as mode of payment which may be annually, monthly or other details. Click Save button;
- 5.1.6. A breakdown of the payment/s to be made will appear on the screen. The fees to be paid may be edited by adding or deleting the fees. Click Save. Warning message will pop-up, Click Yes button;
- 5.1.7. The External Stakeholders will receive an Email containing the system-generated OP Reference Number



to use in transacting in the ePay and the validity period of the OP. OPs that remain unpaid after its validity shall be tagged as "Expired" in the ePay. The External Stakeholders can no longer use the expired OP for payment purposes and must instead apply for a new OP;

- 5.1.8. The Stakeholder shall click the "Go to ePay Portal" button. Clicking the button will direct stakeholder to the Stakeholder Front Page with auto-filled system-generated OP Reference Number. Click "GO" button to proceed.
- 5.1.9. The Order of Payment page will appear. The Stakeholder can still Add or Delete Misc. Items;
- 5.1.10. Click the Proceed to Payment button by choosing mode of payment whether "Pay Via Cashier" or "Pay Via ePay";
- 5.1.11. Once the Proceed to Payment button is clicked, the External Stakeholder can no longer edit or delete an item;
- 5.1.12. The External stakeholder may choose "Pay Via ePay", and the Digital Payment Provider;
- 5.1.13. Then it will redirect to Digital Payment Provider page, to choose payment channel, i.e. Debit/Credit Card, Bank transfer, e-Wallet, Travel Pay, Convenient Store's Kiosk, Bayad Center, etc.;
- 5.1.14. The stakeholder shall provide information as required by the chosen payment channel and confirm payment;
- 5.1.15. If the stakeholder chooses "Pay Via Cashier" print the OP and proceed to the cashier for payment.

5.2. Generation of Order of Payment by Concerned BOC Office.

- 5.2.1. Log in to BOC ePay Portal. Enter the Username and Password, then click Log in button;
- 5.2.2. Once successfully logged-in, it will redirect to BOC ePay Portal Homepage, choose "Generate New OP" under the Transactions menu;
- 5.2.3. Then it will be redirected to Generate OP page;



- 5.2.4.** Enter Consignee/Company, Email Address and Select Port, then click Add Miscellaneous Items;
- 5.2.5.** From the pop-up menu, tick the "Checkbox" from the type of Miscellaneous Fees to be paid;
- 5.2.6.** If the Miscellaneous Item is Not Fixed (NF), Enter the Amount, click Add. If the Miscellaneous Item is Fixed (F) just tick the check box, then click Add;
- 5.2.7.** Enter in the Remarks Box (optional) additional information that may be relevant to the type of fees to be paid such as mode of payment which may be annually, monthly, or other details;
- 5.2.8.** If done, Click Generate OP. A confirmation message will appear. Then click save;
- 5.2.9.** The External Stakeholders will receive an Email containing the system-generated OP Reference Number to use in transacting in the ePay and its validity period. OPs that remain unpaid after its validity shall be tagged as "Expired" in the ePay. The External Stakeholders can no longer use the expired OP for payment purposes and must instead apply for a new OP;
- 5.2.10.** Click the Go to ePay Portal button. It will redirect to Stakeholder's Front Page with auto-filled system-generated OP Reference Number;
- 5.2.11.** Click the Go button to proceed;
- 5.2.12.** The Order of Payment page will appear. The stakeholder can no longer add or delete the miscellaneous items for payment;
- 5.2.13.** Proceed to Payment by choosing mode of payment whether "Pay Via Cashier" or "Pay Via ePay";
- 5.2.14.** If the stakeholders choose "Pay Via ePay", choose Digital Payment Provider;
- 5.2.15.** Then it will redirect to Digital Payment Provider page, to choose payment channel, i.e. Debit/Credit Card, Bank



transfer, e-Wallet, Travel Pay, Convenient Store's Kiosk, Bayad Center, etc.;

5.2.16. The stakeholders shall provide information as required by the chosen payment channel and confirm payment.

5.2.17. If the stakeholders choose "Pay Via Cashier" print the OP and proceed to the cashier for payment.

Section 6. Exclusions. All consumption entries filed using the Bureau's E2M System, including additional assessments brought by Post Entry Modification are excluded from this Order.

Section 7. Responsibility to Confirm Payment. It shall be the responsibility of the concerned BOC office/unit who issued the OP to validate payment by checking the payment status of the generated OP in the ePay. OPs with payments made are reflected as tagged in the ePay.

Section 8. Administrative Liability. Any unauthorized sharing of access and information, unauthorized access, failure to confirm payment or comply with the submission of reports required under this Order shall be a ground for administrative sanctions under existing Civil Service law, rules and regulations without prejudice to other criminal or civil liability that may arise pursuant to the provisions of the applicable law violated.

Section 9. Implementation Schedule. The MISTG is hereby authorized to issue a Memorandum on the schedule of the nationwide implementation of the ePay.

Section 10. Separability Clause. If any part or provision of this Order is later declared invalid or illegal, the remaining portion shall remain valid and enforceable.

Section 11. Repealing Clause. Provisions of other CMOs, orders and issuances in conflict with this CMO are hereby repealed or amended accordingly.



BIENVENIDO Y. RUBIO
Commissioner



APR 15 2024





**BUREAU OF CUSTOMS
USER ACCESS REQUEST FORM (UARF)**



UARF No. _____

Received by: _____

Date and Time: _____

LOGIN REQUEST FOR: (Name of system user to be given access)

Name: _____ Signature: _____

Position/Designation: _____ Office/ Agency: _____

Email Address: _____ Contact No. _____

BUREAU OF CUSTOMS INFORMATION SYSTEMS:

☐ F2M ☐ COPS ☐ ACMS ☐ LES ☐ FMSW ☐ Tradenet ☐ DTS ☐ EPAR ☐ Others: _____

Port Name and Code/Sub-Port Name and Code: _____

REQUESTED ACCESS: _____

ATTACHED DOCUMENTS: (Certified true copy of documents)

For SOC Personnel:

- ☐ CPO/Memo/ Office Order designating the SOC Personnel to the position requiring system access
- ☐ Certificate of Assumption of Duty
- ☐ Certificate of Training / Attendance sheet of Training
- ☐ Indorsement or Clearance from the District Collector / DepComm where the personnel is assigned
- ☐ For DCCM Personnel, clearance from the Commissioner or Chief of Staff
- ☐ Others, specify: _____

FOR OGA:

- ☐ Memo/ Office Order
- ☐ Valid Agency issued ID
- ☐ Letter/Duty Approved by the Agency Head/ Chief endorsing Access Request Form

APPROVED BY: (Should be filled-out by the Head/ Chief/ Immediate supervisor of the personnel to be given access)

Name: _____ Signature: _____

Position: _____ Office/ Agency: _____

FOR MISTG USE ONLY

Compliance Check Done:

S/E UARF NO: _____

MISTG Site Manager/ Personnel

Date/ Time

SHHA MICHELLE M. MAGAT
Chief, TSD - MISTG

Date/ Time

Recommend Approval/ Disapproval:

MANDIO M. SAMARITA
Director III TMS - MISTG

Date/ Time

Approved/ Disapproved:

ATTY. KRISTEN F. BALGOMERA
CIC-Deputy Commissioner, MISTG

Date/ Time

ACTION TAKEN: ☐ Creation ☐ Modification ☐ Reactivation ☐ Deactivation ☐ Others

By _____

Account Administrator
Technical Support Division

Date/ Time

LOGIN NAME: _____

TERMS OF USE (TOU) FOR USER'S ACCESS ON BUREAU OF CUSTOMS INFORMATION SYSTEMS

IMPORTANT; READ CAREFULLY - The provision of user's access credential to the Information Systems of the Bureau of Customs (herein referred to as the BOC) to its clients such as but not limited to BOC personnel, Other Government Agencies, Value Added Service Providers, and others, is subject to the terms and conditions of this agreement. **BY BEING GRANTED USER'S ACCESS, YOU AGREE TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS TOU. IF YOU DO NOT AGREE TO THESE TERMS AND CONDITIONS, PLEASE REFRAIN FROM USING YOUR USER'S ACCESS, THEN ENCIRCLE "DISAGREE" BELOW AND RETURN THIS FORM TO THE ISSUING ISTG OFFICE OF THE BUREAU OF CUSTOMS.**

General.

The user's access credential is provided to you by BOC for use in processing electronic transactions with BOC subject to compliance with the terms and conditions of this TOU. The access credentials provided to user are strictly confidential and may not be disclosed to any other parties.

Additional Rights and Limitations.

1. The user's access credential must not be written or printed in any form. Showing, displaying, or transmitting said user's access credentials to other individuals is strictly prohibited;
2. The user's access credential must be changed periodically or as per directive of the Customs Commissioner or MISTG Deputy Commissioner;
3. The user's access credential should only be used for the sole purpose of performing his/her assigned duties and responsibilities;
4. The storage device containing the digital keystore associated to a given user's access credential must not be re-copied or duplicated or reproduced in any form. This prohibition also covers copying of the digital keystore to the user's workstation. Said storage device containing the digital keystore must be used exclusively for storing said digital keystore only. It is strictly prohibited to lend the storage device containing the digital keystore to other people;
5. Access credentials and the digital keystore may only be used on devices and/or workstations that are duly recognized by the BOC;
6. Personnel of the BOC who observes any violation of this TOU, or any other related unauthorized use, are obligated to report violations to the MISTG. Personnel who fail to report violations of this TOU shall be subject to disciplinary action;
7. Users of BOC information systems shall be held responsible and accountable for any data privacy breach, damage, injury, or liability (administrative, civil or criminal) arising from the improper or unauthorized use of said user's access; and
8. Any violation of this TOU shall subject the user to disciplinary action, account revocation, and/or criminal charges under applicable administrative laws, without prejudice to the application of Customs rules and regulations or other relevant policies covering account usage in general.

DISCLAIMER OF WARRANTIES.

THE ENTIRE RISK ARISING OUT OF USE OF THE CUSTOMS USER'S ACCESS REMAINS WITH YOU, THE REGISTERED OWNER OF THE ACCESS.

I hereby **AGREE/ DISAGREE** to the above provision.

Signature over: Printed Name: _____ Date: _____

Position/ Designation: _____ Email: _____

Post Office: _____ Contact No: _____



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22 APR 2024

OFFICE OF THE NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations

R APR 24 2024 D
REGISTERED
CNAX Registration No. 24-0460
TIME: BY: JY

CUSTOMS MEMORANDUM ORDER (CMO)
NO. 07-2024

SUBJECT: ESTABLISHMENT OF THE TECHNICAL WORKING GROUP ON
TIME RELEASE STUDY IN THE BUREAU OF CUSTOMS

Section 1. Scope. Pursuant to the requirements of the World Trade Organization - Trade Facilitation Agreement (WTO-TFA) Article 7, Item 61, this Customs Memorandum Order (CMO) hereby provides the guidelines on the designation of the Bureau of Customs Technical Working Group on Time Release Study (BOC-TRS TWG).

Section 2. Objectives.

- 2.1. To ensure BOC's compliance with the requirements of WTO-TFA, Article 7, Item 6;
- 2.2. To establish the BOC-TRS TWG and define its composition, functions, duties, and responsibilities; and
- 2.3. To promote the use of the Time Release Study to measure the average release time of goods periodically, identify constraints or bottlenecks affecting the release of goods, and identify opportunities for trade facilitation improvements.

Section 3. Composition. The BOC-TRS TWG shall be established in the Central Office and all the Collection Districts.

- 3.1. The BOC-TRS TWG in the Central Office shall be composed of the following BOC officials, to wit:

Chairperson: Director, Port Operations Service, Assessment and Operations Coordinating Group (AOCG)

Co-Chairperson: Chief, Planning and Policy Research Division (PPRD), Internal Administration Group (IAG)

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OF THE ORIGINAL
MARGARET G. MANALAYSAY
Administrative Officer V

Page 1 of 3 of CMO No. 07-2024



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Members:

- Chief, External Affairs Office (EAO), IAG
- Lead Auditor, Interim Internal Quality Management System Office (IIQMSO)
- Head, Customer Care Center, Port of Manila (POM)
- Head, Xray Inspection Project
- Chief, Systems Development Division,
- Management and Information Systems and Technology Group (MISTG)
- Head, Statistical Analysis Division, Revenue Collection and Monitoring Group (RCMG)
- Representative/s from POS, AOCG
- Deputy Collector for Operations, Ninoy Aquino International Airport (NAIA)
- Deputy Collector for Operations, POM
- Deputy Collector for Operations, Manila International Container Port (MICP)
- All other BOC personnel relevant to the conduct of the TRS

Secretariat

- Representative from AOCG
- Representative from PPRD
- Representative from EAO

- 3.2. Each Collection District shall establish its own BOC-TRS TWG, Sub-Committee, which shall be chaired by the District Collector and composed of BOC officials and personnel from the Collection District, to wit:


Chairperson:

District Collector

Members:

- Deputy Collector for Operations
- Deputy Collector for Assessment
- Chief, Assessment Division
- Chief, Export Division
- Chief, Port Operations Division/Unit
- Chief, Customs Container Control Division (for Ports covering containerized shipments)
- Site Manager, MISTG
- Field Officer, Xray Inspection Project
- Head, Customer Care Center

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Page 2 of 3 of CMO No. 07-2024



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Section 4. Duties and Responsibilities. The BOC-TRS TWG shall perform the following functions, to wit:

- 4.1. Represent and advance the interests of the BOC in the implementation of the Time Release Study in meetings and consultations with other parties;
- 4.2. Spearhead the planning and coordination necessary for the implementation of the TRS;
- 4.3. Prepare detailed guidelines for the creation, review, and validation of the TRS Workplan;
- 4.4. Conduct statistical computation of raw data submitted by the Ports;
- 4.5. Work in close collaboration with the Ports to process the results of the TRS;
- 4.6. Recommend possible corrective measures for creating a conducive environment for a seamless flow of goods, and opportunities for trade facilitation enhancements;
- 4.7. Review and evaluate the effectiveness of the improvements and innovations that have been instituted, as a result of the recommendations of the previous TRS; and
- 4.8. Perform such other functions related to the conduct of TRS as may be assigned.

Section 5. Repealing Clause. All other rules and regulations issued by the Bureau which are inconsistent with this Order are deemed repealed or modified accordingly.

Section 6. Separability Clause. If, for any reason, any provision of this CMO is held to be unconstitutional or invalid, other sections or provisions hereof which are not affected thereby shall continue to be in effect.

Section 7. Effectivity. This Order shall take effect immediately.

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BIENVENIDO Y. RUBIO
Commissioner



APR 22 2024



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05 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 56-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : DIRECTING THE IDENTIFICATION OF FISHERIES
MANAGEMENT AREAS AS STRATEGIC AGRICULTURE AND
FISHERIES DEVELOPMENT ZONES

Attached herewith is the Administrative Order No. 16 dated 11 March 2024 from **Executive Secretary LUCAS P. BERSAMIN**, Malacañan, Palace, on the above-mentioned subject.

For records purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

For your information and guidance.

BIENVENIDO Y. RUBIO
Commissioner



APR 15 2024



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CME NO. 56-2024 p-2



MALACANAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

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ADMINISTRATIVE ORDER NO. 16

**DIRECTING THE IDENTIFICATION OF FISHERIES MANAGEMENT
AREAS AS STRATEGIC AGRICULTURE AND FISHERIES
DEVELOPMENT ZONES**

WHEREAS, Section 1 of Article XII of the Constitution declares it a policy of the State to promote industrialization and full employment through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets;

WHEREAS, Section 2 of Republic Act (RA) No. 8550 or the "Philippine Fisheries Code of 1998," as amended by RA No. 10654, declares the policies of the State to: (a) protect the preferential right of fisherfolk on the use of municipal waters; and (b) adopt a precautionary principle in the management of fishery and aquatic resources;

WHEREAS, Section 8 of RA No. 8550, as amended, prescribes the establishment of Fisheries Management Areas (FMAs) in the country for fishery resource conservation and management;

WHEREAS, Section 6 of RA No. 8435 or "Agriculture and Fisheries Modernization Act of 1997," as amended by RA No. 9281, requires the identification of Strategic Agriculture and Fisheries Development Zones (SAFDZs) within the network of protected areas for agricultural and agro-industrialization purposes and as centers for development of agriculture and fisheries sectors;

WHEREAS, Sections 149 and 151, Chapter 2, Title I, Book II of RA No. 7160 or the "Local Government Code of 1991," grant municipalities and cities the exclusive authority to grant fishery privileges in municipal waters;

WHEREAS, the establishment of a SAFDZ aims to address the urgency and paramount necessity to: (i) ensure the rational and sustainable use of resources in the country; (ii) modernize the fisheries sector by transforming it from a resource-based to a science and technology-based industry; (iii) enhance the global competitiveness of



13 MAR 2024

local fishery products; and (iv) improve the quality of life of fishers and stakeholders; and

WHEREAS, Section 17, Article VII of the Constitution vests in the President the power of control over all Executive departments, bureaus and offices, and the mandate to ensure the faithful execution of laws;

NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Identification of FMAs as Areas for the Establishment of SAFDZs. The Department of Agriculture (DA), in coordination with the Department of Environment and Natural Resources (DENR), Department of the Interior and Local Government (DILG), and Department of Science and Technology (DOST), is hereby directed to identify FMAs where SAFDZs may be established pursuant to RA No. 8435, as amended, subject to relevant provisions of RA No. 7160, existing laws, rules and regulations.

Section 2. Protective Measures. Pursuant to Section 2 of RA No. 8550, as amended, the DA shall implement measures to protect the preferential use of subsistence fisherfolk over municipal waters, and ensure the conservation, protection and sustained management of fishery and aquatic resources within the SAFDZs to be established in identified FMAs.

Section 3. Convergence. The DA shall coordinate, collaborate and consult with the National Economic and Development Authority, Department of Finance, Fiscal Incentives Review Board, Department of Trade and Industry, Board of Investments, Philippine Economic Zone Authority, and the Office of the Special Assistant to the President for Investment and Economic Affairs, towards ensuring that SAFDZs to be established shall be optimized for agro-industrialization and development of agriculture and fisheries sectors through, among others, seamless integration of forward and backward linkages and grant of fiscal incentives to qualified strategic industries and activities in these sectors.

Section 4. Funding. The funds necessary for the implementation of this Order shall be charged against current and available appropriations of the DA and other concerned agencies, subject to pertinent budgeting, accounting, and auditing laws, rules and regulations. Thereafter, the funding requirements for succeeding years shall be included in the annual General Appropriations Act, subject to the usual budget preparation process.

Section 5. Implementing Guidelines. Within thirty (30) working days from the effectivity of this Order, the DA, in coordination with DENR, DILG, and DOST, shall formulate and issue guidelines, as may be necessary, for the effective implementation of this Order.

Section 6. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 7. Repeal. All orders, rules and regulations, and other issuances or parts thereof, which are inconsistent with this Order, are hereby revoked, amended, or modified accordingly.

Section 8. Effectivity. This Order shall take effect immediately following its publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 11th day of March, in the year of our Lord, Two Thousand and Twenty-Four.



By the President:



LUCAS P. BERSAMIN
Executive Secretary





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Justine C.

03 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 57-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 22-018 issued on 27 March 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "KIT26540 Nexans URC-1 SA (4.2) (5.6MM) End Specific Kit," from United Kingdom consigned to Eastern Telecommunications Philippines Incorporated, (Import Entry/ Customs Reference No. C-69865, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
"KIT26540 Nexans URC-1 SA (4.2) (5.6MM) End Specific Kit"	8538.90.19	1% <i>ad valorem</i>

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner

APR 15 2024



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09-47621

REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "KIT26540 NEXANS URC-1
SA (4.2)(5.6MM) END SPECIFIC KIT", CONSIGNED
TO EASTERN TELECOMMUNICATIONS
PHILIPPINES INCORPORATED

TCC (DR) NO. 22-018

(Import Entry/Customs Reference No. C-69865,
NAIA)

Issued on: 27 March 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of KIT26540 Nexans URC-1 SA (4.2)(5.6mm) End Specific Kit imported by Eastern Telecommunications Philippines Incorporated (Importer/Consignee) from the United Kingdom. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 12 August 2022.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2017 subheading 8536.90.94, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-69865 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2017 subheading 7326.90.99, with an MFN rate of duty of 15% ad valorem.

Hence, this request for a TCDR.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 21 September 2022 for comments on the request for a TCDR on KIT26540 Nexans URC-1 SA (4.2)(5.6mm) End Specific Kit. To date, the Commission has not received any comment from the BOC-NAIA, hence, it proceeded to evaluate the classification of subject article based on the submissions received from the Importer/Consignee.

While evaluating the documents submitted by the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence, on 26 October 2022, the Commission requested the Importer/Consignee to submit the following additional information:

- brochure or literature containing subject article's complete material composition and installation guidelines; and
- actual sample of the kit, if available.

On 16 November 2022, the Importer/Consignee responded to the request by resubmitting TC Form 2, a product brochure, and a data sheet showing the material, usage, and specification of KIT26540 Nexans URC-1 SA (4.2)(5.6mm) End Specific Kit. After careful review of the said materials, the Commission noted that no new information was provided in compliance with the request for additional information.

Hence, this Commission tried contacting Mr. Rhoel Rojas, the contact person for technical information indicated in the submitted TC Form 2, for discussion/clarification on the additional information. However, the Commission was unable to contact him using the telephone number provided in said Form (i.e., out of service). On 10 November 2023, the Commission sent a letter reiterating the submission of the requested additional information and gave the Importer/Consignee an unextendible period of 10 working days from receipt of the letter to submit the said additional information.



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On 22 November 2023, the Commission received a letter from Ms. Lilia O. Lopez, the Importer/Consignee's Procurement Supervisor. In the said letter, Ms. Lopez informed that they cannot bring an actual sample of the End Specific Kit. Instead, the Commission was requested to conduct a physical verification/inspection of the kit at a warehouse in Mabini, Batangas, where it is currently stored. The letter also stated that the physical verification will supplement the submitted product brochure and data sheet (on the material, usage, and specifications of the KIT26540 Nexans URC-1 SA (4.2)(5.6mm) End Specific Kit) that will help the Commission in determining the appropriate tariff classification of the product.

Thus, on 05 December 2023, the Commission conducted the physical verification/inspection of subject article. During the verification, the Importer/Consignee and the Commission discussed the parts, components, material composition, and use of subject article. A mock assembly of the item was also carried out by the representatives of the Importer/Consignee to help the Commission visualize the actual installation process. The Importer/Consignee also mentioned that the kit will be used to repair submarine cables throughout the country. It was also agreed that the Importer/Consignee will provide the Commission with supplementary information, such as videos, pictures, product user manuals, and other related documents, if granted permission by their supplier. To date, the Importer/Consignee did not provide said supplementary materials.

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the information gathered during the conduct of physical verification/inspection were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted technical information and the information obtained from the physical verification/inspection conducted, it is established that subject article is a repair kit and a segment/component of a submarine cable jointing system. It is the second layer of a submarine cable jointing system (capable of operating at a voltage of less than 1,000 V), designed to protect or lock the first layer of the jointing kit. Subject article primarily consists of a cast iron collet, armour wire separator, iron/steel wedge, wedge insert, split bend limiter, and seal retainer, among others, collectively contributing to provide stability and resilience to the connected submarine cables. It is intended for single armoured cables and is supplied in pairs.

Shown below is a photograph of the product taken by the Commission during the aforementioned physical verification/inspection:



Based on the kit's function, the Importer/Consignee classified subject article under Chapter 85 of the AHTN 2017 which covers *electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles*, and specifically under heading 85.36 which covers, among others, *connectors for optical fibres, optical fibre bundles or cables*.

Note 9 of Chapter 85 of the AHTN 2017 states that:

"9.- For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal."

This definition/description is also reiterated in the Harmonized System (HS) Explanatory Notes (EN) to heading 85.36, which state that:

"XXX"

(IV) CONNECTORS FOR OPTICAL FIBRES, OPTICAL FIBRE BUNDLES OR CABLES

For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal. Connectors for optical fibres, without cables, remain classified in this heading but those connectors for optical fibres with cables are **excluded (heading 85.44 or 90.01)**.

"XXX"

On the other hand, the BOC considered classification of the product, based on its constituent materials, under Chapter 73 of the AHTN 2017, which covers articles of iron or steel, particularly under the residual heading of the Chapter, heading 73.26, which covers other articles of iron or steel. The pertinent HS EN to this heading state that:

"This heading covers all iron or steel articles obtained by forging or punching, by cutting or stamping or by other processes such as folding, assembling, welding, turning, milling or perforating other than articles included in the preceding headings of this Chapter or covered by Note 1 to Section XV or included in Chapter 82 or 83 or more specifically covered elsewhere in the Nomenclature [emphasis added]."

"XXX"

Note 1 to Section XV (which covers Chapter 73) states that:

"f.- **This Section does not cover :**

(a) Prepared paints, inks or other products with a basis of metallic flakes or powder (headings 32.07 to 32.10, 32.12, 32.13 or 32.15);

(b) Ferro-cerium or other pyrophoric alloys (heading 36.06);

(c) Headgear or parts thereof of heading 65.06 or 65.07;

(d) Umbrella frames or other articles of heading 66.03;

(e) Goods of Chapter 71 (for example, precious metal alloys, base metal clad with precious metal, imitation jewellery);

(f) **Articles of Section XVI (machinery, mechanical appliances and electrical goods)[emphasis added];**

"XXX"

The above Section Note clearly indicates that the machinery, mechanical appliances and electrical goods of Section XVI (which include articles of Chapter 85) are excluded under Section XV. Since Chapter 73 is part of the latter Section, it follows that products of Chapter 85 are excluded from Chapter 73.

Based on the information provided/gathered on the other components of the submarine cable jointing system, the Commission has determined that the complete (or essentially complete) system, composed of various kits, including subject article, is to be classified under AHTN 2017 subheading 8536.70. Hence, subject article should be evaluated as a part/component of the system and classified as such.

The HS EN for parts of heading 85.36 state that:

"XXX"

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the apparatus of this heading are classified in heading 85.38.

"XXX"

Note 2 to Section XVI of the AHTN 2017, which governs the classification of parts for the products falling in this Section, states that:

"Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules :

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48 [emphasis added]."

The HS General EN to the Section regarding the classification of parts state that:

"In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (I) above. Separate headings are, however, provided for :

(A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).

(B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31).

(C) Parts of the textile machines of headings 84.44 to 84.47 (heading 84.48).

(D) Parts of the machines of headings 84.56 to 84.65 (heading 84.66).

(E) Parts of the office machines of headings 84.70 to 84.72 (heading 84.73).

(F) Parts of the machines of heading 85.01 or 85.02 (heading 85.03).

(G) Parts of apparatus of headings 85.19 or 85.21 (heading 85.22).

(H) Parts of apparatus of headings 85.25 to 85.28 (heading 85.29).

(I) Parts of apparatus of heading 85.35, 85.36 or 85.37 (heading 85.38) [emphasis added].

"XXX"

As stated in the above HS General EN, parts of apparatus of heading 85.36 fall under heading 85.38 of the AHTN 2017 (parts suitable for use solely or principally with the apparatus of heading 85.35, 85.36 or 85.37). The pertinent HS EN to this heading state that:

"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts of the goods of the three preceding headings [emphasis added]."

"XXX"

By reference to Note 1 to Section XV, Note 2 to Section XVI, HS General EN to Section XVI, and the HS EN to headings 73.26, 85.36, and 85.38, the Commission has determined that the submarine cable jointing system designed for submarine cables, of which subject article is a part of, is classifiable under heading 85.36. Hence, subject KIT26540 Nexans URC-1 SA (4.2)(5.6mm) End Specific Kit, a part solely designed for the cable jointing system, is specifically covered under heading 85.38 of the AHTN 2017.

Based on the information received/obtained from the Importer/Consignee, and the clarifications provided by the foregoing Section Notes, Chapter Note, HS General EN, and HS EN, subject article is properly classified under AHTN 2017 subheading 8538.90.19 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA). In view of the Philippines' adoption and implementation of the 2022 version of the AHTN on 01 July 2022, subject article is classifiable under the same subheading in AHTN 2022.

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
KIT26540 Nexans URC-1 SA (4.2)(5.6mm) End Specific Kit	8538.90.19	1% <i>ad valorem</i>

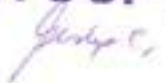
This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION



MARILOU P. MENDOZA
Chairperson



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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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MASTER COPY

George C.

03 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 58-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 22-020 issued on 27 March 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "KITH9002 UJ/UC Component Kit," from United Kingdom consigned to Eastern Telecommunications Philippines Incorporated, (Import Entry/ Customs Reference No. C-69865, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
"KITH9002 UJ/UC COMPONENT KIT"	8538.90.19	1% <i>ad valorem</i>

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner

APR 15 2024



Gate 3, South Harbor, Port Area, Manila 1018

+63 (02) 8705-6000, +63 (02) 8527-1968 | www.customs.gov.ph | boc.cares@customs.gov.ph



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

MASTER COPY

DA-47617 *Ammy*

#1392

Ammy 9-31

04-02-24

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "KITH9002 UJ/UC COMMON
COMPONENT KIT", CONSIGNED TO EASTERN
TELECOMMUNICATIONS PHILIPPINES,
INCORPORATED

TCC (DR) NO. 22-020

(Import Entry/Customs Reference No. C-69865,
NAIA)

Issued on: 27 March 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of KITH9002 UJ/UC Common Component Kit imported by Eastern Telecommunications Philippines Incorporated (Importer/Consignee) from the United Kingdom. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 12 August 2022.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2017 subheading 8536.90.94, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-69865 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2017 subheading 7326.90.99, with an MFN rate of duty of 15% *ad valorem*.

Hence, this request for a TCDR.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 21 September 2022 for comments on the request for a TCDR on KITH9002 UJ/UC Common Component Kit. However, to this date, the Commission has not received any comment from the BOC-NAIA, hence, it proceeded to evaluate the classification of subject article based on the submissions received from the Importer/Consignee.

While evaluating the documents submitted by the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence, on 26 October 2022, the Commission requested the Importer/Consignee to submit the following additional information:

- brochure or literature containing subject article's complete material composition and installation guideline; and
- actual sample of the kit, if available.

On 16 November 2022, the Importer/Consignee responded to the request by resubmitting TC Form 2, a product brochure, and a data sheet on the material, usage, and specification of KITH9002 UJ/UC Common Component Kit. After careful review of the said materials, the Commission noted that no new information was provided in compliance with the request for additional information.

Hence, this Commission tried contacting Mr. Rhoel Rojas, the contact person for technical information indicated in the submitted TC Form 2, for discussion/clarification on the additional information. However, the Commission was unable to contact him using the telephone number provided in said Form (i.e., out of service). On 10 November 2023, the Commission sent a letter reiterating the submission of the requested additional information and gave the Importer/Consignee an unextendable period of 10 working days from receipt of the letter to submit the said additional information.



Page 1 of 5



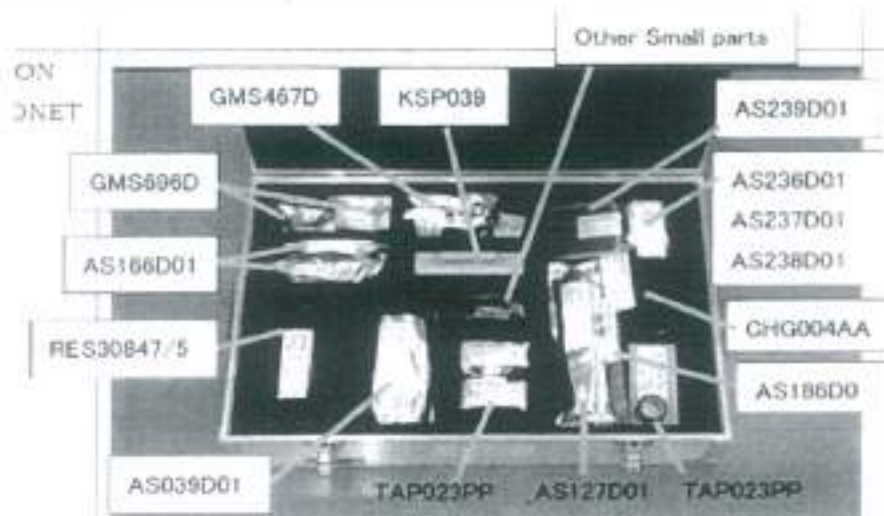
APR 2024

On 22 November 2023, the Commission received a letter from Ms. Lilia O. Lopez, the Importer/Consignee's Procurement Supervisor. In the said letter, Ms. Lopez informed the Commission that they cannot bring an actual sample of the Common Component Kit. Instead, the Commission was requested to conduct a physical verification/inspection of the kit at a warehouse in Mabini, Batangas, where it is currently stored. The letter also stated that the physical verification will supplement the submitted product brochure and data sheet (on the material, usage, and specifications of the KITH9002 UJ/UC Common Component Kit) that will help the Commission in determining the appropriate tariff classification of the product.

Thus, on 05 December 2023, the Commission conducted the physical verification/inspection of subject article. During the verification, the Importer/Consignee and the Commission discussed the parts, components, material composition, and use of subject article. A mock assembly of the item was also carried out by the representatives of the Importer/Consignee to help the Commission visualize the actual installation process. The Importer/Consignee also mentioned that the kit will be used to repair submarine cables throughout the country. It was also agreed that the Importer/Consignee will provide the Commission with supplementary information, such as videos, pictures, product user manuals, and other related documents, if granted permission by their supplier. However, to this date, the Importer/Consignee did not provide said supplementary materials.

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the information gathered during the conduct of physical verification/inspection were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted technical information and the information obtained from the physical verification/inspection conducted, it is established that subject article is a repair kit and a segment/component of a submarine cable jointing system. It is the innermost layer of a submarine cable jointing system, capable of operating at a voltage of less than 1,000 V. The kit primarily consists of two steel fibre management trays (for organizing the spliced fibres), a steel pressure sleeve (to protect and secure the joints of the fiber cable against external elements and potential damage), and two end caps. The kit also includes polyethylene granules which are used to create a mold for encapsulating and securing the repair components.



Based on the kit's function, the Importer/Consignee classified subject article under Chapter 85 of the AHTN 2017 which covers *electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles*, and specifically under heading 85.36 which covers, among others, *connectors for optical fibres, optical fibre bundles or cables*.

Note 9 of Chapter 85 of the AHTN 2017 states that:

"9.- For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal."

This definition/description is also reiterated in the Harmonized System (HS) Explanatory Notes (EN) to heading 85.36, which state that:

“XXX”

(IV) CONNECTORS FOR OPTICAL FIBRES, OPTICAL FIBRE BUNDLES OR CABLES

For the purpose of heading 85.36, “connectors for optical fibres, optical fibre bundles or cables” means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal. Connectors for optical fibres, without cables, remain classified in this heading but those connectors for optical fibres with cables are **excluded (heading 85.44 or 90.01)**.

XXX”

On the other hand, the BOC considered classification of the product, based on its constituent materials, under Chapter 73 of the AHTN 2017, which covers articles of iron or steel, particularly under the residual heading of the Chapter, heading 73.26, which covers other articles of iron or steel. The pertinent HS EN to this heading state that:

“This heading covers all iron or steel articles obtained by forging or punching, by cutting or stamping or by other processes such as folding, assembling, welding, turning, milling or perforating other than articles included in the preceding headings of this Chapter or covered by Note 1 to Section XV or included in Chapter 82 or 83 or more specifically covered elsewhere in the Nomenclature [emphasis added].

XXX”

Note 1 to Section XV (which covers Chapter 73) states that:

“f.- This Section does not cover :

(a) Prepared paints, inks or other products with a basis of metallic flakes or powder (headings 32.07 to 32.10, 32.12, 32.13 or 32.15);

(b) Ferro-cerium or other pyrophoric alloys (heading 36.06);

(c) Headgear or parts thereof of heading 65.06 or 65.07;

(d) Umbrella frames or other articles of heading 66.03;

(e) Goods of Chapter 71 (for example, precious metal alloys, base metal clad with precious metal, imitation jewellery);

(f) Articles of Section XVI (machinery, mechanical appliances and electrical goods)[emphasis added];

XXX”

The above Section Note clearly indicates that the machinery, mechanical appliances and electrical goods of Section XVI (which include articles of Chapter 85) are excluded under Section XV. Since Chapter 73 is part of the latter Section, it follows that products of Chapter 85 are excluded from Chapter 73.

Based on the information provided/gathered on the other components of the submarine cable jointing system, the Commission has determined that the complete (or essentially complete) system, composed of various kits, including subject article, is to be classified under AHTN 2017 subheading 8536.70. Hence, subject article should be evaluated as a part/component of the system and classified as such.

The HS EN for parts of heading 85.36 state that:

“XXX”

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the apparatus of this heading are classified in heading 85.38.

XXX

Note 2 to Section XVI of the AHTN 2017, which governs the classification of parts for the products falling in this Section, states that:

"Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules :

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48. [emphasis added]"

The HS General EN to the Section regarding the classification of parts state that:

"In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (i) above. Separate headings are, however, provided for :

- (A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).*
- (B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31).*
- (C) Parts of the textile machines of headings 84.44 to 84.47 (heading 84.48).*
- (D) Parts of the machines of headings 84.56 to 84.65 (heading 84.66).*
- (E) Parts of the office machines of headings 84.70 to 84.72 (heading 84.73).*
- (F) Parts of the machines of heading 85.01 or 85.02 (heading 85.03).*
- (G) Parts of apparatus of headings 85.19 or 85.21 (heading 85.22).*
- (H) Parts of apparatus of headings 85.25 to 85.28 (heading 85.29).*
- (I) Parts of apparatus of heading 85.35, 85.36 or 85.37 (heading 85.38) [emphasis added].*

XXX

As stated in the above HS General Explanatory Note, parts of apparatus of heading 85.36 fall under heading 85.38 of the AHTN 2017 (parts suitable for use solely or principally with the apparatus of heading 85.35, 85.36 or 85.37). The pertinent HS EN to this heading state that:

"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts of the goods of the three preceding headings [emphasis added].

XXX

By reference to Note 1 to Section XV, Note 2 to Section XVI, HS General EN to Section XVI, and the HS EN to headings 73.26, 85.36, and 85.38, the Commission has determined that the submarine cable jointing system designed for submarine cables, of which subject article is a part of, is classifiable under heading 85.36. Hence, subject KITH9002 UJ/UC Common Component

CMC58-2024

Kit, a part solely designed for the cable jointing system, is specifically covered under heading 85.38 of the AHTN 2017.

Based on the information received/obtained from the Importer/Consignee, and the clarifications provided by the foregoing Section Notes, Chapter Note, HS General EN, and HS EN, subject article is properly classified under AHTN 2017 subheading 8538.90.19 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA). In view of the Philippines' adoption and implementation of the 2022 version of the AHTN on 01 July 2022, subject article is classifiable under the same subheading in AHTN 2022.

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
KITH9002 UJ/UC Common Component Kit	8538.90.19	1% <i>ad valorem</i>

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered,

FOR THE COMMISSION



MARILOU P. MENDOZA
Chairperson



CML-58-2024

Copy furnished:

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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J. Lopez C.

03 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 59-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 22-017 issued on 01 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "KIT10060 UJ Armor Protection Kit," from United Kingdom consigned to Eastern Telecommunications Philippines Incorporated, (Import Entry/ Customs Reference No. C-69865, Ninoy Aquino International Airport), the dispositive portion of which states that:

"**WHEREFORE**, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
"KIT10060 UJ Armor Protection Kit"	8538.90.19	1% <i>ad valorem</i>

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner

APR 15 2024



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REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

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TCC (DR) NO. 22-017

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "KIT10060 UJ ARMOR
PROTECTION KIT", CONSIGNED TO EASTERN
TELECOMMUNICATIONS PHILIPPINES
INCORPORATED

(Import Entry/Customs Reference No. C-69865,
NAIA)

Issued on: 01 April 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of KIT10060 UJ Armor Protection Kit imported by Eastern Telecommunications Philippines Incorporated (Importer/Consignee) from the United Kingdom. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 12 August 2022.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2017 subheading 8536.90.94, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-69865 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2017 subheading 7326.90.99, with an MFN rate of duty of 15% *ad valorem*.

Hence, this request for a TCDR.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 21 September 2022 for comments on the request for a TCDR on KIT10060 UJ Armor Protection Kit. To date, the Commission has not received any comment from the BOC-NAIA, hence, it proceeded to evaluate the classification of subject article based on the submissions received from the Importer/Consignee.

While evaluating the documents submitted by the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence, on 26 October 2022, the Commission requested the Importer/Consignee to submit the following additional information:

- brochure or literature containing subject article's complete material composition and installation guidelines; and
- actual sample of the kit, if available.

On 16 November 2022, the Importer/Consignee responded to the request by resubmitting TC Form 2, a product brochure, and a data sheet for the material, usage, and specification of KIT10060 UJ Armor Protection Kit. After careful review of the said materials, the Commission noted that no new information was provided in compliance with the request for additional information.

Hence, this Commission tried contacting Mr. Rhoel Rojas, the contact person for technical information indicated in the submitted TC Form 2, for discussion/clarification on the additional information. However, the Commission was unable to contact him using the telephone number provided in said Form (i.e., out of service). On 10 November 2023, the Commission sent a letter reiterating the submission of the requested additional information and gave the Importer/Consignee an unextendible period of 10 working days from receipt of the letter to submit the said additional information.

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On 22 November 2023, the Commission received a letter from Ms. Lilia O. Lopez, the Importer/Consignee's Procurement Supervisor. In the said letter, Ms. Lopez informed that they cannot bring an actual sample of the UJ Armor Protection Kit. Instead, the Commission was requested to conduct a physical verification/inspection of the UJ Kit at a warehouse in Mabini, Batangas, where it is currently stored. The letter also stated that the physical verification will supplement the submitted product brochure and data sheet (on the material, usage, and specifications of the KIT10060 UJ Armor Protection Kit) that will help the Commission in determining the appropriate tariff classification of the product.

Thus, on 05 December 2023, the Commission conducted the physical verification/inspection of subject article. During the verification, the Importer/Consignee and the Commission discussed the parts, components, material composition, and use of subject article. A mock assembly of the item was also carried out by the representatives of the Importer/Consignee to help the Commission visualize the actual installation process. The Importer/Consignee also mentioned that the kit will be used to repair submarine cables throughout the country. It was also agreed that the Importer/Consignee will provide the Commission with supplementary information, such as videos, pictures, product user manuals, and other related documents, if granted permission by their supplier. To date, the Importer/Consignee did not provide said supplementary materials.

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the information gathered during the conduct of physical verification/inspection were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted technical information and the information obtained from the physical verification/inspection conducted, it is established that subject article is a repair kit and a segment/component of a submarine cable jointing system. It is designed as the third or outer layer of a submarine cable jointing system and serves as protection for the jointed submarine cables, and is capable of operating at a voltage of less than 1,000 V. The kit primarily consists of cast iron nut caps (used to lock the joint), armor assembly grease (used as a lubricant), sleeve armor, and steel screws. These components work together to shield submarine cables from potential threats, including physical damage, corrosive elements, and external pressures.

Below are photographs of the product taken by the Commission during the aforementioned physical verification/inspection:



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Based on the kit's function, the Importer/Consignee classified subject article under Chapter 85 of the AHTN 2017 which covers *electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles*, and specifically under heading 85.36 which covers, among others, *connectors for optical fibres, optical fibre bundles or cables*.

Note 9 of Chapter 85 of the AHTN 2017 states that:

"9.- For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal."

This definition/description is also reiterated in the Harmonized System (HS) Explanatory Notes (EN) to heading 85.36, which state that:

"XXX"

(IV) CONNECTORS FOR OPTICAL FIBRES, OPTICAL FIBRE BUNDLES OR CABLES

For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal. Connectors for optical fibres, without cables, remain classified in this heading but those connectors for optical fibres with cables are excluded (heading 85.44 or 90.01).

"XXX"

On the other hand, the BOC considered classification of the product, based on its constituent materials, under Chapter 73 of the AHTN 2017, which covers *articles of iron or steel*, particularly under the residual heading of the Chapter, heading 73.26, which covers *other articles of iron or steel*. The pertinent HS EN to this heading state that:

"This heading covers all iron or steel articles obtained by forging or punching, by cutting or stamping or by other processes such as folding, assembling, welding, turning, milling or perforating other than articles included in the preceding headings of this Chapter or covered by Note 1 to Section XV or included in Chapter 82 or 83 or more specifically covered elsewhere in the Nomenclature [emphasis added]."

"XXX"

Note 1 to Section XV (which covers Chapter 73) states that:

"1.- This Section does not cover :

(a) Prepared paints, inks or other products with a basis of metallic flakes or powder (headings 32.07 to 32.10, 32.12, 32.13 or 32.15);

(b) Ferro-cerium or other pyrophoric alloys (heading 36.06);

(c) Headgear or parts thereof of heading 65.06 or 65.07;

(d) Umbrella frames or other articles of heading 66.03;

(e) Goods of Chapter 71 (for example, precious metal alloys, base metal clad with precious metal, imitation jewellery);

(f) Articles of Section XVI (machinery, mechanical appliances and electrical goods)[emphasis added].

"XXX"

The above Section Note clearly indicates that the machinery, mechanical appliances and electrical goods of Section XVI (which include articles of Chapter 85) are excluded under Section XV. Since Chapter 73 is part of the latter Section, it follows that products of Chapter 85 are excluded from Chapter 73.

Based on the information provided/gathered on the other components of the submarine cable jointing system, the Commission has determined that the complete (or essentially complete)

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system, composed of various kits, including subject article, is to be classified under AHTN 2017 subheading 8536.70. Hence, subject article should be evaluated as a part/component of the system and classified as such.

The HS EN for parts of heading 85.36 state that:

"XXX"

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the apparatus of this heading are classified in heading 85.38.

XXX"

Note 2 to Section XVI of the AHTN 2017, which governs the classification of parts for the products falling in this Section, states that:

"Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules :

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48 [emphasis added]"

The HS General EN to the Section regarding the classification of parts state that:

"In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (I) above. Separate headings are, however, provided for :

(A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).

(B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31).

(C) Parts of the textile machines of headings 84.44 to 84.47 (heading 84.48).

(D) Parts of the machines of headings 84.56 to 84.65 (heading 84.66).

(E) Parts of the office machines of headings 84.70 to 84.72 (heading 84.73).

(F) Parts of the machines of heading 85.01 or 85.02 (heading 85.03).

(G) Parts of apparatus of headings 85.19 or 85.21 (heading 85.22).

(H) Parts of apparatus of headings 85.25 to 85.28 (heading 85.29).

(I) Parts of apparatus of heading 85.35, 85.36 or 85.37 (heading 85.38) [emphasis added].

XXX"

As stated in the above HS General EN, parts of apparatus of heading 85.36 fall under heading 85.38 of the AHTN 2017 (parts suitable for use solely or principally with the apparatus of heading 85.35, 85.36 or 85.37). The pertinent HS EN to this heading state that:

"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts of the goods of the three preceding headings [emphasis added].

XXX"

By reference to Note 1 to Section XV, Note 2 to Section XVI, the HS General EN to Section XVI, and the HS EN to headings 73.26, 85.36, and 85.38, the Commission has determined that the submarine cable jointing system designed for submarine cables, of which subject article is a part of, is classifiable under heading 85.36. Hence, subject KIT10060 UJ Armor Protection Kit, a part solely designed for the cable jointing system, is specifically covered under heading 85.38 of the AHTN 2017.

Based on the information received/obtained from the Importer/Consignee, and the clarifications provided by the foregoing Section Notes, Chapter Note, HS General EN, and HS EN, subject article is properly classified under AHTN 2017 subheading 8538.90.19 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA). In view of the Philippines' adoption and implementation of the 2022 version of the AHTN on 01 July 2022, subject article is classifiable under the same subheading in AHTN 2022.

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
KIT10060 UJ Armor Protection Kit	8538.90.19	1% <i>ad valorem</i>

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION

Marilou P. Mendoza

MARILOU P. MENDOZA
Chairperson

CNC 59-2024

Copy furnished:

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TCC (DR) NO. 22-017





REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

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Handwritten signature/initials

03 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. GD-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 22-021 issued on 27 March 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "KIT10070 UJ Single Armor Buffer Kit," from United Kingdom consigned to Eastern Telecommunications Philippines Incorporated, (Import Entry/ Customs Reference No. C-69865, Ninoy Aquino International Airport), the dispositive portion of which states that:

- **"WHEREFORE,** premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
"KIT10070 UJ Single Armor Buffer Kit"	8538.90.19	1% <i>ad valorem</i>

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner

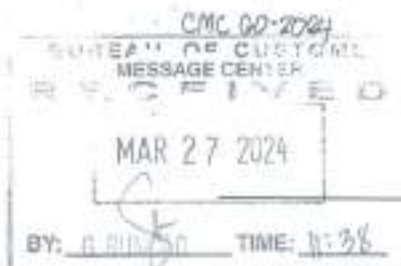


APR 15 2024



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REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

09-47596

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "KIT10070 UJ SINGLE
ARMOR BUFFER KIT", CONSIGNED TO EASTERN
TELECOMMUNICATIONS PHILIPPINES,
INCORPORATED

TCC (DR) NO. 22-021

(Import Entry/Customs Reference No. C-69865,
NAIA)

Issued on: 27 March 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of KIT10070 UJ Single Armor Buffer Kit imported by Eastern Telecommunications Philippines Incorporated (Importer/Consignee) from the United Kingdom. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 12 August 2022.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2017 subheading 8536.90.94, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-69865 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2017 subheading 7326.90.99, with an MFN rate of duty of 15% ad valorem.

Hence, this request for a TCDR.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 21 September 2022 for comments on the request for a TCDR on KIT10070 UJ Single Armor Buffer Kit. However, to date, the Commission has not received any comment from the BOC-NAIA, hence, it proceeded to evaluate the classification of subject article based on the submissions received from the Importer/Consignee.

While evaluating the documents submitted by the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence, on 26 October 2022, the Commission requested the Importer/Consignee to submit the following additional information:

- brochure or literature containing subject article's complete material composition and installation guidelines; and
- actual sample of the kit, if available.

On 16 November 2022, the Importer/Consignee responded to the request by resubmitting TC Form 2, a product brochure, and a data sheet on the material, usage, and specification of KIT10070 UJ Single Armor Buffer Kit. After careful review of the said materials, the Commission noted that no new information was provided in compliance with the request for additional information.

Hence, this Commission tried contacting Mr. Rhoel Rojas, the contact person for technical information indicated in the submitted TC Form 2, for discussion/clarification on the additional information. However, the Commission was unable to contact him using the telephone number provided in said Form (i.e., out of service). On 10 November 2023, the Commission sent a letter reiterating the submission of the requested additional information and gave the Importer/Consignee an unextendible period of 10 working days from receipt of the letter to submit the said additional information.

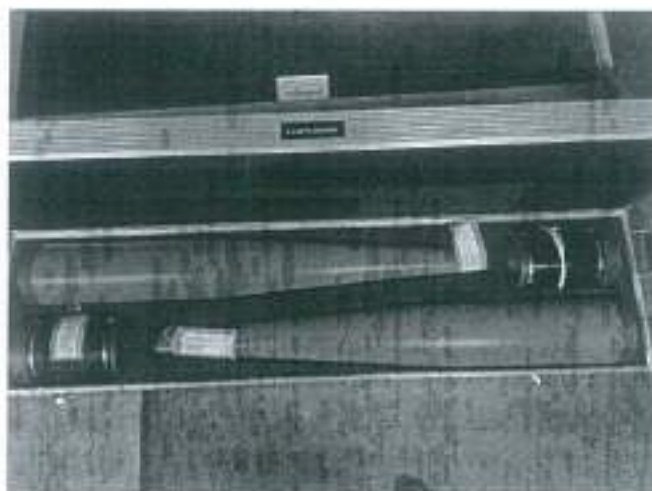
On 22 November 2023, the Commission received a letter from Ms. Lilia O. Lopez, the Importer/Consignee's Procurement Supervisor. In the said letter, Ms. Lopez informed that they cannot bring an actual sample of the UJ Single Armor Buffer Kit. Instead, the Commission was requested to conduct a physical verification/inspection of the kit at a warehouse in Mabini, Batangas, where it is currently stored. The letter also stated that the physical verification will supplement the submitted product brochure and data sheet (showing the material, usage, and specifications of the KIT10070 UJ Single Armor Buffer Kit) that will help the Commission in determining the appropriate tariff classification of the product.

Thus, on 05 December 2023, the Commission conducted the physical verification/inspection of subject article. During the verification, the Importer/Consignee and the Commission discussed the parts, components, material composition, and use of subject article. A mock assembly of the item was also carried out by the representatives of the Importer/Consignee to help the Commission visualize the actual installation process. The Importer/Consignee also mentioned that the kit will be used to repair submarine cables throughout the country. It was also agreed that the Importer/Consignee will provide the Commission with supplementary information, such as videos, pictures, product user manuals, and other related documents, if granted permission by their supplier. To date, the Importer/Consignee did not provide said supplementary materials.

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the information gathered during the conduct of physical verification/inspection were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted technical information and the information obtained from the physical verification/inspection conducted, it is established that subject article is a repair kit and a segment/component of a submarine cable jointing system. It is designed as the third or outer layer of a submarine cable jointing system (capable of operating at a voltage of less than 1,000 V) and serves as protection for the jointed submarine cables. The kit consists of a pair of plastic buffers with cast iron on one end (the outer covering that comes into contact with the sea) and a pair of buffer band limiters (with a spring and rubber body which acts as a shock absorber against seismic movement and accommodates the bending ratio of the cables under tension from the sea). These components are assembled using adhesive/sealant (to be imported separately) and constitute the third layer of the jointing kit designed for single armoured submarine cables.

Below is a photograph of the product taken by the Commission during the aforementioned physical verification/inspection:



Based on the kit's function, the Importer/Consignee classified subject article under Chapter 85 of the AHTN 2017 which covers *electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles*; and specifically under heading 85.36 which covers, among others, *connectors for optical fibres, optical fibre bundles or cables*.

Note 9 of Chapter 85 of the AHTN 2017 states that:

"9. For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal."

This definition/description is also reiterated in the Harmonized System (HS) Explanatory Notes (EN) to heading 85.36, which state that:

"XXX"

(IV) CONNECTORS FOR OPTICAL FIBRES, OPTICAL FIBRE BUNDLES OR CABLES

For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal. Connectors for optical fibres, without cables, remain classified in this heading but those connectors for optical fibres with cables are **excluded** (heading 85.44 or 90.01).

"XXX"

On the other hand, the BOC considered classification of the product, based on its constituent materials, under Chapter 73 of the AHTN 2017, which covers articles of iron or steel, particularly under the residual heading of the Chapter, heading 73.26, which covers other articles of iron or steel. The pertinent HS EN to this heading state that:

"This heading covers all iron or steel articles obtained by forging or punching, by cutting or stamping or by other processes such as folding, assembling, welding, turning, milling or perforating **other than** articles included in the preceding headings of this Chapter or covered by Note 1 to Section XV or included in Chapter 82 or 83 or more specifically covered elsewhere in the Nomenclature [emphasis added].

"XXX"

Note 1 to Section XV (which covers Chapter 73) states that:

"1. This Section does not cover :

(a) Prepared paints, inks or other products with a basis of metallic flakes or powder (headings 32.07 to 32.10, 32.12, 32.13 or 32.15);

(b) Ferro-cerium or other pyrophoric alloys (heading 36.06);

(c) Headgear or parts thereof of heading 65.06 or 65.07;

(d) Umbrella frames or other articles of heading 66.03;

(e) Goods of Chapter 71 (for example, precious metal alloys, base metal clad with precious metal, imitation jewellery);

(f) **Articles of Section XVI (machinery, mechanical appliances and electrical goods)**[emphasis added];

"XXX"

The above Section Note clearly indicates that the machinery, mechanical appliances and electrical goods of Section XVI (which include articles of Chapter 85) are excluded under Section XV. Since Chapter 73 is part of the latter Section, it follows that products of Chapter 85 are excluded from Chapter 73.

Based on the information provided/gathered on the other components of the submarine cable jointing system, the Commission has determined that the complete (or essentially complete) system, composed of various kits, including subject article, is to be classified under AHTN 2017 subheading 8538.70. Hence, subject article should be evaluated as a part/component of the system and classified as such.

The HS EN for parts of heading 85.36 state that:

"XXX"

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the apparatus of this heading are classified in heading 85.38.

"XXX"

Note 2 to Section XVI of the AHTN 2017, which governs the classification of parts for the products falling in this Section, states that:

"Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules:

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48 [emphasis added]."

The HS General EN to the Section regarding the classification of parts state that:

"In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (I) above. Separate headings are, however, provided for:

- (A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).
- (B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31).
- (C) Parts of the textile machines of headings 84.44 to 84.47 (heading 84.48).
- (D) Parts of the machines of headings 84.56 to 84.65 (heading 84.66).
- (E) Parts of the office machines of headings 84.70 to 84.72 (heading 84.73).
- (F) Parts of the machines of heading 85.01 or 85.02 (heading 85.03).
- (G) Parts of apparatus of headings 85.19 or 85.21 (heading 85.22).
- (H) Parts of apparatus of headings 85.25 to 85.28 (heading 85.29).
- (I) Parts of apparatus of heading 85.35, 85.36 or 85.37 (heading 85.38) [emphasis added].

"XXX"

As stated in the above HS General EN, parts of apparatus of heading 85.38 fall under heading 85.38 of the AHTN 2017 (parts suitable for use solely or principally with the apparatus of heading 85.35, 85.36 or 85.37). The pertinent HS EN to this heading state that:

"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts of the goods of the three preceding headings [emphasis added]."

"XXX"

By reference to Note 1 to Section XV, Note 2 to Section XVI, HS General EN to Section XVI, and the HS EN to headings 73.26, 85.36, and 85.38, the Commission has determined that the submarine cable jointing system designed for submarine cables, of which subject article is a part of, is classifiable under heading 85.36. Hence, subject KIT10070 UJ Single Armor Buffer Kit, a part solely designed for the cable jointing system, is specifically covered under heading 85.38 of the AHTN 2017.

Based on the information received/obtained from the Importer/Consignee, and the clarifications provided by the foregoing Section Notes, Chapter Note, HS General EN, and HS EN, subject article is properly classified under AHTN 2017 subheading 8538.90.19 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA). In view of the Philippines' adoption and implementation of the 2022 version of the AHTN on 01 July 2022, subject article is classifiable under the same subheading in AHTN 2022.

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
KIT10070 UJ Single Armor Buffer Kit	8538.90.19	1% ad valorem

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION



MARILOU P. MENDOZA
Chairperson



Copy furnished:

The Secretary

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The Commissioner

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Ms. Lilla O. Lopez

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

03 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 61-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 22-019 issued on 27 March 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "KIT26620 Nexans URC-1 DA (4.2)(5.6MM) End Specific Kit," from United Kingdom consigned to Eastern Telecommunications Philippines Incorporated, (Import Entry/ Customs Reference No. C-69865, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
"KIT26620 NEXANS URC-1 DA (4.2)(5.6MM) END SPECIFIC KIT"	8538.90.19	1% <i>ad valorem</i>

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner



APR 15 2024



Gate 3, South Harbor, Port Area, Manila 1018

+63 (02) 8705-6000, +63 (02) 8527-1968 | www.customs.gov.ph | boc.cares@customs.gov.ph



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

09-47620
#1798
04-02-24
Almon G. #1798

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TCC (DR) NO. 22-019

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "KIT26620 NEXANS URC-1
DA (4.2)(5.6MM) END SPECIFIC KIT", CONSIGNED
TO EASTERN TELECOMMUNICATIONS
PHILIPPINES INCORPORATED

(Import Entry/Customs Reference No. C-69865,
NAIA)

Issued on: 27 March 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of KIT26620 Nexans URC-1 DA (4.2)(5.6mm) End Specific Kit imported by Eastern Telecommunications Philippines Incorporated (Importer/Consignee) from the United Kingdom. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 12 August 2022.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2017 subheading 8538.90.94, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-69865 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2017 subheading 7326.90.99, with an MFN rate of duty of 15% *ad valorem*.

Hence, this request for a TCDR.

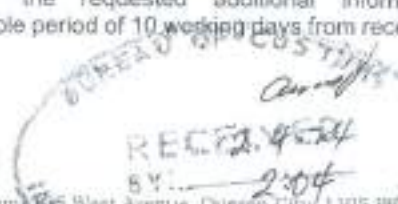
Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 21 September 2022 for comments on the request for a TCDR on KIT26620 Nexans URC-1 DA (4.2)(5.6mm) End Specific Kit. To date, the Commission has not received any comment from the BOC-NAIA, hence, it proceeded to evaluate the classification of subject article based on the submissions received from the Importer/Consignee.

While evaluating the documents submitted by the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence, on 26 October 2022, the Commission requested the Importer/Consignee to submit the following additional information:

- brochure or literature containing subject article's complete material composition and installation guidelines; and
- actual sample of the kit, if available.

On 16 November 2022, the Importer/Consignee responded to the request by resubmitting TC Form 2, a product brochure, and a data sheet showing the material, usage, and specification of KIT26620 Nexans URC-1 DA (4.2)(5.6mm) End Specific Kit. After careful review of the said materials, the Commission noted that no new information was provided in compliance with the request for additional information.

Hence, this Commission tried contacting Mr. Rhoel Rojas, the contact person for technical information indicated in the submitted TC Form 2, for discussion/clarification on the additional information. However, the Commission was unable to contact him using the telephone number provided in said Form (i.e., out of service). On 10 November 2023, the Commission sent a letter reiterating the submission of the requested additional information and gave the Importer/Consignee an unextendible period of 10 working days from receipt of the letter to submit the said additional information.



On 22 November 2023, the Commission received a letter from Ms. Lilia D. Lopez, the Importer/Consignee's Procurement Supervisor. In the said letter, Ms. Lopez informed that they cannot bring an actual sample of the End Kit. Instead, the Commission was requested to conduct a physical verification/inspection of the kit at a warehouse in Mabini, Batangas, where it is currently stored. The letter also stated that the physical verification will supplement the submitted product brochure and data sheet (on the material, usage, and specifications of the KIT26620 Nexans URC-1 DA (4.2)(5.6mm) End Specific Kit) that will help the Commission in determining the appropriate tariff classification of the product.

Thus, on 05 December 2023, the Commission conducted the physical verification/inspection of subject article. During the verification, the Importer/Consignee and the Commission discussed the parts, components, material composition, and use of subject article. A mock assembly of the item was also carried out by the representatives of the Importer/Consignee to help the Commission visualize the actual installation process. The Importer/Consignee also mentioned that the kit will be used to repair submarine cables throughout the country. It was also agreed that the Importer/Consignee will provide the Commission with supplementary information, such as videos, pictures, product user manuals, and other related documents, if granted permission by their supplier. To date, the Importer/Consignee did not provide said supplementary materials.

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the information gathered during the conduct of physical verification/inspection were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted technical information and the information obtained from the physical verification/inspection conducted, it is established that subject article is a repair kit and a segment/component of a submarine cable jointing system. It is the second layer of a submarine cable jointing system (capable of operating at a voltage of less than 1,000 V), designed to lock the innermost layer of the jointing kit. Subject article primarily consists of a cast iron collet, armour wire separator, cast iron wedge, wedge insert, split bend limiter, and seal retainer, among others, collectively contributing to provide stability and resilience to the connected submarine cables. It is intended for double armoured cables and is supplied in pairs.

Shown below are photographs of the product taken by the Commission during the aforementioned physical verification/inspection:



C/16-61-2024

Based on the kit's function, the Importer/Consignee classified subject article under Chapter 85 of the AHTN 2017 which covers *electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers; and parts and accessories of such articles*, and specifically under heading 85.36 which covers, among others, *connectors for optical fibres, optical fibre bundles or cables*.

Note 9 of Chapter 85 of the AHTN 2017 states that:

"9. - For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal."

This definition/description is also reiterated in the Harmonized System (HS) Explanatory Notes (EN) to heading 85.36, which state that:

XXX

(IV) CONNECTORS FOR OPTICAL FIBRES, OPTICAL FIBRE BUNDLES OR CABLES

For the purpose of heading 85.36, "connectors for optical fibres, optical fibre bundles or cables" means connectors that simply mechanically align optical fibres end to end in a digital line system. They perform no other function, such as the amplification, regeneration or modification of a signal. Connectors for optical fibres, without cables, remain classified in this heading but those connectors for optical fibres with cables are excluded (heading 85.44 or 90.01).

XXX

On the other hand, the BOC considered classification of the product, based on its constituent materials, under Chapter 73 of the AHTN 2017, which covers *articles of iron or steel*, particularly under the residual heading of the Chapter, heading 73.26, which covers *other articles of iron or steel*. The pertinent HS EN to this heading state that:

"This heading covers all iron or steel articles obtained by forging or punching, by cutting or stamping or by other processes such as folding, assembling, welding, turning, milling or perforating other than articles included in the preceding headings of this Chapter or covered by Note 1 to Section XV or included in Chapter 82 or 83 or more specifically covered elsewhere in the Nomenclature [emphasis added]."

XXX

Note 1 to Section XV (which covers Chapter 73) states that:

"1. - This Section does not cover :

(a) Prepared paints, inks or other products with a basis of metallic flakes or powder (headings 32.07 to 32.10, 32.12, 32.13 or 32.15);

(b) Ferro-cerium or other pyrophoric alloys (heading 36.06);

(c) Gearing or parts thereof of heading 85.06 or 85.07;

(d) Umbrella frames or other articles of heading 86.03;

(e) Goods of Chapter 71 (for example, precious metal alloys; base metal clad with precious metal; imitation jewellery);

(f) Articles of Section XVI (machinery, mechanical appliances and electrical goods)[emphasis added];

XXX

The above Section Note clearly indicates that the machinery, mechanical appliances and electrical goods of Section XVI (which include articles of Chapter 85) are excluded under Section XV. Since Chapter 73 is part of the latter Section, it follows that products of Chapter 85 are excluded from Chapter 73.

Based on the information provided/gathered on the other components of the submarine cable jointing system, the Commission has determined that the complete (or essentially complete) system, composed of various kits, including subject article, is to be classified under AHTN 2017 subheading 8536.70. Hence, subject article should be evaluated as a part/component of the system and classified as such.

The HS EN for parts of heading 85.36 state that:

"XXX"

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the apparatus of this heading are classified in **heading 85.38**.

"XXX"

Note 2 to Section XVI of the AHTN 2017, which governs the classification of parts for the products falling in this Section, states that:

"Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules:

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48 [emphasis added]"

The HS General EN to the Section regarding the classification of parts state that:

"In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (I) above. Separate headings are, however, provided for:

- (A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).
- (B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31).
- (C) Parts of the textile machines of headings 84.44 to 84.47 (heading 84.48).
- (D) Parts of the machines of headings 84.56 to 84.65 (heading 84.66).
- (E) Parts of the office machines of headings 84.70 to 84.72 (heading 84.73).
- (F) Parts of the machines of heading 85.01 or 85.02 (heading 85.03).
- (G) Parts of apparatus of headings 85.19 or 85.21 (heading 85.22).
- (H) Parts of apparatus of headings 85.25 to 85.28 (heading 85.29).
- (I) Parts of apparatus of heading 85.35, 85.36 or 85.37 (heading 85.38) [emphasis added].

"XXX"

As stated in the above HS General EN, parts of apparatus of heading 85.36 fall under heading 85.38 of the AHTN 2017 (*parts suitable for use solely or principally with the apparatus of heading 85.35, 85.36 or 85.37*). The pertinent HS EN to this heading state that:

"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts of the goods of the three preceding headings [emphasis added]."

XXX

By reference to Note 1 to Section XV, Note 2 to Section XVI, HS General EN to Section XVI, and the HS EN to headings 73.26, 85.36, and 85.38, the Commission has determined that the submarine cable jointing system designed for submarine cables, of which subject article is a part of, is classifiable under heading 85.36. Hence, subject KIT26620 Nexans URC-1 DA (4.2)(5.6mm) End Specific Kit, a part solely designed for the cable jointing system, is specifically covered under heading 85.38 of the AHTN 2017.

Based on the information received/obtained from the Importer/Consignee, and the clarifications provided by the foregoing Section Notes, Chapter Note, HS General EN, and HS EN, subject article is properly classified under AHTN 2017 subheading 8538.90.19 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA). In view of the Philippines' adoption and implementation of the 2022 version of the AHTN on 01 July 2022, subject article is classifiable under the same subheading in AHTN 2022.

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2017 Code	2022 MFN Rate
KIT26620 Nexans URC-1 DA (4.2)(5.6mm) End Specific Kit	8538.90.19	1% <i>ad valorem</i>

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION



MARILOU P. MENDOZA
Chairperson

CMC-91 - 2024

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

15 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 62-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL SERVICE DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : DEPARTMENT OF AGRICULTURE (DA) – BUREAU OF
ANIMAL INDUSTRY (BAI) MEMORANDUM CIRCULAR NO.
14, SERIES OF 2024, WITH SUBJECT: "AMENDMENT TO
THE MEMORANDUM CIRCULAR NO. 38, SERIES OF 2021,
BAI NATIONAL VETERINARY QUARANTINE SERVICES
DIVISION

This has reference to the letter dated 19 March 2024 from Romeo J. Manalili, DVM, Ph.D., Officer-in-Charge, Assistant Director, BAI, reiterating that *issuance of Sanitary and Phytosanitary Import Clearances for Semen of Animal Origin is **not required***.

Further, attached is a copy of the abovementioned subject.

For records purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

For guidance and information.

BIENVENIDO Y. RUBIO
Commissioner



APR 16 2024





Republic of the Philippines
Department of Agriculture
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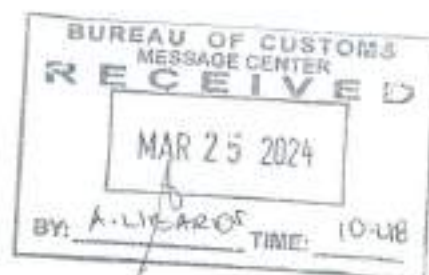
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19 March 2024

DA-47538

MR. BIENVENIDO Y. RUBIO

Commissioner, Bureau of Customs
Office of the Commissioner
G/F OCOM Building, 16th Street,
South Harbor, Port Area, Manila
boc.ocom@customs.gov.ph



Dear Hon. Commissioner Rubio,

Greetings from the Bureau of Animal Industry (BAI)!

Sir, we are writing to your good office since we have received requests for certifications from importers regarding their consignment of Semen Extenders tagged under HS Code 05.1199 (Other including Domestic Animal Semen, silkworm eggs, natural sponges etc.).

Upon verification, semen extenders are safe commodities categorized under the Pharmaceutical Products (38.2499). Further, we certify that commercially prepared semen extenders do not contain Animal and/or its by-products such as Ova/Egg or Semen which may impose risk to Animal, Human and Plant health. We reiterate that these biological reagents do not require Sanitary and Phytosanitary Import Clearance (SPSIC) from the Bureau of Animal Industry. Semen extenders are purely biological reagents that give nutritional support for domestic animal semen when processed for artificial insemination.

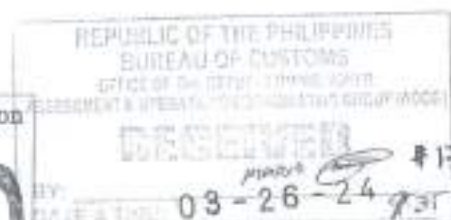
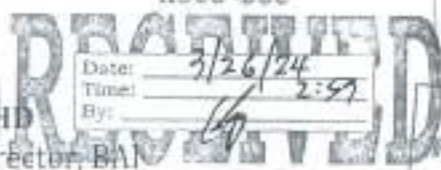
The BAI-National Veterinary Quarantine Services Division has been streamlining its services for improved efficiency since 2023. To clarify, unless the intended commodity to be imported is Semen of Animal origin, this Bureau holds no position to process any SPSIC application or facilitate this importation. Further, our office reiterates Memorandum no. 14, series of 2024 on the list of Regulated Commodities under the National Veterinary Quarantine Services Division.

We request your kind understanding and cooperation.

Very truly yours,

Port Operations Coordination Division
AOCG-BOC

ROMEO J. MANALILI, DVM, PhD
Officer-In-Charge, Assistant Director, BAI



Not a certification, is certified

Masaganang Agrikultura, Maunlad na Ekonomiya

25 MAR 2024



Republic of the Philippines
Department of Agriculture
BUREAU OF ANIMAL INDUSTRY
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MEMORANDUM CIRCULAR

No. 14
Series of 2024

SUBJECT : AMENDMENT TO THE MEMORANDUM CIRCULAR 38 SERIES OF 2021, BAI-NVOSD REGULATED COMMODITIES

In furtherance to the implementation of DA Administrative Circular No. 6, series of 2022 and Administrative Circular no. 2, series of 2023, listed below are the **animals, animal products and by-products** regulated by the **BAI-National Veterinary Quarantine Services Division** and its corresponding HS Codes (Heading).

A. Chapter 1 - LIVE ANIMALS

- 01.01 Live horses, asses, mules and hinnies.
- 01.02 Live bovine animals.
- 01.03 Live swine.
- 01.04 Live sheep and goats.
- 01.05 Live poultry, that is to say, fowls of the species *Gallus domesticus*, ducks, geese, turkeys and guinea fowls.
- 01.06 Other live animals; EXCEPT FOR 0106.12.00 (--Whales, dolphins and porpoises (mammals of the Order Cetacea); manatees and dugongs (mammals of the Order Sirenia); seals, sea lions and walruses (mammals of the suborder Pinnipedia).

B. Chapter 2 - MEAT AND EDIBLE MEAT OFFAL

- 02.01 Meat of bovine animals, fresh or chilled.
- 02.02 Meat of bovine animals, frozen.
- 02.03 Meat of swine, fresh, chilled or frozen.
- 02.04 Meat of sheep or goats, fresh, chilled or frozen.
- 02.05 Meat of horses, asses, mules or hinnies, fresh, chilled or frozen
- 02.06 Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen.
- 02.07 Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen.
- 02.08 Other meat and edible meat offal, fresh, chilled or frozen; EXCEPT FOR 0208.40 (--Of whales, dolphins and porpoises (mammals of the order Cetacea); manatees and dugongs (mammals of the order Sirenia); seals, sea lions and walruses (mammals of the suborder Pinnipedia).
- 02.09 Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked (for those that are processed but not fully heat treated).
- 02.10 Meat and edible meat offal, salted, in brine, dried or smoked*; edible flours and meals of meat or meat offal, EXCEPT FOR 0210.92 (--Of whales,



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dolphins and porpoises (mammals of the order Cetacea); manatees and dugongs (mammals of the order Sirenia); seals, sea lions and walruses (mammals of the suborder Pinnipedia).

C. Chapter 4 - DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED

- 04.07 Birds' eggs, in shell, fresh, preserved or cooked. (Only for hatching eggs and fresh eggs)
- 04.09 Natural honey. (If raw and without any added ingredients)
- 04.10 Edible products of animal origin, not elsewhere specified or included.

D. Chapter 5 - PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED

- 05.02 Pigs', hogs' or boars' bristles and hair; badger hair and other brush making hair; waste of such bristles or hair.
- 05.04 Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked.
- 05.10 Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved.
- 05.11 Animal products not elsewhere specified or included; dead animals of Chapter 1 or 3, unfit for human consumption; EXCEPT FOR 0511.91 (-- Products of fish or crustaceans, molluscs or other aquatic invertebrates; dead animals of Chapter 3).

E. Chapter 15 - ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE

- 15.01 Pig fat (including lard) and poultry fat, other than that of heading 02.09 or 15.03.
- 15.02 Fats of bovine animals, sheep or goats, other than those of heading 15.03.
- 15.05 Wool grease and fatty substances derived therefrom (including lanolin).
- 15.06 Other animal fats and oils and their fractions, whether or not refined, but not chemically modified.

F. Chapter 41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER

- 41.01 Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.
- 41.02 Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further



Registration is certified
according to ISO 9001



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Handwritten signature

prepared), whether or not with wool on or split, other than those excluded by Note 1(c) to this Chapter.

- 41.03 Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1(b) or 1(c) to this Chapter.

G. Chapter 43 FURSKINS AND ARTIFICIAL FUR; MANUFACTURES THEREOF

- 43.01 Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.

For your information and guidance.

Done this 15th day of March, 2024.

ENRICO MIGUEL L. CAPULONG, DVM, MSA
Officer-in-Charge, Director



The signature is certified
according to ISO 9001



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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BOC-01-08734

#2110

19 April 2024

CUSTOMS MEMORANDUM CIRCULAR

No. 63 - 2024

**To: All Collectors of Customs
Importers, Customs Brokers, Brokers'
Representatives and All Others Concerned**

In line with Customs Memorandum Order No. 14 - 2019, the Exchange Rate duly issued by the Bangko Sentral ng Pilipinas on April 19, 2024 shall be the applicable Rate of Exchange for the week April 20, 2024 to April 26, 2024 for both the regular consumption entries (formal and informal), warehouse entries as well as withdrawal entries for shipments entered under warehousing.

COUNTRY	UNIT	PHIL. PESO EQUIVALENT
---------	------	--------------------------

I. CONVERTIBLE CURRENCIES WITH BANGKO SENTRAL:

1 UNITED STATES	DOLLAR	57.0950
2 JAPAN	YEN	0.3693
3 UNITED KINGDOM	POUND	71.0262
4 HONGKONG	DOLLAR	7.2906
5 SWITZERLAND	FRANC	62.5973
6 CANADA	DOLLAR	41.4724
7 SINGAPORE	DOLLAR	41.9261
8 AUSTRALIA	DOLLAR	36.6550
9 BAHRAIN	DINAR*	151.4496
10 KUWAIT	DINAR	N/A
11 SAUDI ARABIA	RIYAL	15.2208
12 BRUNEI	DOLLAR	41.7728
13 INDONESIA	RUPIAH	0.0035
14 THAILAND	BAHT****	1.5519
15 UNITED ARAB EMIRATES	DIRHAM	15.5462
16 EUROPEAN MONETARY UNION	EURO	60.7833
17 KOREA	WON	0.0415
18 CHINA	YUAN**	7.8880



Gate 3, South Harbor, Port Area, Manila 1018

+63 (02) 8705-6000, +63 (02) 8527-1968 | www.customs.gov.ph | boc.cares@customs.gov.ph

II. OTHERS (NOT CONVERTIBLE WITH BSP)

19 ARGENTINA	PESO	0.0657
20 BRAZIL	REAL	10.8925
21 DENMARK	KRONER	8.1456
22 INDIA	RUPEE	0.6835
23 MALAYSIA	RINGGIT	11.9420
24 MEXICO	NEW PESO	3.3453
25 NEW ZEALAND	DOLLAR	33.6918
26 NORWAY	KRONER	5.1721
27 PAKISTAN	RUPEE	0.2054
28 SOUTH AFRICA	RAND	2.9824
29 SWEDEN	KRONER	5.2099
30 SYRIA	POUND	0.0044
31 TAIWAN	NT DOLLAR	1.7596
32 VENEZUELA	BOLIVAR	1.5750

It shall be understood that the foreign currencies shall be converted directly into the Philippine Pesos rather than the old practice of converting first into U.S. Dollar.

All issuances inconsistent with this Order are hereby revoked.

This Order shall take effect April 19, 2024.


ATTY. VENER S. BAQUIRAN
 Deputy Commissioner, AOCG





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03 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 65-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 22-044 issued on 27 March 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "Shaft," from Switzerland consigned to ABB, Incorporated, (Import Entry/ Customs Reference No. C-80799, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2022 MFN Rate	2022 PH-EFTA FTA (CHE/LIE) Rate*
"SHAFT"	8414.90.90.200	5% ad valorem	Zero

**Subject to submission of an Origin Declaration*

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner



APR 19 2024



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CMC No. 05-2024 p.2



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09-47622

REPUBLIC OF THE PHILIPPINES

TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "SHAFT", CONSIGNED TO
ABB, INCORPORATED

TCC (DR) NO. 22-044

(Import Entry/Customs Reference No. C-80799,
BOC-NAIA)

Issued on: 27 March 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of Shaft, imported by ABB, Incorporated (Importer/Consignee) from Switzerland. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 15 December 2022.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 8411.99.00, with a Most Favoured Nation (MFN) rate of duty of 3% *ad valorem*, was processed under Import Entry/Customs Reference No. C-80799 at the Bureau of Customs (BOC), Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2017 subheading 8414.90.90B (or AHTN 2022 subheading 8414.90.90.200), with an MFN rate of duty of 5% *ad valorem*.

Hence, this request for TCDR.

While evaluating the submissions from the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence, on 27 January 2023, the Commission requested the Importer/Consignee to submit the following additional information:

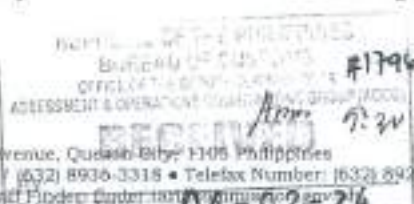
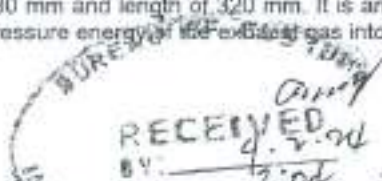
- use/function of the turbo charger machine in which the subject part is intended/designed to be installed;
- use/function of the subject part requested for ruling; and
- dimensions of the part (in mm).

On 01 February 2023, the Commission received the requested information via an electronic mail (email) from Mr. German Villafuerte, Senior Manager and Head of Operations of ABB, Incorporated.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 25 July 2023 for comments on the request for TCDR on Shaft. However, to this date, the Commission has not received any comment from the BOC-NAIA, hence, it proceeded to evaluate the classification of subject article based on the submissions received from the Importer/Consignee.

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted technical specifications and photograph of the product, it is established that subject article is a metal shaft with turbine blades. It has an overall diameter of 330 mm and length of 320 mm. It is an internal key component of a turbocharger that converts pressure energy of the exhaust gas into velocity to drive the turbine of the turbocharger.



01 APR 2024

The turbocharger is a turbomachine consisting of two major parts - the turbine and the compressor, mounted on a common shaft. The exhaust gases from the diesel or gas engine flow through the turbine casing and the nozzle ring to impinge on the turbine. The bladed shaft/turbine shaft uses the energy contained in the exhaust gas to drive the compressor wheel. The compressor draws in the fresh air, compresses it, and then forces it into the engine's cylinders to produce more power for a given displacement.

Below is a photograph of the product submitted by the Importer/Consignee to the Commission:

Turbine Shaft

Diameter 330mm, Length 320mm



The Importer/Consignee classified subject article under parts of heading 84.11 of the AHTN 2022 which covers turbo-jets, turbo-propellers and other gas turbines. The pertinent Harmonized System (HS) Explanatory Notes (EN) for this heading state that:

"This heading covers turbo-jets, turbo-propellers and other gas turbines."

The turbo-jets, turbo-propellers and other gas turbines of this heading are, in general, gas turbine engines, which are internal combustion engines and do not usually require any external source of heat as does, for example, a steam turbine [emphasis added].

X X X

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the engines and motors of this heading are also classified here (e.g., gas turbine rotors, combustion chambers and vents for jet engines, parts of turbo-jet engines (stator rings, with or without blades, rotor discs or wheels, with or without fins, blades and fins), fuel feed regulators, fuel nozzles) [emphasis added]."

On the other hand, the BOC considered classification of subject article under heading 84.14 of the AHTN 2017/2022 which covers, among others, air or vacuum pumps, air or other gas compressors and fans. The pertinent HS EN for this heading state that:

"This heading covers machines and appliances, hand-operated or power driven, for the compression of air or other gases, or for creating a vacuum, and also machines for circulating air or other gases."

(A) PUMPS AND COMPRESSORS

In general, air pumps, vacuum pumps and compressors function on the same principles as and are broadly of similar construction to the liquid pumps (piston, rotary, centrifugal or ejector pumps) described under the preceding heading.

In addition, however, there are certain special types, particularly for producing high vacua, such as diffusion pumps (the pump fluid being oil or mercury), molecular pumps and entrapment pumps (getter pumps, cryopumps). Diffusion pumps, however, are sometimes made of glass, in which case they are excluded (Chapter 70).

Emc No. 64-2024 p. 4

Air and vacuum pumps serve many purposes : for facilitating boiling, distilling or evaporating at reduced pressure; for evacuating electric lamps or tubes, vacuum flasks, etc. Air pumps serve for pumping air at pressure (e.g., for inflating pneumatic tyres).

Unlike liquid pumps, air or other gas compressors (other than low pressure or intermittent working compressors) are water-cooled or have fins or other means for air cooling (surface cooling) to dissipate the considerable heat of compression which is generated.

There are several types of compressors, for example, reciprocating piston, centrifugal, axial and rotary compressors. **A special type of compressor is the exhaust-gas turbocharger used in internal-combustion piston engines to increase power output** [emphasis added].

x x x

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the goods of this heading are also classified here (e.g., pump or compressor bodies, blades, rotors or impellers, vanes and pistons) [emphasis added].

It should be noted that both of the HS EN mentioned above provide guidance on the classification of parts of the machines and devices of the aforementioned headings (i.e., 84.11 and 84.14) by referring to the general provisions regarding the classification of parts, which is Note 2 to Section XVI.

Note 2 to Section XVI of the AHTN 2022 states that:

"Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules :

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48."

In addition, the General EN to Section XVI for Parts state that:

"In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (i) above. Separate headings are, however, provided for :

(A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).

(B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31).

(C) Parts of the textile machines of headings 84.44 to 84.47 (heading 84.48).

(D) Parts of the machines of headings 84.56 to 84.65 (heading 84.66).

(E) Parts of the office machines of headings 84.70 to 84.72 (heading 84.73).

(F) Parts of the machines of heading 85.01 or 85.02 (heading 85.03).

(G) Parts of apparatus of headings 85.19 or 85.21 (heading 85.22).

cmc NO. 64-2024 p. 5

(H) Parts of apparatus of headings 85.25 to 85.28 (heading 85.29).

(L) Parts of apparatus of heading 85.35, 85.36 or 85.37 (heading 85.38) [emphasis added].

The above rules do not apply to parts which in themselves constitute an article covered by a heading of this Section (other than headings 84.87 and 85.48); these are in all cases classified in their own appropriate heading even if specially designed to work as part of a specific machine. This applies in particular to:

(1) Pumps and compressors (headings 84.13 and 84.14) [emphasis added].

x x x"

By reference to Note 2 to Section XVI and the HS EN to heading 84.14, the Commission has determined that the turbocharger where subject article is a part of is an exhaust-gas turbocharger (a special type of compressor) of heading 84.14, and not a gas turbine engine of heading 84.11. Hence, subject shaft, being a component or part of an exhaust-gas turbocharger, is more appropriately covered under parts of heading 84.14 of the AHTN 2022.

Based on the information received from the Importer/Consignee, and the clarifications provided by the foregoing Section Note, HS General EN, and HS EN, subject article is properly classified under AHTN 2022 subheading 8414.90.90.200 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2022 MFN Rate	2022 PH-EFTA FTA (CHE/LIE) Rate*
Shaft	8414.90.90.200	5% ad valorem	Zero

*Subject to submission of an Origin Declaration

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION

MariLou P. Mendoza

MARILOU P. MENDOZA
Chairperson

Copy furnished:

The Secretary

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Roxas Boulevard, Metro Manila
Email: secfin@dox.gov.ph

The Commissioner

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Office of the Commissioner
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Atty. Maria Yasmin M. Obillos-Mapa

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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A modernized and credible customs administration that upholds good governance and learning the world's best

08 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 66-2024

**To : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED**

**SUBJECT: BUREAU OF ANIMAL INDUSTRY (BAI) MEMORANDUM CIRCULAR
NO. 14 SERIES OF 2024 WITH SUBJECT: AMENDMENT TO THE
MEMORANDUM CIRCULAR 38 SERIES OF 2021. BAI-NATIONAL
VETERINARY QUARANTINE SERVICES DIVISION REGULATED
COMMODITIES**

This has reference to the herein attached letter dated 19 March 2024 from Romeo J. Manalili, DVM, PHD, Officer-In-Charge, Assistant Director, BAI on the abovementioned subject.

As stated in the letter, the BAI received requests for certifications from importers regarding their consignment of Semen Extenders tagged under HS Code 05.1190 (Other including Domestic Animal Semen, silkworm eggs, natural sponges etc.).

Upon verification, semen extenders are safe commodities categorized under the Pharmaceutical Products (38.2499)

Further, BAI certified that commercially prepared semen extenders do not contain Animal and/or its by-products such as Oval/Egg or Semen which may impose risk to Animal, Human and Plant Health. They reiterate that these biological reagents do not require Sanitary and Phytosanitary Import Clearance (SPSIC) from the BAI. Semen extenders are purely biological reagents that give nutritional support for domestic animal semen when processed for artificial insemination.

To clarify, unless the intended commodity to be imported is Semen of Animal origin, BAI holds no position to process any SPSIC application or facilitate this importation.

Lastly, BAI reiterates Memorandum No. 14 Series of 2024 with the subject: **AMENDMENT TO THE MEMORANDUM CIRCULAR 38 SERIES OF 2021, BAI-NVQSDS REGULATED COMMODITIES**, on the list of animals, animal products and



by-products regulated by the BAI-National Veterinary Quarantine Services Division and its corresponding HS Codes as herein attached.

For records purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For information and guidance.

BIENVENIDO Y. RUBIO
Commissioner



APR 10 2024





CML NO. 66-60247 3-2

Republic of the Philippines
Department of Agriculture
BUREAU OF ANIMAL INDUSTRY

5455 Ayala Avenue, Makamig Vista, Quezon City 1128

☎ (02) 8638-1120 📠 86381120@da.gov.ph 🌐 www.dai.gov.ph 📧 dai@da.gov.ph

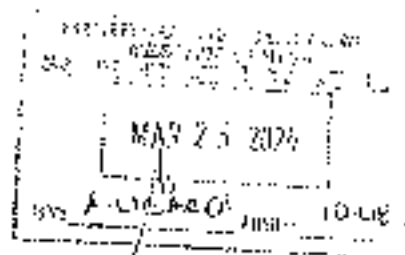
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19 March 2024

60-44038

MR. BIENVENIDO Y. RUBIO

Commissioner, Bureau of Customs
Office of the Commissioner
G/F OCOM Building, 16th Street,
South Harbor, Port Area, Manila
biy.rubio@customs.gov.ph



Dear **Hon. Commissioner Rubio**,

Greetings from the Bureau of Animal Industry (BAI).

Sir, we are writing to your good office since we have received requests for certifications from importers regarding their consignment of Semen Extenders tagged under HS Code 05.1199 (–Other) including Domestic Animal Semen, silkworm eggs, natural sponges, etc.).

Upon verification, semen extenders are safe commodities categorized under the Pharmaceutical Products (38.2499). Further, we certify that commercially prepared semen extenders do not contain Animal and/or its by-products such as Ova/Egg or Semen which may impose risk to Animal, Human, and Plant health. We reiterate that these biological reagents do not require Sanitary and Phytosanitary Import Clearance (SPSIC) from the Bureau of Animal Industry. Semen extenders are purely biological reagents that give nutritional support for domestic animal semen when processed for artificial insemination.

The BAI-National Veterinary Quarantine Services Division has been streamlining its services for improved efficiency since 2023. To clarify, unless the intended commodity to be imported is Semen of Animal origin, this Bureau holds no position to process any SPSIC application or facilitate this importation. Further, our office reiterates Memorandum no. 14, series of 2024 on The list of Regulated Commodities under the National Veterinary Quarantine Services Division.

We request your kind understanding and cooperation.

Very truly yours,

03-26-24 1526

ROMEO J. MANALILI, DVM, PhD

Officer-in-Charge, Assistant Director, BAI





Republic of the Philippines
Department of Agriculture
BUREAU OF ANIMAL INDUSTRY
6000 Alabang Avenue, Alabang Village, Muntinlupa City 1700

☎ 02-8506-5555 ☎ 02-8506-5555 ☎ 02-8506-5555 ☎ 02-8506-5555

MEMORANDUM CIRCULAR

No. 06
Series of 2024

SUBJECT: AMENDMENT TO THE MEMORANDUM CIRCULAR 391 SERIES OF 2021, BAI-NVQSD REGULATED COMMODITIES

In furtherance of the implementation of DA Administrative Circular No. 6, series of 2022 and Administrative Circular no. 2, series of 2023, listed below are the animals, animal products and by-products regulated by the BAI-National Veterinary Quarantine Services Division and its corresponding HS Codes (Heading):

A. Chapter 1 - LIVE ANIMALS

- 01.01 Live horses, asses, mules and hinnies
- 01.02 Live bovine animals
- 01.03 Live swine
- 01.04 Live sheep and goats
- 01.05 Live poultry, that is to say, fowls of the species *Gallus domesticus*, ducks, geese, turkeys and guinea fowls.
- 01.06 Other live animals, EXCEPT FOR 0106.12.00 (--Whales, dolphins and porpoises (mammals of the Order Cetacea); manatees and dugongs (mammals of the Order Sirenia); seals, sea lions and walruses (mammals of the suborder Pinnipedia))

B. Chapter 2 - MEAT AND EDIBLE MEAT OFFAL

- 02.01 Meat of bovine animals, fresh or chilled
- 02.02 Meat of bovine animals, frozen
- 02.03 Meat of swine, fresh, chilled or frozen
- 02.04 Meat of sheep or goats, fresh, chilled or frozen
- 02.05 Meat of horses, asses, mules or hinnies, fresh, chilled or frozen
- 02.06 Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen
- 02.07 Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen
- 02.08 Other meat and edible meat offal, fresh, chilled or frozen; EXCEPT FOR 0208.40 (--Of whales, dolphins and porpoises (mammals of the order Cetacea); manatees and dugongs (mammals of the order Sirenia); seals, sea lions and walruses (mammals of the suborder Pinnipedia))
- 02.09 Pig fat, free of lean meat, and poultry fat, not rendered or, if so, was extracted, fresh, chilled, frozen, salted, in brine, dried or smoked (but those that are processed but not fully heat treated)
- 02.10 Meat and edible meat offal, salted, in brine, dried or smoked*, edible flours and meals of meat or meat offal EXCEPT FOR 0210.92 (--Of whales,



dolphins and porpoises (members of the order Cetacea); manatees and dugongs (mammals of the order Sirenia); seals, sea lions and walruses (mammals of the suborder Pinnipedia).

U Chapter 4 - DAIRY PRODUCTS; BIRDS' EGGS; NATURAL HONEY; EDIBLE PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED

- 04.07 Birds' eggs, in shell, fresh, preserved or cooked (Only for hatching eggs and fresh eggs)

D. Chapter 5 - PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED

- 05.02 Eggs, hogs' or boars' bristles and hair, badger hair and other harsh making hair; waste of such bristles or hair.
- 05.04 Fats, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked.
- 05.10 Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved.
- 05.11 Animal products not elsewhere specified or included, dead animals of Chapter 1 or 3, unfit for human consumption; EXCEPT FOR 0511.01 (- Products of fish or crustaceans, molluscs or other aquatic invertebrates; dead animals of Chapter 3)

E. Chapter 15 - ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE

- 15.01 Pig fat (including lard) and poultry fat, other than that of heading 02.09 or 15.03.
- 15.02 Fats of bovine animals, sheep or goats, other than those of heading 15.03.
- 15.05 Wool grease and fatty substances derived therefrom (including lanolin).
- 15.06 Other animal fats and oils and their fractions, whether or not refined, but not chemically modified.

F. Chapter 41 • RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER

- 41.01 Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not debaired or split.
- 41.02 Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared).

REPUBLIC OF THE PHILIPPINES



Republic of the Philippines
Department of Agriculture
BUREAU OF ANIMAL INDUSTRY
5 Visayas Avenue, Bureau of Animal Industry, Quezon City, 1106

☎ (02) 5562-1112 📠 0255621112 📧 bair@da.gov.ph 🌐 bair.da.gov.ph

3

prepared), whether or not cut, sewed or or split, other than those excluded by Note 1(c) to this Chapter

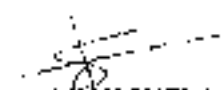
41.03 Other raw hides and skins [fresh or salted, dried, tanned, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared], whether or not defained or split, other than those excluded by Note 1(h) or 1(j) to this Chapter

G. Chapter 43 FURSKINS AND ARTIFICIAL FUR; MANUFACTURES THEREOF

43.01 Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.

For your information and guidance.

Done this 15th day of MARCH, 2024


ENRICO MIGUEL L. CAPULONG, DVM, MSA
Officer-in-Charge, Director





REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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BOC-01-08735

26 April 2024

CUSTOMS MEMORANDUM CIRCULAR

No. 67-2024

To: All Collectors of Customs
Importers, Customs Brokers, Brokers'
Representatives and All Others Concerned

In line with Customs Memorandum Order No. 14 - 2019, the Exchange Rate duly issued by the Bangko Sentral ng Pilipinas on April 26, 2024 shall be the applicable Rate of Exchange for the week April 27, 2024 to May 3, 2024 for both the regular consumption entries (formal and informal), warehouse entries as well as withdrawal entries for shipments entered under warehousing.

COUNTRY	UNIT	PHIL. PESO EQUIVALENT
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I. CONVERTIBLE CURRENCIES WITH BANGKO SENTRAL:

1 UNITED STATES	DOLLAR	57.8690
2 JAPAN	YEN	0.3720
3 UNITED KINGDOM	POUND	72.4346
4 HONGKONG	DOLLAR	7.3925
5 SWITZERLAND	FRANC	63.4528
6 CANADA	DOLLAR	42.3763
7 SINGAPORE	DOLLAR	42.5758
8 AUSTRALIA	DOLLAR	37.7248
9 BAHRAIN	DINAR*	153.4987
10 KUWAIT	DINAR	N/A
11 SAUDI ARABIA	RIYAL	15.4297
12 BRUNEI	DOLLAR	42.4197
13 INDONESIA	RUPIAH	0.0036
14 THAILAND	BAHT****	1.5643
15 UNITED ARAB EMIRATES	DIRHAM	15.7578
16 EUROPEAN MONETARY UNION	EURO	62.0992
17 KOREA	WON	0.0422
18 CHINA	YUAN**	7.9934



Gate 3, South Harbor, Port Area, Manila 1018

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II. OTHERS (NOT CONVERTIBLE WITH BSP)

19 ARGENTINA	PESO	0.0663
20 BRAZIL	REAL	11.2173
21 DENMARK	KRONER	8.3261
22 INDIA	RUPEE	0.6946
23 MALAYSIA	RINGGIT	12.1217
24 MEXICO	NEW PESO	3.3702
25 NEW ZEALAND	DOLLAR	34.4263
26 NORWAY	KRONER	5.2816
27 PAKISTAN	RUPEE	0.2082
28 SOUTH AFRICA	RAND	3.0414
29 SWEDEN	KRONER	5.3205
30 SYRIA	POUND	0.0045
31 TAIWAN	NT DOLLAR	1.7793
32 VENEZUELA	BOLIVAR	1.5924

It shall be understood that the foreign currencies shall be converted directly into the Philippine Pesos rather than the old practice of converting first into U.S. Dollar.

All issuances inconsistent with this Order are hereby revoked.

This Order shall take effect April 26, 2024.


ATTY. VENER S. BAQUIRAN
 Deputy Commissioner, AOCG





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BOC-01-08621

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

03 May 2024

CUSTOMS MEMORANDUM CIRCULAR

No. 71-2024

**To: All Collectors of Customs
Importers, Customs Brokers, Brokers'
Representatives and All Others Concerned**

In line with Customs Memorandum Order No. 14 - 2019, the Exchange Rate duly issued by the Bangko Sentral ng Pilipinas on May 03, 2024 shall be the applicable Rate of Exchange for the week May 04, 2024 to May 10, 2024 for both the regular consumption entries (formal and informal), warehouse entries as well as withdrawal entries for shipments entered under warehousing.

COUNTRY	UNIT	PHIL. PESO EQUIVALENT
---------	------	--------------------------

I. CONVERTIBLE CURRENCIES WITH BANGKO SENTRAL:

1 UNITED STATES	DOLLAR	57.5840
2 JAPAN	YEN	0.3746
3 UNITED KINGDOM	POUND	72.1931
4 HONGKONG	DOLLAR	7.3694
5 SWITZERLAND	FRANC	63.2652
6 CANADA	DOLLAR	42.1151
7 SINGAPORE	DOLLAR	42.5194
8 AUSTRALIA	DOLLAR	37.7981
9 BAHRAIN	DINAR*	152.7224
10 KUWAIT	DINAR	N/A
11 SAUDI ARABIA	RIYAL	15.3537
12 BRUNEI	DOLLAR	42.3630
13 INDONESIA	RUPIAH	0.0036
14 THAILAND	BAHT****	1.5644
15 UNITED ARAB EMIRATES	DIRHAM	15.6785
16 EUROPEAN MONETARY UNION	EURO	61.7646
17 KOREA	WON	0.0422
18 CHINA	YUAN**	7.9701



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II. OTHERS (NOT CONVERTIBLE WITH BSP)

19 ARGENTINA	PESO	0.0656
20 BRAZIL	REAL	11.2669
21 DENMARK	KRONER	8.2806
22 INDIA	RUPEE	0.6904
23 MALAYSIA	RINGGIT	12.1179
24 MEXICO	NEW PESO	3.3944
25 NEW ZEALAND	DOLLAR	34.3316
26 NORWAY	KRONER	5.2461
27 PAKISTAN	RUPEE	0.2069
28 SOUTH AFRICA	RAND	3.1057
29 SWEDEN	KRONER	5.3024
30 SYRIA	POUND	0.0044
31 TAIWAN	NT DOLLAR	1.7806
32 VENEZUELA	BOLIVAR	1.5811

It shall be understood that the foreign currencies shall be converted directly into the Philippine Pesos rather than the old practice of converting first into U.S. Dollar.

All issuances inconsistent with this Order are hereby revoked.

This Order shall take effect May 03, 2024.


ATTY. VENER S. BAQUIRAN
 Deputy Commissioner, AOC





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29 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 72-2024

TO : THE ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : IMPOSITION OF PRICE-BASED SPECIAL
SAFEGUARD (SSG) DUTY ON SEVERAL ELIGIBLE
AGRICULTURAL PRODUCTS SINCE 2018 THROUGH
CUSTOMS MEMORANDUM CIRCULAR NOS. 76-2018 AND
209-2018

This has reference to the letter with an attached Annex dated 21 March 2024 from Atty. Paz J. Benavidez II, Assistant Secretary for Policy and Regulation, Department of Agriculture.

Relative thereto, all concerned are hereby informed that all agricultural products listed in Customs Memorandum Circular (CMC) No. 76-2018 should still be levied with the Price-Based SSG duty with their corresponding ASEAN Harmonized Tariff Nomenclature (AHTN) 2022 description and trigger prices.

The list is in accordance with CMC Nos. 176-2018, 208-2018, and 16-2019, which lifted the imposition of Price-Based SSG duty on several agricultural products (onion, coffee beans, and prepared or preserved chicken) included in the CMC No. 76-2018.

The following, as provided in the Annex, are the agricultural products with SSG imposition (pursuant to CMC Nos. 76-2018, 209-2018, 176-2018, 208-2018, and 16-2019):

AHTN 2022	DESCRIPTION	TRIGGER PRICE (PHP PER UNIT)	UNIT
0102.29.90.000	Live cattle other than pure-bred breeding, other than male	7,602.77	Head
0202.20.00.000	Meat of bovine animals, other cuts with bone in, frozen	89.22	Kg



0207.11.00.200	Meat and edible offal of fowls of the species <i>Gallus domesticus</i> , not cut in pieces, fresh or chilled (Out-Quota)	93.96	Kg
0207.12.00.200	Meat and edible offal of fowls of the species <i>Gallus domesticus</i> , not cut in pieces, frozen (Out-Quota)	93.96	Kg
0207.14.10.200	Wings of fowls of the species <i>Gallus domesticus</i> , frozen (Out-Quota)	93.96	Kg
0207.14.20.200	Thighs of fowls of species <i>Gallus domesticus</i> , frozen (Out-Quota)	93.96	Kg
0207.14.30.200	Liver of fowls of the species <i>Gallus domesticus</i> , frozen (Out-Quota)	423.55	Kg
0207.14.99.200	Other cuts and offal of chicken, other than mechanically deboned or separated meat, frozen (Out-Quota)	93.96	Kg
1104.22.00.000	Other worked grains (for example, hulled, pearled, sliced or kibbled) of oats	16.31	Kg
1601.00.90.900	Sausages and similar products, not in airtight containers for retail sale, other than of insects	65.03	Kg
1602.20.00.000	Prepared or preserved liver of any animal	259.22	Kg
1602.41.10.000	Prepared and preserved hams and cuts thereof, of meat of swine, in airtight containers for retail sale	305.73	Kg
1602.50.10.000	Prepared and preserved meat, meat offal, blood of bovine animals, in airtight containers for retail sale	28.3	Kg
1602.50.90.000	Prepared and preserved meat, meat offal, blood of bovine animals, not in airtight containers for retail sale	28.3	Kg
1602.90.90.000	Other prepared or preserved meat, meat offal, blood or insects, including preparations of blood of any animal, other than mutton curry, in airtight containers for retail sale and preparations of blood	259.22	Kg
2101.11.11.200	Instant coffee, in packing of a net weight not less than 20 kg (Out-Quota)	203.74	Kg
2101.11.19.200	Instant coffee, other than in packings of a net weight not less than 20 kg (Out-Quota)	203.74	Kg
2101.11.90.200	Extracts, essences and concentrates of coffee, other than instant coffee (Out-Quota)	203.74	Kg

2101.12.10.200	Mixtures in paste form with a basis of ground roasted coffee, containing vegetable fats (Out-Quota)	203.74	Kg
2101.12.91.200	Coffee preparation with a basis of extracts, essences or concentrate containing added sugar, whether or not containing creamer (Out-Quota)	203.74	Kg
2101.12.92.200	Coffee preparation with a basis of ground roasted containing added sugar, whether or not containing creamer (Out-Quota)	203.74	Kg
2101.12.99.200	Other preparations with a basis of extracts, essences or concentrates or with a basis of coffee (Out-Quota)	203.74	Kg

For records purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

For guidance and information.

BIENVENIDO Y. RUBIO
Commissioner



MAY 03 2024



21 March 2024

COMMISSIONER BIENVENIDO Y. RUBIO

Bureau of Customs
SSG/F OCOM Building
16th Street, South Harbor
Port Area Manila



Dear **Commissioner Rubio**:

This refers to the imposition of price-based special safeguard (SSG) duty on several SSG-eligible agricultural products since 2018 through Customs Memorandum Circular (CMC) Nos. 76-2018 and 209-2018.

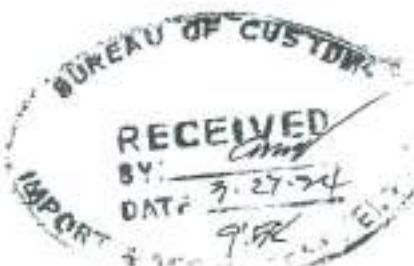
Given the change in tariff nomenclature from AHTN 2017 to AHTN 2022, we would like to provide herewith the attached Annex containing the list of all agricultural products listed in CMC 76-2018 that should still be levied with price-based SSG duty with their corresponding AHTN 2022, description, and trigger prices. The list is in accordance with CMC Nos. 176-2018, 208-2018 and 16-2019, which lifted the imposition of price-based SSG duty on several agricultural products (onion, coffee beans, and prepared or preserved chicken) included in the CMC No. 76-2018.

For the Commissioner's information and appropriate action.

Thank you and best regards.

Very truly yours,


ATTY. PAZ J. BENAVIDEZ II
Assistant Secretary for Policy and Regulations



25 MAR 2024

Annex

Table 1. List of agricultural products with SSG imposition (pursuant to CMC Nos. 76-2018, 209-2018, 176-2018, 208-2018, and 16-2019)

AHTN 2022	Description	Trigger Price (PhP per Unit)	Unit
0102.29.90.000	Live cattle other than pure-bred breeding, other than male	7,602.77	Head
0202.20.00.000	Meat of bovine animals, other cuts with bone in, frozen	89.22	Kg
0207.11.00.200	Meat and edible offal of fowls of the species <i>Gallus domesticus</i> , not cut in pieces, fresh or chilled (Out-Quota)	93.96	Kg
0207.12.00.200	Meat and edible offal of fowls of the species <i>Gallus domesticus</i> , not cut in pieces, frozen (Out-Quota)	93.96	Kg
0207.14.10.200	Wings of fowls of the species <i>Gallus domesticus</i> , frozen (Out-Quota)	93.96	Kg
0207.14.20.200	Thighs of fowls of the species <i>Gallus domesticus</i> , frozen (Out-Quota)	93.96	Kg
0207.14.30.200	Livers of fowls of the species <i>Gallus domesticus</i> , frozen (Out-Quota)	423.55	Kg
0207.14.99.200	Other cuts and offal of chicken, other than mechanically deboned or separated meat, frozen (Out-Quota)	93.96	Kg
1104.22.00.000	Other worked grains (for example, hulled, pearled, sliced or kibbled) of oats	16.31	Kg
1601.00.90.900	Sausages and similar products, not in airtight containers for retail sale, other than of insects	65.03	Kg
1602.20.00.000	Prepared or preserved liver of any animal	259.22	Kg
1602.41.10.000	Prepared and preserved hams and cuts thereof, of meat of swine, in airtight containers for retail sale	305.73	Kg
1602.50.10.000	Prepared and preserved meat, meat offal, blood of bovine animals, in airtight containers for retail sale	28.3	Kg
1602.50.90.000	Prepared and preserved meat, meat offal, blood of bovine animals, not in airtight containers for retail sale	28.3	Kg
1602.90.90.000	Other prepared or preserved meat, meat offal, blood or insects, including preparations of blood of any animal, other than mutton curry, in airtight containers for retail sale and preparations of blood	259.22	Kg
2101.11.11.200	Instant coffee, in packings of a net weight not less than 20 kg (Out-Quota)	203.74	Kg
2101.11.19.200	Instant coffee, other than in packings of a net weight not less than 20 kg (Out-Quota)	203.74	Kg
2101.11.90.200	Extracts, essences and concentrates of coffee, other than instant coffee (Out-Quota)	203.74	Kg
2101.12.10.200	Mixtures in paste form with a basis of ground roasted coffee, containing vegetable fats (Out-Quota)	203.74	Kg

cmc NO. 72-2024 p.6

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2101.12.91.200	Coffee preparation with a basis of extracts, essences or concentrate containing added sugar, whether or not containing creamer (Out-Quota)	203.74	Kg
2101.12.92.200	Coffee preparation with a basis of ground roasted containing added sugar, whether or not containing creamer (Out-Quota)	203.74	Kg
2101.12.99.200	Other preparations with a basis of extracts, essences or concentrates or with a basis of coffee (Out-Quota)	203.74	Kg



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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April 13, 2018

CUSTOMS MEMORANDUM CIRCULAR

NO. 76-2018

To: All District/Port Collectors
All Others Concerned

**SUBJECT : IMPOSITION OF PRICE-BASED SPECIAL SAFEGUARD DUTY
ON SEVERAL SSG-ELIGIBLE AGRICULTURAL PRODUCTS**

Pursuant to Republic Act No. 8800, otherwise known as the Safeguard Measures Act, and with reference to the Department Order No. 06, Series of 2018 from Secretary Emmanuel F. Piñol, Department of Agriculture, requesting for the imposition of price-based special safeguard (SSG) duty on the following agricultural products eligible for SSG measures:

AHTN 2012	DESCRIPTION	SSG Duty to be Imposed
01022090	Other live cattle	Shall be on a shipment by shipment basis depending on the difference between the actual CIF import price and the product's trigger price.
02022000	Other cuts with bone in, of bovine animals, frozen	
02071100	Meat & edible offal of fowls of the species Gallus domesticus, not cut in pieces, fresh or chilled (out-quota)	
02071410	Wings of the species Gallus domesticus, frozen (out-quota)	
02071499	Other cuts and offal of fowls of the species Gallus domesticus, frozen (out-quota)	
07031019	Other onions, fresh or chilled	
09012113	Roasted coffee, not decaffeinated, unground (out-quota)	
09012120	Roasted coffee, not decaffeinated, ground (out-quota)	
09012210	Roasted coffee, decaffeinated, unground (out-quota)	
11042200	Other worked grains of oats, hulled, pearled, sliced or kibbled	
16010080	Other sausages and similar products, of meat, meat offal or blood; food preparations based on these products	
16022000	Liver of any animal, prepared or preserved	
16023290	Poultry of heading 01 05 of fowls of the species Gallus domesticus other than in airtight containers	

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16024110	Hams and cuts thereof of swine, prepared or preserved, in airtight containers	Shall be on a shipment by shipment basis depending on the difference between the actual CIF import price and the product's trigger price
16025000	Meat and meat offal of bovine animals, prepared or preserved	
16029090	Other prepared or preserved meat and offal including preparations of blood of any animal, in airtight containers	
21011110	Instant coffee (out-quota)	
21011190	Other extracts, essences and concentrates of coffee (out-quota)	
21011210	Preparations with a basis of extracts, essences or concentrates or with a basis of coffee, mixtures in paste form with a basis of ground roasted coffee, containing vegetable fats (out-quota)	
21011290	Other preparations with a basis of extracts, essences or concentrates or with a basis of coffee (out-quota)	

Additional duty be imposed for the above-mentioned products which are eligible for SSG measure.

For your information and guidance.

ISIDRO S. LAPEÑA, PhD, CSEE
Commissioner

APR 20 2019





REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

MANILA 1000
South Harbor, Gate 3, Port Area, Manila

Isidro S. Lapena
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August 31, 2018

CUSTOMS MEMORANDUM CIRCULAR

NO. 176-2018

To: All District/Port Collectors
All Others Concerned

SUBJECT: **Temporary Lifting of the Imposition of Special Safeguard (SSG) Duty on Onions Covered by Tariff Heading 0703.10.19.**

With reference to the request letter dated August 23, 2018 from Secretary Emmanuel F. Piñol, Department of Agriculture, All Concerned are informed that the imposition of SSG duty on onions covered by Tariff Heading 0703.10.19 is **temporarily lifted** effective immediately.

For your information and guidance.

Isidro S. Lapena
ISIDRO S. LAPENA, Ph.D, CSEE
Commissioner



SEP 03 2018

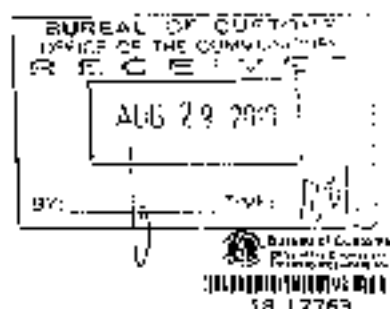


CMC 176-2018 p.2
Republic of the Philippines
Department of Agriculture
OFFICE OF THE SECRETARY
Elliptical Road, Drimán
Carson City 1150, Philippines

Diya
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23 August 2018

COMMISSIONER ISIDRO S. LAPENA
Bureau of Customs
South Harbor, Gate 3, Port Area, Manila



Thru : SECRETARY CARLOS G. DOMINGUEZ III
Department of Finance
Roxas Boulevard corner Pablo Ocampo Street, Manila

Dear Commissioner Lapena:

This refers to the imposition of the price-based special safeguard (SSG) duty on imported agricultural products eligible for SSG measure pursuant to DA Department Order No. D6 dated 16 March 2018 and Customs Memorandum Circular No. 76-2018 dated 13 April 2018.

In this regard, may we request for the **temporary lifting** of the imposition of SSG duty on onion, effective immediately, to cushion the impact of rising prices and mitigate the impact of soaring inflation:

AHTN 2017	DESCRIPTION (AHTN 2017)	AHTN 2017
0703.10.19	Other onions, fresh or chilled	0703.10.19

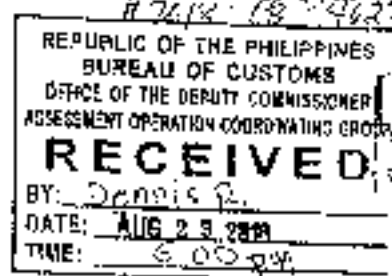
We will request for its re-imposition in the future should conditions

Thank you.

Very truly yours,

EMMANUEL E. PIÑOL
Secretary

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
Elliptical Road, Drimán
Carson City 1150, Philippines
Received : AUG 23 2018 12:20 PM



CMC 209-2018 p-2



Republic of the Philippines
DEPARTMENT OF FINANCE

Room: Bulweri 1 Corner Public Office, 5th Street
Manila 1004

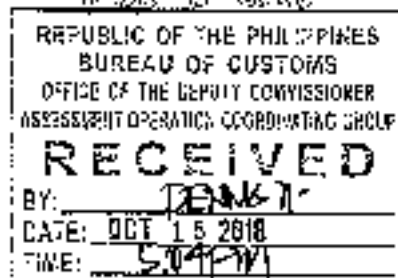
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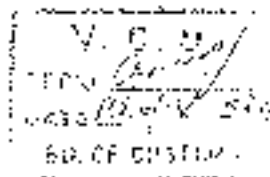
1st Indorsement
11 October 2018

Referred to **ISIDRO S. LAPENA**, Commissioner, Bureau of Customs, the attached letter, dated 04 October 2018 from **EMMANUEL F. PIÑOL**, Secretary, **Department of Agriculture**, requesting for the reinstatement of the price-based SSG duty imposition on imported chicken and chicken products, effective immediately.

For your appropriate action.



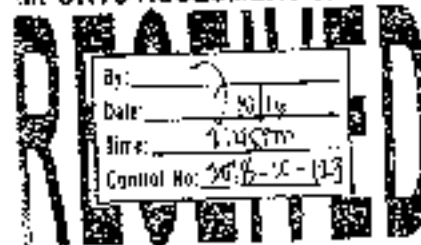
[Signature]
ANTONETTE C. TIONKO
Undersecretary
Revenue Operations Group
GOVT. :



DEPARTMENT OF FINANCE
Republic of the Philippines



IMPORTS ASSESMENT SERVICE





CMC 209-2018-3
 Republic of the Philippines
 Department of Agriculture
 OFFICE OF THE SECRETARY
 Official Recd. No. 100
 CMC209-2018-3



04 October 2018

COMMISSIONER ISIDRO S. LAPEÑA
 Bureau of Customs
 South Harbor, Gate 3, Port Area, Manila

Thru : SECRETARY CARLOS G. DOMINGUEZ III
 Department of Finance
 Roxas Boulevard corner Pablo Ocampo Street, Manila

Dear Commissioner Lapeña,

This concerns the imposition of the special safeguards (SSG) duty on chicken and chicken products pursuant to Customs Memorandum Circular Nos. 131-2014, 04-2015 and 76-2018.

In a letter dated 06 August 2018, we requested for the temporary lifting of the imposition of price-based SSG on the following imported chicken and chicken products to cushion the impact of rising prices and mitigate the impact of soaring inflation:

HTS 2012	DESCRIPTION (HTS 2012)	HTS 2012
0207.11.00B	Meat & edible offal of fowls of the species Gallus domesticus, not cut in pieces, fresh or chilled (out-quota)	0207.11.00B
0207.12.00B	Meat & edible offal of fowls of the species Gallus domesticus, not cut in pieces, frozen (out-quota)	0207.12.00B
0207.14.30B	Livers of the species Gallus domesticus, frozen (out-quota)	0207.14.30B
0207.14.10B	Wings of the species Gallus domesticus, frozen (out-quota)	0207.14.10B
0207.14.20B	Thighs of the species Gallus domesticus, frozen (out-quota)	0207.14.20B
0207.14.99B	Other cuts and offal of fowls of the species Gallus domesticus, frozen (out-quota)	0207.14.99B

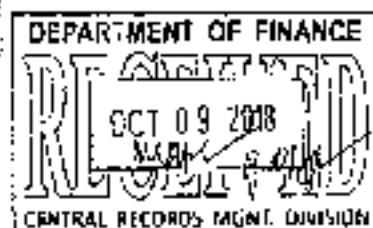
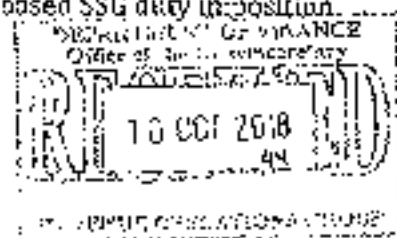
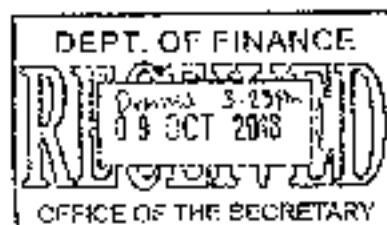
However, based on the price monitoring of the Department, there was no significant reduction on the retail prices of chicken meat even after the SSG was lifted.

In view of this, we are requesting the reinstating of the price-based SSG duty imposition on the above-mentioned products effective immediately.

Thank you.

Very truly yours,

EMMANUEL P. PIÑOL
 Secretary



DEPARTMENT OF AGRICULTURE
 OFFICE OF THE SECRETARY
 In reply, please use code
 For Signature: 5-10-18-1429
 Received: 11/06/2018 12:45 PM



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

MANILA, 1000
South Harbor, Gate 3, Port Area, Manila

Signature
MASTER COPY

October 17, 2018

CUSTOMS MEMORANDUM CIRCULAR

NO. 209-2018

To: All District/Port Collectors
All Others Concerned

SUBJECT: Reinstatement of the Price-based Special Safeguard (SSG) duty imposition on imported chicken and chicken products Covered by Tariff Headings 0207.11.00B, 0207.12.00B, 0207.14.30B, 0207.14.10B, 0207.14.20B, 0207.14.99B.

With reference to the request letter dated October 8, 2018 from Secretary Emmanuel F. Piñol, Department of Agriculture, All Concerned are informed that the imposition of SSG duty is **reinstated** on imported chicken and chicken products covered by the following Tariff Headings:

AHTN 2012	DESCRIPTION (AHTN 2012)	AHTN 2017
0207.11.00B	Meat & edible offal of fowls of the species Gallus domesticus, not cut in pieces, fresh or chilled (out-quota)	0207.11.00B
0207.12.00B	Meat & edible offal of fowls of the species Gallus domesticus, not cut in pieces, frozen (out-quota)	0207.12.00B
0207.14.30B	Livers of the species Gallus domesticus, frozen (out-quota)	0207.14.30B
0207.14.10B	Wings of the species Gallus domesticus, frozen (out-quota)	0207.14.10B
0207.14.20B	Thighs of the species Gallus domesticus, frozen (out-quota)	0207.14.20B
0207.14.99B	Other cuts and offal of fowls of the species Gallus domesticus, frozen (out-quota)	0207.14.99B

For your information and guidance.

Signature
ISIDRO S. LAPENA, Ph.D., CSEE
Commissioner



ISIDRO S. LAPENA
Commissioner
18-18768



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1009
South Harbor, Gate 3, Port Area, Manila

Para
MASTER COPY

January 17, 2019

CUSTOMS MEMORANDUM CIRCULAR


NO. 16 - 2019

To: All District/Port Collectors
All Others Concerned

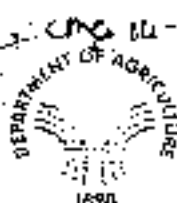
**SUBJECT: Temporary Lifting of the imposition of the price-based
Special Safeguard (SSG) duty on the Importation of
chicken and chicken products**

With reference to the request letter dated November 07, 2018 of Secretary Emmanuel F Piñol, Department of Agriculture (DA), all concerned are informed that the imposition of SSG duty on chicken and chicken products covered by Tariff Heading 1602.32.90 is **temporarily lifted** effective immediately.

For your information and guidance.


REY LEONARDO B. GUERRERO
Commissioner, BOC
JAN 17 2019





Republic of the Philippines
Department of Agriculture
OFFICE OF THE SECRETARY
Agricultural Road, Diliman
Quezon City 1100, Philippines

IMPORTS ASSESSMENT SERVICE



MASTERCOPY



07 November 2018

COMMISSIONER REY LEONARDO B. GUERRERO

Bureau of Customs

South Harbor, Gate 3, Port Area, Manila

RECEIVED
18-23584

Thru: SECRETARY CARLOS G. DOMINGUEZ III
Department of Finance
Roxas Boulevard corner Paulo Ocampo Street, Manila

Dear Commissioner Guerrero:

This refers to the imposition of the price-based special safeguard (SSG) duty on the importation of chicken and chicken products pursuant to DA Department Order No. 06 dated 16 March 2018 and Customs Memorandum Circular No. 76-2018 dated 13 April 2018.

In this regard, may we request for the temporary lifting of the imposition of SSG duty on the following imported chicken and chicken products, effective immediately, to cushion the impact of rising prices, mitigate the impact of soaring inflation and for the local manufacturers to meet their market demands:

AHTN 2012	DESCRIPTION (AHTN 2012)	AHTN 2017
1602.32.90	Poultry of heading 01.05 of fowls of the species <i>Gallus domesticus</i> other than in airtight containers	1602.32.90

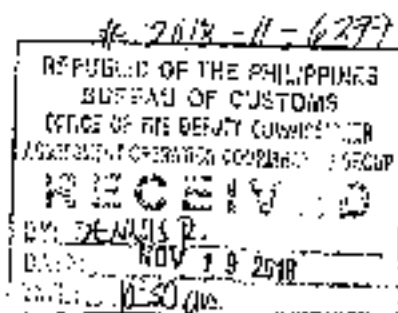
We will request for its re-imposition in the future should conditions warrant it.

Thank you.

Very truly yours,

EMMANUEL F. PINOL

DEPARTMENT OF AGRICULTURE
IMPORTS ASSESSMENT SERVICE
Agricultural Road, Diliman, Quezon City
For Signature: 2-11-12-0000
Reference: 15062218 15:14 PM





REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

MANILA 1000
South Harbor, Bldg 2, Port Area, Manila

Handwritten signature
MASTER COPY

October 17, 2018

CUSTOMS MEMORANDUM CIRCULAR

NO. 208 - 2018

To: All District/Port Collectors
All Others Concerned

SUBJECT: Temporary Lifting of the Imposition of Special Safeguard (SSG) Duty on Coffee beans Covered by Tariff Heading 0901.21.10B, 0901.21.20B, 0901.22.10B.

With reference to the request letter dated October 8, 2018 from Secretary Emmanuel F. Piñol, Department of Agriculture, All Concerned are informed that the imposition of SSG duty is temporarily lifted on coffee beans covered by the following Tariff Headings:

AHTN 2012	DESCRIPTION (AHTN 2012)	AHTN 2017
0901.21.10B	Roasted coffee, not decaffeinated, unground (out-quota)	0901.21.10B
0901.21.20B	Roasted coffee, not decaffeinated, ground (out-quota)	0901.21.20B
0901.22.10B	Roasted coffee, decaffeinated, unground (out-quota)	0901.22.10B

For your information and guidance.

Handwritten signature
SIDRO S. LAPENA, Ph.D., CSEE
Commissioner



OCT 22 2018

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DEPARTMENT OF FINANCE
REVENUE OF THE PROVINCE

COMMISSIONER ISIDRO S. LAPENA
Bureau of Customs
South Harbor, Gate 3, Port Area, Manila

DEPARTMENT OF FINANCE
Office of the Comptroller
RETURNED
10 JUL 2013
45
TELETYPE UNIT, LONDON, ENGLAND

In this regard, may we request for the **temporary lifting** of the imposition of 55% duty on the following tariff lines on coffee beans, effective immediately, to cushion the impact of rising prices, mitigate the impact of soaring inflation and for the local coffee manufactures/processors to meet their coffee bean requirements:

AHTN 2012	DESCRIPTION (AHTN 2012)	AHTN 2017
0901.21.10D	Roasted coffee, not decaffeinated, unground (out-quota)	0901.21.10B
0901.21.20B	Roasted coffee, not decaffeinated, ground (out-quota)	0901.21.20B
0901.22.10B	Roasted coffee, decaffeinated, unground (out-quota)	0901.22.10B

Very truly yours,

EMMANUEL F. PIÑOL
Secretary

DEPARTMENT OF AGRICULTURE
 P111 101110135000011111 071121
 In Reply, Please Refer to File No.
 For Signature: 5-10-56-1973
 Received: 12002011 12 46 PM

DEPT. OF FINANCE
RECEIVED
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OFFICE OF THE SECRETARY

DEPARTMENT OF FINANCE
OCT 03 2018
CENTRAL RECORDS MGMT. DIVISION



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

MASTER COPY

22 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 73-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 23-009 issued on 17 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "System Res Half Inflated Rubber Bag Ref TGLM29," from France consigned to Asia Brewery Incorporated, (Import Entry/ Customs Reference No. C-135971, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2022 MFN Rate
System Res Half Inflated Rubber Bag Ref TGLM29	8431.39.50	1% <i>ad valorem</i>

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner



MAY 03 2024



Gate 3, South Harbor, Port Area, Manila 1018

+63 (02) 8705-6000, +63 (02) 8527-1968 | www.customs.gov.ph | boc.cares@customs.gov.ph

CMC NO- 73-2024 p-2



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

09-47992

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "SYSTEM RES HALF
INFLATED RUBBER BAG REF TGLM29"
CONSIGNED TO ASIA BREWERY INCORPORATED

TCC (DR) NO. 23-009

(Import Entry/Customs Reference No. C-135971,
NAIA)

Issued on: 17 April 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of System Res Half Inflated Rubber Bag Ref TGLM29 imported by Asia Brewery Incorporated (Importer/Consignee) from France. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 18 May 2023.

The shipment of the said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 8431.39.90, with a Most Favoured Nation (MFN) rate of duty of 1% *ad valorem*, was processed under Import Entry/Customs Reference No. C-135971 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2022 subheading 4016.95.00, with an MFN rate of duty of 7% *ad valorem*.

Hence, this request for a TCDR.

While evaluating the documents submitted by the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. On 10 July 2023, the Commission requested the Importer/Consignee to submit the following additional information, as certified by the supplier:

- identification of the complete components of the good; and
- description on how the subject good is used in relation to the palletizer/depalletizer machine it is intended for.

The response, containing the required information, was received by this Commission via electronic mail (email) on 20 July 2023. The material composition was again confirmed by the Importer/Consignee in an email dated and received on 24 January 2024.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 10 November 2023 for comments on the request for TCDR on System Res Half Inflated Rubber Bag Ref TGLM29. In a letter dated 24 November 2023, Atty. Halleck A. Valdez, Deputy Collector for Assessment, provided BOC's comment through a Memorandum, prepared by Mr. Johnorel S. Sionillo, Customs Operations Officer (COO) III; and Ms. Claire Ann M. Mojica, Acting COO V, stating the reasons why subject article was reclassified from the declared AHTN 2022 subheading 8431.39.90 (with an MFN rate of duty of 1% *ad valorem*) to AHTN 2022 subheading 4016.95.00 (with an MFN rate of duty of 7% *ad valorem*). The reasons for this reclassification decision, as stated in the aforesaid Memorandum, were as follows:

"To reiterate, article in question are "PALLETIZER SPAREPARTS: RUBBER BAG REF TGLM29 L=1460 M10X70 SINGLE AIR TUBE - 30 PCS" was initially classified by the consignee/customs broker to 84313990 (1%) (Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30; other parts of machinery of heading 84.28), however upon document examination and submission of brochure the article may be classified under 40169500 7% (other articles of vulcanised rubber other than hard rubber; Other inflatable articles).

In relation to this, below are the following reasons of the assigned examiners for reclassification to HS Code 40169500 (7%):

Page 1 of 6



APR 2024



CML NO. 73-2024 p.3

TCC (DR) NO. 23-009

- Section XVI Note 1-A of chapter 84 does not cover (Transmission or conveyor belts or belting, of plastics of Chapter 39, or of vulcanised rubber (heading 40.10), or other articles of a kind used in machinery or mechanical or electrical appliances or for other technical uses, of vulcanised rubber other than hard rubber (heading 40.16).
- Explanatory notes of heading 84.31 Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30 states; Subject to the general provision regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts for use solely or principally with the machinery of headings 84.25 to 84.30

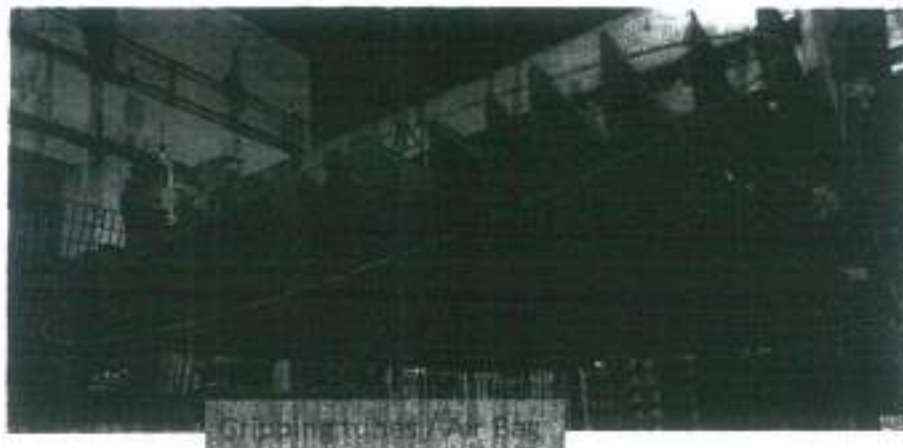
It should also be noted that many parts do not fall in this heading since they are Specified elsewhere in the Nomenclature, e.g., suspension springs (heading 73.20), engines (heading 84.07 or 84.08, etc.)

- RUBBER BAG REF TGLM29 L=1460 M10x70 SINGLE AIR TUBE is an inflatable air bag with specific HS code in AHTN 2022 of 40169500 other inflatable articles."

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the BOC were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted brochure, material certification issued by the manufacturer, invoice, packing list, other technical specifications, and photographs of the product, it is established that subject article is a component of a bottle palletizing machine. It is made of non-plasticized polyvinyl chloride-coated fabric formed into a rectangular inflatable bag measuring 1,460 mm (L) x 99 mm (H) x 7 mm (T). It is fitted with three carbon steel threaded studs placed at 510 mm apart, reinforced steel plates, and a plastic air tube. During operation, the rows of air bags (also called gripping tubes), which are fitted to the gripping mechanism of said machine, will be filled with air and used to pick-up or grip rows of bottles for transfer to the feeding table conveyor for layer stacking. Subject article is intended for small bottles, or when there is a small space between necks of bottles, and is to be imported in a half-inflated state.

Below is a photograph submitted by the Importer/Consignee of the actual product installed to the gripping mechanism of the palletizing machine:



The Importer/Consignee considered subject article as part of a palletizing machine classifiable under Section XVI of the AHTN 2022 (*Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such article*), specifically under Chapter 84, which covers *nuclear reactors, boilers, machinery and mechanical appliances; parts thereof*.

Further, the Importer/Consignee declared/classified subject article under heading 84.31 of the AHTN 2022, which covers parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30. The pertinent Harmonized System (HS) Explanatory Notes (EN) to this heading state that:

"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts for use **solely or principally** with the machinery of headings 84.25 to 84.30.

It should also be noted that many parts **do not fall** in this heading since they are :

- (a) Specified elsewhere in the Nomenclature, e.g., suspension springs (**heading 73.20**), engines (**heading 84.07 or 84.08**, etc.) and electrical ignition or starting equipment (**heading 85.11**).
- (b) Parts identical with those for motor vehicles and not suitable for use **solely or principally** with the machinery of headings 84.25 to 84.30, and therefore classified as parts of motor vehicles (**heading 87.08**); this applies in particular to wheels and steering and braking equipment.
- or (c) Parts suitable for use **solely or principally** with the machinery for lifting, handling, loading or unloading boules, wafers, semiconductor devices, electronic integrated circuits or flat panel displays (**heading 84.86**).

The heading includes :

- (1) Lifting grabs, buckets, grips, etc., i.e., simple lifting buckets fitted with attaching rings, hooks, etc.; hinge-bottomed buckets; grabs consisting of two jointed shells which fit together for lifting powdery materials; grips consisting of two or more jointed blades or claws for handling stone, rocks, etc.

Electro-magnetic lifting heads for handling scrap metal, etc., are also **excluded** (**heading 85.05**).

XXX"

On the other hand, the BOC considered subject rubber bag to be excluded from Section XVI (and thereby Chapter 84) by virtue of Note 1 (a) to Section XVI which states that:

"1. This Section does not cover :

- (a) Transmission or conveyor belts or belting, of plastics of Chapter 39, or of vulcanised rubber (**heading 40.10**), or other articles of a kind used in machinery or mechanical or electrical appliances or for other technical uses, of vulcanised rubber other than hard rubber (**heading 40.16**);"

Instead, BOC classified the product under Chapter 40 of the AHTN 2022, which covers rubber and articles thereof, specifically under heading 40.16 which covers other articles of vulcanised rubber other than hard rubber. The pertinent HS EN to said heading state that:

"This heading covers all articles of vulcanised rubber (other than hard rubber) not covered by the preceding headings of this Chapter or by other Chapters.

The heading includes :

- (1) Articles of cellular rubber.
- (2) Floor coverings and mats (including bath mats), **other than** rectangular (including square) mats cut from plates or sheets of rubber and not further worked than surface-worked (see the Explanatory Note to **heading 40.08**).
- (3) Erasers.
- (4) Gaskets, washers and other seals.
- (5) Boat or dock fenders, whether or not inflatable.
- (6) Pneumatic mattresses, pillows and cushions and other inflatable articles (**other than** those of **heading 40.14 or 63.06**); water-mattresses.

XXX"

Based on the evaluation of the information provided to this Commission, it has been established that though subject article is named "rubber bag", it is in fact not made of rubber material, but of non-plasticized polyvinyl chloride-coated fabric. It has also been determined that subject air bag

is a component/part of a palletizing machine designed for the lifting/handling of bottles during the palletizing/stacking process.

The classification of parts of machines and apparatus covered under Section XVI of the AHTN 2022 is governed by Note 2 to this section which states that:

"2.- Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules :

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48."

The palletizing machine, to which the subject article is a component, is classifiable under heading 84.28 of the AHTN 2022, which covers other lifting, handling, loading or unloading machinery (for example, lifts, escalators, conveyors, teleferics). The pertinent HS EN regarding the classification of parts under this heading state that:

"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the machines of this heading are classified in heading 84.31."

Furthermore, the General Explanatory Notes to Section XVI regarding the classification of parts state that:

"In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (I) above. Separate headings are, however, provided for :

(A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).

(B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31) (emphasis added).

XXX

In addition, subject air bag is not merely a made-up article of textile/fabric. It is fitted with essential components, such as the carbon steel threaded studs, reinforced steel plates, and a plastic air tube, which play crucial roles in its functions of gripping/picking up and of being part of a palletizing machine (i.e., incorporating it into the gripping mechanism), thus making subject article suitable for use solely or principally with the palletizing machine.

By reference to Note 2 to Section XVI and the HS EN to headings 40.16, 84.28, and 84.31, the Commission has determined that subject article, being a part solely designed for the gripping mechanism of the palletizing machine of heading 84.28, is appropriately covered under heading 84.31 of the AHTN 2022.

Based on the information received from the Importer/Consignee and the BOC, and the clarifications provided by the foregoing Section Note and HS EN, subject article is properly classified under AHTN 2022 subheading 8431.39.50 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

CMC NO. 73-2024 p.6

TCC (DR) NO. 23-009

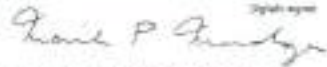
WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2022 MFN Rate
System Res Half Inflated Rubber Bag Ref TGLM29	8431.39.50	1% ad valorem

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION



MARILOU P. MENDOZA
Chairperson

Copy Furnished:

The Secretary

Department of Finance (DOF)
DOF Building, BSP Complex
Roxas Boulevard, Metro Manila
Email: sectfin@dox.gov.ph

The Commissioner

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Office of the Commissioner
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ocomin.boc@gmail.com

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Email: Jhomar.Polo@asia-brewery.com



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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18 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 74-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 23-005 issued on 16 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "HP E24q G4 QHD Monitor," from China consigned to HP PPS Philippines, Incorporated, (Import Entry/ Customs Reference No. C-157571, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate	2023 ACFTA Rate*
"HP E24q G4 QHD Monitor"	8528.52.00.100	Zero	Zero

**Subject to submission of Certificate of Origin (CO) Form "E"*

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner

[Signature]
MAY 03 2024



Gate 3, South Harbor, Port Area, Manila 1018

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CMC NO: 74-2024 p.2



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

09-47954

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OFFICE OF THE DEPUTY COMMISSIONER
ASSESSMENT, RECORDS, INFORMATION & PUBLIC AFFAIRS

APR 9 2024

04-17-24

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "HP E24Q G4 QHD
MONITOR", CONSIGNED TO HP PPS PHILIPPINES,
INCORPORATED

TCC (DR) NO. 23-005

(Import Entry/Customs Reference No. C-157571,
BOC-NAIA)

Issued on: 16 April 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of HP E24q G4 QHD Monitor, imported by HP PPS Philippines, Incorporated (Importer/Consignee) from China. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 03 April 2023.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 8528.52.00.100, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-157571 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2022 subheading 8528.59.10, with an MFN rate of duty of 15% *ad valorem*.

Hence, this request for a TCDR.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 29 June 2023 for comments on the request for a TCDR on HP E24q G4 QHD Monitor. In a letter dated 04 August 2023, Atty. Maria Yasmin M. Obillos-Mapa, Acting District Collector, Port of NAIA, provided BOC's comment, stating the reasons why subject article was reclassified from the declared AHTN 2022 subheading 8528.52.00.100 (with an MFN rate of duty of zero) to AHTN 2022 subheading 8528.59.10 (with an MFN rate of duty of 15% *ad valorem*). The reasons for this reclassification decision, as stated in the letter, were as follows:

"Upon coordination with the concerned offices of this Port, it was found that the Consignee/Broker classified the subject commodity under HS Code 8528520010 with a tariff rate of 0% (--- a kind solely or principally used in automatic data processing system of heading 84.71)". The brochure taken from the package during the actual examination of the subject goods would reveal that the same should be classified under tariff heading 85285910. After a thorough review on the description of the commodity provided in the brochure, we concluded that the classification is deemed proper under tariff heading 85285910 with a duty rate of 15%, and which show features of the connectors and ports as follows:

- (1) **High Definition Multimedia Interface (HDMI)** is the most popular HD signal for sending high definition audio and video via a single cable. It is frequently used in commercial AV industry. TVs, laptops, and video game consoles are just a few examples of household electronics that frequently employ this sort of connector.
- (2) **USB 3.2 Port** which connect one end to USB device such as:
 - a. Storage devices: USB flash drive, external hard drive, external optical drive
 - b. Input devices: USB keyboard (wired and wireless), USB mouse (wired and wireless), webcam, scanner, gamepad
 - c. Output devices: printer, all-in-one office machine, USB speaker
 - d. Wireless adapters: network (Wi-Fi) adapter, bluetooth adapter, 3G adapter
 - e. Data (and charging) cable for mobile devices such as mobile phone, tablet, MP3 player.



Page 1 of 5



16 APR 2024

- (3) *Display Port. This cable has better quality over HDMI. It is a fast and has high high-resolution image.*

Following the receipt of BOC's comment, this Commission sent a letter on 09 August 2023 to the Importer/Consignee's Logistics Operation Manager, Ms. Marilyn Delloro, requesting the submission of document/s, certified by the supplier, clearly identifying the use/function of the monitor's two Universal Serial Bus (USB) ports (type-A and type-B). Ms. Delloro's response, together with the monitor's User Guide containing all the required information, was received by this Commission on 14 September 2023 via electronic mail (email).

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the BOC were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted technical specifications and user manual, it is established that subject article is a 24-inch monitor with a Quad High Definition (QHD) resolution of 2,560 x 1,440 pixels. It is mainly equipped with a liquid crystal display (LCD), backlight, and various video input ports, including High-Definition Multimedia Interface (HDMI), DisplayPort™, Video Graphics Array (VGA), and USB Type-B. These ports serve the purpose of transmitting video signals from source devices, such as a computer or game console. Additionally, the monitor features a USB Type-A, a port designed to connect to a peripheral device such as a keyboard, mouse, or USB hard drive. Subject article is suitable for use with automatic data processing machines for business and home applications.

Subject monitor is equipped with front components which include the menu, on-screen display (OSD), and power buttons, and the power light. It also features a nonglare panel; wide viewing angle (to allow viewing from a sitting or standing position, or moving from side to side); and tilt, swivel, and height adjustment capabilities, among others.

Both the Importer/Consignee and the BOC concurred that subject article is classifiable under Chapter 85 of the AHTN 2022 (which covers *electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles*), specifically under heading 85.28.

Heading 85.28 of the AHTN 2022 covers, among others, *monitors and projectors, not incorporating television reception apparatus*. The pertinent Harmonized System (HS) Explanatory Notes (EN) to this heading state that:

"This heading includes :

- (1) Monitors and projectors, not incorporating television reception apparatus.*
- (2) Television reception apparatus, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus, for the display of signals (television sets).*
- (3) Apparatus for the reception of television signals, without display capabilities (e.g., receivers of satellite television broadcasts).*

Monitors, projectors and television sets utilize different technologies, such as CRT (cathode-ray tube), LCD (liquid crystal display), DMD (digital micromirror device), OLED (organic light-emitting diodes) and plasma, to display images.

Monitors and projectors may be capable of receiving a variety of signals from different sources. However, if they incorporate a television tuner they are considered to be reception apparatus for television.

(A) MONITORS CAPABLE OF DIRECTLY CONNECTING TO AND DESIGNED FOR USE WITH AN AUTOMATIC DATA PROCESSING MACHINE OF HEADING 84.71

This group includes monitors which are capable of accepting a signal from the central processing unit of an automatic data processing machine and provide a graphical presentation of the data processed. These monitors are distinguishable from other types of monitors (see (B) below) and from television receivers.

The monitors of this group may be characterised by the following features :

CMC No. 74-2074 p. 4

TCC (DR) NO. 23-005

- (i) They usually display signals of graphics adaptors (monochrome or colour) which are integrated in the central processing unit of the automatic data processing machine;
- (ii) They do not incorporate a channel selector or video tuner;
- (iii) They are fitted with connectors characteristic of data processing systems (e.g., RS-232C interface, DIN, D-SUB, VGA, DVI, HDMI or DP (display port) connectors);
- (iv) The viewable image size of these monitors does not generally exceed 76 cm (30 inches);
- (v) They have a display pitch size (usually smaller than 0.3 mm) suitable for close proximity viewing;
- (vi) They may have an audio circuit and built-in speakers (generally, 2 watts or less in total);
- (vii) They usually have control buttons situated in the front panel;
- (viii) They usually cannot be operated by a remote control;
- (ix) They may incorporate tilt, swivel and height adjusting mechanisms, glare-free surfaces, flicker-free display, and other ergonomic design characteristics to facilitate prolonged periods of viewing at close proximity to the monitor;
- (x) They may utilize wireless communication protocol to display data from an automatic data processing machine of heading 84.71. [emphasis added]

(B) MONITORS OTHER THAN THOSE CAPABLE OF DIRECTLY CONNECTING TO AND DESIGNED FOR USE WITH AN AUTOMATIC DATA PROCESSING MACHINE OF HEADING 84.71

This group includes monitors which are capable of receiving signals when connected directly to the video camera or recorder by means of composite video, s-video or co-axial cables, so that all the radio-frequency circuits are eliminated. They are typically used by television companies or for closed-circuit television (airports, railway stations, factories, hospitals, etc.). They can, moreover, have separate inputs for red (R), green (G) and blue (B), or be coded in accordance with a particular standard (NTSC, SECAM, PAL, D-MAC, etc.). For reception of coded signals, the monitor must be equipped with a decoding device covering (the separation of) the R, G and B signals. They are not fitted with connectors characteristic of data processing systems, and they do not incorporate tilt, swivel and height adjusting mechanisms, glare-free surfaces, flicker-free display, and other ergonomic design characteristics to facilitate prolonged periods of viewing at close proximity to the monitor. They do not incorporate a channel selector or video tuner. [emphasis added]

x x x*

The Importer/Consignee and the BOC's classification both fall under the same one-dash description "Other monitors". Said one-dash description is further subdivided into two two-dash descriptions, subheadings 8528.52.00 and 8528.59, which contain two Philippine national subheadings and two AHTN 2022 subheadings, respectively, as shown in the table below:

AHTN 2022 Code	Description
	- Other monitors :
8528.52.00	-- Capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71 :
8528.52.00.100	--- Of a kind solely or principally used in an automatic data processing system of heading 84.71
8528.52.00.900	--- Other
8528.59	-- Other :
8528.59.10	--- Colour
8528.59.20	--- Monochrome

Based on the above table, AHTN 2022 subheading 8528.52.00 covers other monitors (i.e., other than cathode-ray tube monitors of subheadings 8528.42 and 8548.49) capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71. On the other hand, monitors under the six-digit subheading 8528.59 are monitors other than those capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71 (i.e., designed for devices/equipment other than automatic data processing machines or computers).

Upon evaluation of subject monitor's essential characteristics and available ports/interfaces, the Commission has determined that subject article is a monitor that is:

- (i) capable of directly connecting to an automatic data processing of heading 84.71 (i.e., computers); and
- (ii) designed for and principally used in an automatic data processing system of heading 84.71.

Thus, subject HP E24q G4 QHD Monitor which is capable of accepting a signal from the central processing unit of automatic data processing machines for work and home applications through its various video/data input ports (VGA, HDMI, DisplayPort™, and USB Type-B) and capable of connecting to computer peripherals (e.g., keyboard, mouse, and USB hard drive) through its USB Type-A port, is appropriately classified under AHTN 2022 six-digit subheading 8528.52, and not under subheading 8528.59.

Based on the information received from the Importer/Consignee and the BOC, and the clarifications provided by the foregoing HS EN, subject article is properly classified under AHTN 2022 subheading 8528.52.00.100 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate	2023 ACFTA Rate*
HP E24q G4 QHD Monitor	8528.52.00.100	Zero	Zero

*Subject to submission of Certificate of Origin (CO) Form "E"

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION

 Digitally signed

MARILOU P. MENDOZA
Chairperson

CME NO. 74-2024 p.6

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TCC (DR) NO. 23-005

hmt

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

26 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 75-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 23-024 issued on 23 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "Brake Pads JURID® 839 16mm for MT," from Germany consigned to Light Rail Manila Corporation, (Import Entry/ Customs Reference No. C-100783, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate
Brake Pads JURID® 839 16mm for MT	8607.21.00	3% <i>ad valorem</i>

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner



MAY 08 2024



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "BRAKE PADS JURID® 839
16MM FOR MT", CONSIGNED TO LIGHT RAIL
MANILA CORPORATION

TCC (DR) NO. 23-024

09-48135

(Import Entry/Customs Reference No. C-100783,
Ninoy Aquino International Airport)

Issued on: 23 April 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of Brake Pads JURID® 839 16mm for MT imported by Light Rail Manila Corporation (Importer/Consignee) from Germany. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 15 September 2023.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 8607.99.00, with a Most Favoured Nation (MFN) rate of duty of 3% *ad valorem*, was processed under Import Entry/Customs Reference No. C-100783 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2022 subheading 6813.81.00, with an MFN rate of duty of 10% *ad valorem*.

Hence, this request for a TCDR.

While evaluating the documents submitted by the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence, the Commission contacted the Authorized Representative of the Importer/Consignee, Ms. Marisol Catapang of Avanti Transport Services Phils. Inc., and requested for the submission of brochure/technical specifications of the product and its complete (100%) material composition.

The Importer/Consignee's response containing the required information were received by this Commission on 09 October 2023, 26 January 2024, and 20 February 2024.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 10 November 2023 for comments on the request for TCDR on Brake Pads JURID 839 16mm 35mm for MT. In a letter dated 24 November 2023, Atty. Halleck A. Valdez, CESO V, Deputy Collector for Assessment, BOC-NAIA, provided BOC's comment through a Memorandum he prepared along with Mr. Johnorel S. Sionillo, Customs Operations Officer (COO) III, through Ms. Leabel U. Basa, Acting Chief, Formal Entry Unit, Paircargo, and Dr. Siegfried L. Manaois, Special Deputy Collector (SDC), Paircargo Assessment Composite Division, stating the reasons why subject article was reclassified from the declared AHTN 2022 subheading 8607.99.00 (with an MFN rate of duty of 3% *ad valorem*) to AHTN 2022 subheading 6813.81.00 (with an MFN rate of duty of 10% *ad valorem*). The reasons for this reclassification decision, as stated in the aforesaid Memorandum, were as follows:

To reiterate, article in question are "JURID 839 BRAKE PADS" was initially classified by the consignee/customs broker to 86079900 (3%) (Parts of Railway or tramway locomotives or rolling stock; other), however upon document examination and submission of brochure the article may be classified under 68138100 (10%) (Friction material and articles thereof (for example, sheets, rolls, strips, segments, discs, washers, pads) not mounted, for brakes, for clutches or the like, with a basis of asbestos, of other mineral substances or of cellulose, whether or not combined with textile or other materials; Not containing asbestos; Brake linings and Pads).

In relation to this, below are the following reasons of the assigned examiner for reclassification to HS Code 68138100 (10%):

- Explanatory Notes of Section XVII states on Parts and Accessories more specifically elsewhere in the Nomenclature. Parts and Accessories, even identifiable as for the articles



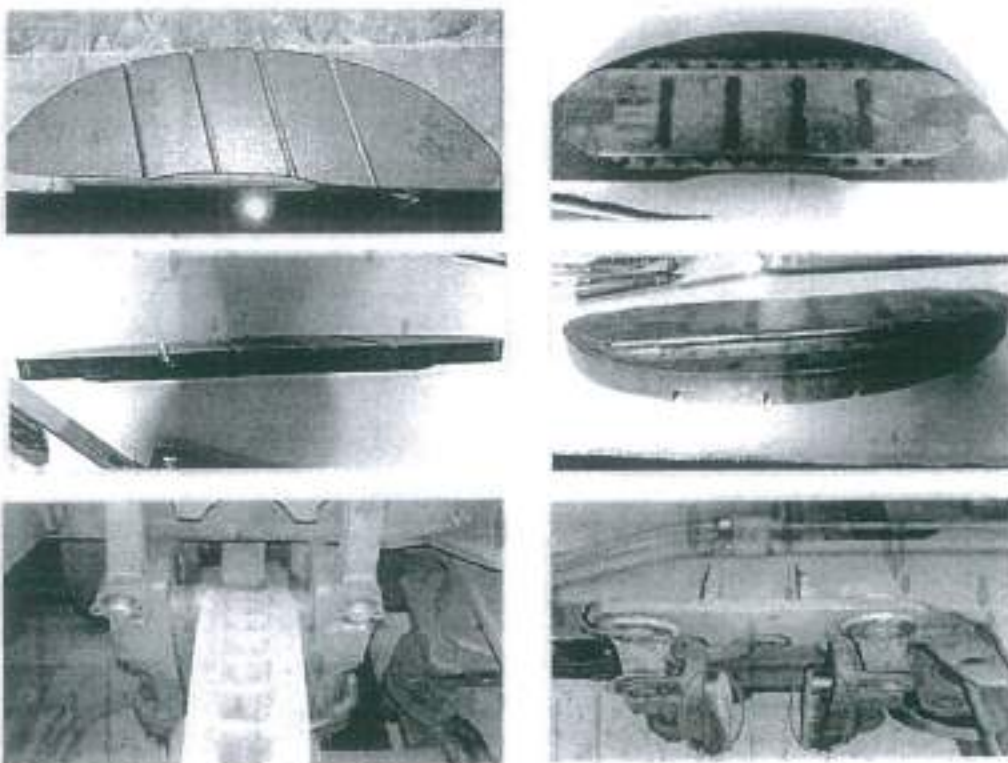
of this Section, are excluded if they are covered more specifically by another heading elsewhere in the Nomenclature.

- AHTN Section XVII, Note 3 states "References in Chapter 86 to 'parts' or 'accessories' do not apply to parts or accessories which are not suitable for use solely or principally with the articles of those Chapters. A part or accessory which answers to a description in two or more of the headings of those Chapters is to be classified under that heading which corresponds to the principal use of that part or accessory."

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the BOC were sufficient to make a correct determination on the tariff classification of subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted technical data sheet, safety information sheet, video on the installation of brake pads, product sample, and photographs of the product, it is established that subject article is a non-asbestos semi metallic brake pad composed of aluminium oxide, magnesium oxide, synthetic rubber, and resin, among others. The pad has parallel multiple slots and is fixed to a metal backing plate to secure its installation to the brake system of a train. These pads are designed for the disk brakes of Light Rail Vehicles (LRV) (first generation trains). Having a dimension of (L x W x T) 338 mm x 106 mm x 16 mm, subject article comes into contact with the rotating disc or brake rotor when the train operator applies the brake, causing the vehicle to slow or stop (e.g., upon arrival at the next train station or for safety during an emergency).

Below are photographs of subject article submitted by the Importer/Consignee to the Commission:



The BOC considered the classification of the product under Chapter 68 of the AHTN 2022, which covers articles of stone, plaster, cement, asbestos, mica or similar materials, particularly under heading 68.13, which covers friction material and articles thereof (for example, sheets, rolls, strips, segments, discs, washers, pads), not mounted, for brakes, for clutches or the like, with a basis of asbestos, of other mineral substances or of cellulose, whether or not combined with textile or other materials.

The pertinent Harmonized System (HS) Explanatory Notes (EN) to heading 68.13 states that:

"Asbestos friction material is usually made by high pressure moulding of a mixture of asbestos fibres, plastics etc.; it can also be made by compressing layers of woven or plaited asbestos which

have been impregnated with plastics, pitch or rubber. It may be reinforced with brass, zinc or lead wire, or may sometimes be made up from metal wire or cotton yarn covered with asbestos. Owing to its high friction coefficient and its resistance to heat and wear, this material is used for lining brake shoes, clutch discs, etc., for vehicles of all kinds, cranes, dredgers or other machinery. The heading includes similar friction materials with a basis of other mineral materials (e.g., graphite, siliceous fossil earths) or of cellulose fibre.

According to the particular use for which it is intended, friction material of this heading may be in the form of sheets, rolls, strips, segments, discs, rings, washers, pads or cut to any other shape. The friction material may also be assembled by sewing, may be drilled or otherwise worked.

The heading **excludes**:

(a) Friction materials not containing mineral materials or cellulose fibre (e.g., those of cork); these are generally classified according to the constituent material.

(b) **Mounted brake linings (including friction material fixed to a metal plate provided with circular cavities, perforated tongues or similar fittings, for disc brakes); these are classified as parts of the machines or vehicles for which they are designed (e.g., heading 87.08).** [emphasis added]

On the other hand, based on the subject article's use/function, the Importer/Consignee classified it under Chapter 86 of the AHTN 2022 which covers railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds, specifically under heading 86.07 which covers parts of railway or tramway locomotives or rolling-stock. The pertinent HS EN to heading 86.07 state that:

"This heading covers parts of railway or tramway locomotives or rolling-stock, **provided** the parts fulfil **both** the following conditions :

(i) They must be identifiable as being suitable for use solely or principally with the above-mentioned vehicles;

(ii) They must not be excluded by the provisions of the Notes to Section XVII.

Parts of railway or tramway locomotives or rolling-stock include :

(1) Bogies, with two or more axles, and bissel-bogies consisting of a frame with only one axle.

(2) Straight or cranked axles, whether or not assembled.

(3) Wheels and parts thereof (wheel centres, metal tyres, etc.).

(4) Axle-boxes, also known as lubricating or grease-boxes, and parts thereof (e.g., axle-box bodies).

(5) All types of brake gear, including :

(a) Hand-brakes, controlled directly from each individual vehicle (lever and screw brakes).

(b) Continuous brakes with a single control for all the vehicles of the train. These include compressed air and vacuum brakes.

(c) **Parts of brake gear including shoes, cylinders, levers, etc.** [emphasis added]

XXX*

Note 3 to Section XVII (Vehicles, aircraft, vessels and associated transport equipment) of the AHTN 2022 states that:

"3.- References in Chapters 86 to 88 to "parts" or "accessories" do not apply to parts or accessories which are not suitable for use solely or principally with the articles of those Chapters. A part or accessory which answers to a description in two or more of the headings of those Chapters is to be classified under that heading which corresponds to the principal use of that part or accessory."

By reference to the HS EN of heading 68.13, the Commission has determined that subject article, as presented, is a mounted brake pad specifically for use with disk brakes designed/intended for trains of Chapter 86, and thus is specifically covered under heading 86.07 of the AHTN 2022.

Based on the information received from the Importer/Consignee and the BOC, and the clarifications provided by the foregoing Section Note and HS EN, subject article is properly classified under AHTN 2022 subheading 8607.21.00 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate
Brake Pads JURID® 839 16mm for MT	8607.21.00	3% <i>ad valorem</i>

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION



MARILOU P. MENDOZA
Chairperson

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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26 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 76-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 23-016 issued on 23 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "M367771 Universal Conductivity Cell 5008/S," from Germany consigned to Fresenius Medical Care Philippines Incorporated, (Import Entry/ Customs Reference No. C-26216, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate
M367771 Universal Conductivity Cell 5008/S	9027.89.90	Zero

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.


BIENVENIDO Y. RUBIO
Commissioner

MAY 08 2024



BUREAU OF CUSTOMS

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09-48139

REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "M367771 UNIVERSAL
CONDUCTIVITY CELL 5008/S", CONSIGNED TO
FRESENIUS MEDICAL CARE PHILIPPINES
INCORPORATED

TCC (DR) NO. 23-016

(Import Entry/Customs Reference No. C-26216,
BOC-NAIA)

Issued on: 23 April 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of M367771 Universal Conductivity Cell 5008/S, imported by Fresenius Medical Care Philippines Incorporated (Importer/Consignee) from Germany. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 05 September 2023.

Shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 9026.90.00, with a Most Favoured Nation (MFN) rate of duty of 2.2%, was processed under Import Entry/Customs Reference No. C-26216 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2022 subheading 9033.00.00, with an MFN rate of duty of 3% *ad valorem*.

Hence, this request for a TCDR.

In the initial assessment of the application, the Importer/Consignee committed to provide information about the hemodialysis machine to which the subject article is a part of, including its functionality and exploded parts diagram depicting the machine's parts/components, to determine subject article's position/location. The information was received by this Commission on 11 September 2023.

With information deemed sufficient to classify subject article and pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 20 December 2023 for comments on the request for TCDR on M367771 Universal Conductivity Cell 5008/S. Further, Section 7.4 of the same Commission Order states that within 10 working days from the receipt of the notice and the records of the case, the BOC may file a comment or submit any additional explanation or documents to justify its findings. However, to this date, the Commission has not received any response from the BOC-NAIA, hence, it proceeded to evaluate the classification of the subject article based on the submissions received from the Importer/Consignee.

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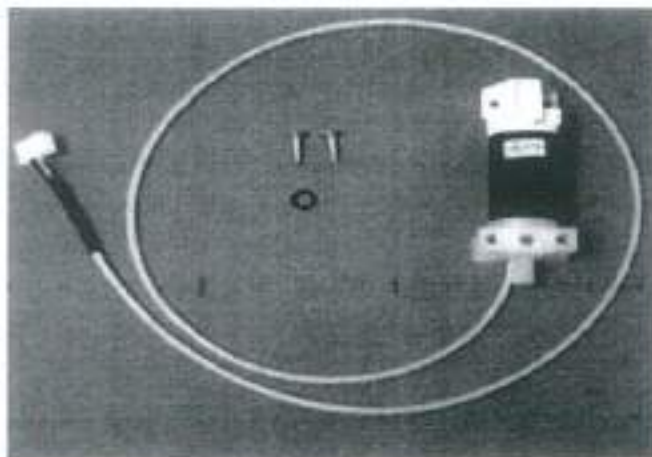
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in the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted product brochure, technical specifications, commercial invoice, photograph of the product, and technical document for 5008S Hemodialysis Machine, it is established that subject article is a conductance transmitter, a component/part of the 5008S Hemodialysis Machine. It primarily consists of a conductance-sensing element connected to a cable. The conductance-sensing element detects and measures the conductivity of the dialysate during dialysis, then converts it into electrical signals. These signals are transmitted, through the cable/wiring connected to the conductance transmitter, to the monitoring system of the hemodialysis machine, for further processing or analysis such as for determining the correct mixing ratio and/or whether to discharge any incorrect dialysate. Subject article is installed in between two DIASAFE® plus filters where it monitors the conductivity of the dialysate during the process of hemodialysis.

Below is the photograph of the subject article submitted by the Importer/Consignee to this Commission:



Both the Importer/Consignee and BOC considered classification of subject article as a part of a machine/apparatus under Chapter 90 of the AHTN 2022 which covers *optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof*. However, their classification differed at the heading level, with the Importer/Consignee selecting heading 90.26 [*instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flowmeters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading 90.14, 90.15, 90.28 or 90.32*] while the BOC considered the residual heading for parts of machines/apparatus of Chapter 90, heading 90.33 [*parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90*].

It should be noted that the classification of parts or components of machines/apparatus generally depend on the classification of the machine/apparatus where these will be used. In the instant case, it is established that subject article is a component or part of a hemodialysis machine. Based on this Commission's evaluation, hemodialysis machines are covered under heading 90.18 of the AHTN 2022 [*instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and*

sight-testing instruments). Therefore, the classification of subject article under Chapter 90 by the Importer/Consignee and the BOC merits consideration.

Note 2 to Chapter 90, which governs the classification of parts and accessories for the machines, apparatus, instruments and articles of the Chapter, states that:

"2.- Subject to Note 1 above, parts and accessories for machines, apparatus, instruments or articles of this Chapter are to be classified according to the following rules :

- (a) **Parts and accessories which are goods included in any of the headings of this Chapter or of Chapter 84, 85 or 91 (other than heading 84.87, 85.48 or 90.33) are in all cases to be classified in their respective headings [emphasis added];**
- (b) *Other parts and accessories, if suitable for use solely or principally with a particular kind of machine, instrument or apparatus, or with a number of machines, instruments or apparatus of the same heading (including a machine, instrument or apparatus of heading 90.10, 90.13 or 90.31) are to be classified with the machines, instruments or apparatus of that kind;*
- (c) **All other parts and accessories are to be classified in heading 90.33 [emphasis added]."**

The pertinent Harmonized System (HS) Explanatory Notes (EN) for parts and accessories in heading 90.18, which covers hemodialysis machines, state that:

"PARTS AND ACCESSORIES

Subject to the provisions of Notes 1 and 2 to this Chapter (see the General Explanatory Note), parts and accessories of apparatus or appliances of this heading remain classified here [emphasis added]."

As stated in the above HS EN, parts and accessories of heading 90.18 remain classified in that heading but are bound by the conditions outlined in Notes 1 and 2 of Chapter 90.

Moreover, the pertinent HS EN for heading 90.26 of the AHTN 2022, where the Importer/Consignee classified subject article, state that:

"Apart from instruments or apparatus more specifically covered by other headings of the Nomenclature, such as :

- (a) *Pressure-reducing valves and thermostatically controlled valves (heading 84.81);*
- (b) *Anemometers (wind gauges) and hydrological level gauges (heading 90.15);*
- (c) *Thermometers, pyrometers, barometers, hygrometers and psychrometers (heading 90.25);*
- (d) *Instruments and apparatus for physical or chemical analysis, etc. (heading 90.27),*

this heading covers instruments and apparatus for measuring or checking the flow, level, pressure, kinetic energy or other process variables of liquids or gases.

The instruments and apparatus of this heading may be fitted with recording, signalling or optical scale-reading devices or transmitters with an electrical, pneumatic or hydraulic output.

Measuring or checking apparatus generally incorporates an element sensitive to variations in the quantity to be measured (e.g., Bourdon tube, diaphragm, bellows, semiconductors) moving a needle or a pointer. In some devices the variations are converted into electrical signals.

x x x"

On the other hand, the pertinent HS EN to heading 90.33, the residual heading for parts and accessories for machines, appliances, instruments or apparatus of Chapter 90, and which BOC considered as the more appropriate heading for subject article, state that:

"This heading covers all parts and accessories for machines, appliances, instruments or apparatus of this Chapter, other than :

(1) Those mentioned in Chapter Note 1, e.g. :

(a) Optical elements of glass, not optically worked (Chapter 70).

(b) Articles of a kind used in machines, appliances, instruments or apparatus, of vulcanised rubber other than hard rubber (e.g., rubber gaskets, washers and the like) (heading 40.16), of leather or of composition leather (e.g., leather diaphragms for gas meters) (heading 42.05) or of textile material (heading 59.11).

(c) Parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV) or similar goods of plastics (Chapter 39).

(2) Those covered by Chapter Note 2 (a), which constitute in themselves machines, appliances, instruments or apparatus of any particular heading of Chapter 90 or of Chapter 84, 85 or 91 (other than the residual headings 84.87, 85.48 or 90.33). It therefore follows that separately presented articles of this type must be classified in their respective headings [emphasis added].

x x x"

The text/description of heading 90.33 [parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90] clearly indicates that this heading should be considered only when classifying parts and accessories for the machines, appliances, instruments or apparatus of Chapter 90 which are not mentioned in Note 1 (i.e., exclusions to Chapter 90) nor covered by Notes 2 (a) and 2 (b) of Chapter 90.

Furthermore, based on the Commission's evaluation, subject article is not covered by heading 90.26 as it not an instrument or apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases. Thus, another heading that specifically covers its function should be considered.

Heading 90.27 of the AHTN 2022 covers *instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes.* The HS EN to this heading state that:

"This heading includes :

x x x

(22) **pH meters and rH (redoxpotential) meters.** pH meters are used to measure the factor expressing the acidity or alkalinity of a solution or mixture (pure water being the neutral standard). rH meters are used to measure the oxidising or reducing power of a solution. These instruments operate on a number of different principles; the most common type employs the electrometric system, in which electrodes are used to set up a potential difference which is proportional to the pH or rH of the solution. In addition to measuring, these instruments may also be used for automatic control.

x x x

(27) **Conductivity meters to determine the electrolytic conductivity or the concentration of salts, acids or bases dissolved in a liquid** [emphasis added].

x x x

Thus, by reference to Note 2 (a) to Chapter 90 and the HS EN to headings 90.18, 90.26, 90.27 and 90.33, the Commission has determined that subject article, being a part specifically for a hemodialysis machine which is responsible for detecting and measuring the electrolytic conductivity of the dialysate in the 5008S Hemodialysis Machine, converting it into electrical signals, and then transmitting them through the cable/wiring to the monitoring system of the machine for further processing or analysis (such as for determining the correct mixing ratio and/or whether to discharge any incorrect dialysate), is specifically covered under heading 90.27 of the AHTN 2022.

Based on the information received from the Importer/Consignee, and the clarifications provided by the foregoing Chapter Notes and HS EN, subject article is properly classified under AHTN 2022 subheading 9027.89.90 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate
M367771 Universal Conductivity Cell 5008/S	9027.89.90	Zero

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION



MARILOU P. MENDOZA
Chairperson

Copy furnished:

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

22 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 77-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 23-008 issued on 17 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "System Res Half Inflated Rubber Bag Ref DTLG272A1450," from France consigned to Asia Brewery Incorporated, (Import Entry/ Customs Reference Nos. C-134351 and C-135954, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2022 MFN Rate
System Res Half Inflated Rubber Bag Ref DTLG272A1450	8431.39.50	1% <i>ad valorem</i>

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner



MAY 08 2024



Gate 3, South Harbor, Port Area, Manila 1018

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09-47993

REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "SYSTEM RES HALF
INFLATED RUBBER BAG REF DTLG272A1450"
CONSIGNED TO ASIA BREWERY INCORPORATED

TCC (DR) NO. 23-008

(Import Entry/Customs Reference Nos. C-134351
and C-135954, NAIA)

Issued on: 17 April 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of System Res Half Inflated Rubber Bag Ref DTLG272A1450 imported by Asia Brewery Incorporated (Importer/Consignee) from France. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 18 May 2023.

The shipment of the said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 8431.39.90, with a Most Favoured Nation (MFN) rate of duty of 1% *ad valorem*, was processed under Import Entry/Customs Reference Nos. C-134351 and C-135954 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2022 subheading 4016.95.00, with an MFN rate of duty of 7% *ad valorem*.

Hence, this request for a TCDR.

While evaluating the submissions from the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence, on 10 July 2023, the Commission requested the Importer/Consignee to submit the following additional information, as certified by the supplier:

- identification of the complete components of the good; and
- description on how the subject good is used in relation to the palletizer/depalletizer machine it is intended for.

The response, containing the required information, was received by this Commission via electronic mail (email) on 20 July 2023.

Furthermore, the Commission extended a request to Mr. Reynan C. Samoy, the authorized representative from Time Cargo Logistics Corporation, via telephone, seeking a copy of the Discrepancy Report for the shipment with Reference No. C-134351. This document was received by the Commission on 19 October 2023 via an email from Ms. Aica Razon of the same company.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 10 November 2023 for comments on the request for TCDR on System Res Half Inflated Rubber Bag Ref DTLG272A1450. In a letter dated 24 November 2023, Atty. Halleck A. Valdez, Deputy Collector for Assessment, provided BOC's comment through a Memorandum, prepared by Mr. Johnorel S. Sionillo, Customs Operations Officer (COO) III; Ms. Gladys Joy C. Obsum, COO III; and Mr. Jaypee Mabuhay, Acting COO V, stating the reasons why subject article was reclassified from the declared AHTN 2022 subheading 8431.39.90 (with an MFN rate of duty of 1% *ad valorem*) to AHTN 2022 subheading 4016.95.00 (with an MFN rate of duty of 7% *ad valorem*). The reasons for this reclassification decision, as stated in the aforesaid Memorandum, were as follows:

"To reiterate, article in question are **"SYSTEM RES HALF INFLATED RUBBER BAG REF DTLG272A1450"** was initially classified by the consignee/customs broker to **84313990 (1%)** (Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30; other parts of machinery of heading 84.28), however upon document examination and submission of brochure



the article may be classified under 40169500 7% (other articles of vulcanised rubber other than hard rubber; Other inflatable articles).

In relation to this, below are the following reasons of the assigned examiners for reclassification to HS Code 40169500 (7%):

- Section XVI Note 1-A of chapter 84 does not cover (Transmission or conveyor belts or belting, of plastics of Chapter 39, or of vulcanised rubber (heading 40.10), or other articles of a kind used in machinery or mechanical or electrical appliances or for other technical uses, of vulcanised rubber other than hard rubber (heading 40.16).
- Explanatory notes of heading 8431 Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30 states; Subject to the general provision regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts for use solely or principally with the machinery of headings 84.25 to 84.30

It should also be noted that many parts do not fall in this heading since they are Specified elsewhere in the Nomenclature, e.g., suspension springs (heading 73.20), engines (heading 84.07 or 84.08, etc.)

- **SYSTEM RES HALF INFLATED RUBBER BAG REF DTLG27A1450** is an inflatable air bag with specific HS code in AHTN 2022 of 40169500 other inflatable articles."

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee and the BOC were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted brochure, material certification issued by the manufacturer, invoice, packing list, other technical specifications, and photographs of the product, it is established that subject article is a component of a bottle palletizing machine. It is made of non-plasticized polyvinyl chloride-coated fabric formed into a rectangular inflatable bag measuring 1,320 mm (L) x 75 mm (H) x 27 mm (T). It is fitted with three carbon steel threaded studs placed at 510 mm apart, reinforced steel plates, and a 12-mm long plastic air tube. During operation, the rows of air bags (also called gripping tubes), which are fitted to the gripping mechanism of said machine, will be filled with air and used to pick-up or grip rows of bottles for transfer to the feeding table conveyor for layer stacking. Subject article is intended for bottles with a special shape design (short necks, wide space between necks) and is to be imported in a half-inflated state.

Below is a photograph submitted by the Importer/Consignee of the actual product installed to the gripping mechanism of the palletizing machine:



Gripping tubes / Air Bag

The Importer/Consignee considered subject article as part of a palletizing machine classifiable under Section XVI of the AHTN 2022 (Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such article), specifically under Chapter 84, which covers nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.

Further, the Importer/Consignee declared/classified subject article under heading 84.31 of the AHTN 2022, which covers parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30. The pertinent Harmonized System (HS) Explanatory Notes (EN) to this heading state that:

*"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), this heading covers parts for use **solely or principally** with the machinery of headings 84.25 to 84.30.*

*It should also be noted that many parts **do not fall** in this heading since they are :*

- (a) Specified elsewhere in the Nomenclature, e.g., suspension springs (**heading 73.20**), engines (**heading 84.07 or 84.08**, etc.) and electrical ignition or starting equipment (**heading 85.11**).*
- (b) Parts identical with those for motor vehicles and not suitable for use solely or principally with the machinery of headings 84.25 to 84.30, and therefore classified as parts of motor vehicles (**heading 87.08**); this applies in particular to wheels and steering and braking equipment.*
- or (c) Parts suitable for use solely or principally with the machinery for lifting, handling, loading or unloading boules, wafers, semiconductor devices, electronic integrated circuits or flat panel displays (**heading 84.86**).*

The heading includes :

- (1) Lifting grabs, buckets, grips, etc., i.e., simple lifting buckets fitted with attaching rings, hooks, etc.; hinge-bottomed buckets; grabs consisting of two jointed shells which fit together for lifting powdery materials; grips consisting of two or more jointed blades or claws for handling stone, rocks, etc.*

*Electro-magnetic lifting heads for handling scrap metal, etc., are also **excluded** (**heading 85.05**).*

XXX"

On the other hand, the BOC considered subject half-inflated rubber bag to be excluded from Section XVI (and thereby Chapter 84) by virtue of Note 1 (a) to Section XVI which states that:

"1. This Section does not cover :

- (a) Transmission or conveyor belts or belting, of plastics of Chapter 39, or of vulcanised rubber (**heading 40.10**), or other articles of a kind used in machinery or mechanical or electrical appliances or for other technical uses, of vulcanised rubber other than hard rubber (**heading 40.16**);"*

Instead, they classified the product under Chapter 40 of the AHTN 2022, which covers rubber and articles thereof, specifically under heading 40.16 which covers other articles of vulcanised rubber other than hard rubber. The pertinent HS EN to said heading state that:

"This heading covers all articles of vulcanised rubber (other than hard rubber) not covered by the preceding headings of this Chapter or by other Chapters.

The heading includes :

- (1) Articles of cellular rubber.*
- (2) Floor coverings and mats (including bath mats), **other than** rectangular (including square) mats cut from plates or sheets of rubber and not further worked than surface-worked (see the Explanatory Note to **heading 40.08**).*
- (3) Erasers.*
- (4) Gaskets, washers and other seals.*
- (5) Boat or dock fenders, whether or not inflatable.*
- (6) Pneumatic mattresses, pillows and cushions and other inflatable articles (**other than** those of **heading 40.14 or 63.06**); water-mattresses.*

XXX

Based on the evaluation of the information provided to this Commission, it has been established that though subject article is named "rubber bag", it is in fact not made of rubber material, but of non-plasticized polyvinyl chloride-coated fabric. It has also been determined that subject air bag is a component/part of a palletizing machine designed for the lifting/handling of bottles during the palletizing/stacking process.

The classification of parts of machines and apparatus covered under Section XVI of the AHTN 2022 is governed by Note 2 to this section which states that:

"2- Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules :

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48."

The palletizing machine, to which the subject article is a component, is classifiable under heading 84.28 of the AHTN 2022, which covers *other lifting, handling, loading or unloading machinery (for example, lifts, escalators, conveyors, teleferics)*. The pertinent HS EN regarding the classification of parts under this heading state that:

"Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the machines of this heading are classified in heading 84.31."

Furthermore, the General Explanatory Notes to Section XVI regarding the classification of parts state that:

"In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (I) above. Separate headings are, however, provided for :

(A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).

(B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31) [emphasis added].

XXX

In addition, subject air bag is not merely a made-up article of textile/fabric. It is fitted with essential components, such as the carbon steel threaded studs, reinforced steel plates, and a plastic air tube, which play crucial roles in its functions of gripping/picking up and of being part of a palletizing machine (i.e., incorporating it into the gripping mechanism), thus making subject article suitable for use solely or principally with the palletizing machine.

By reference to Note 2 to Section XVI and the HS EN to headings 40.16, 84.28, and 84.31, the Commission has determined that subject article, being a part solely designed for the gripping mechanism of the palletizing machine of heading 84.28, is appropriately covered under heading 84.31 of the AHTN 2022.

Based on the information received from the Importer/Consignee and the BOC, and the clarifications provided by the foregoing Section Note and HS EN, subject article is properly classified under AHTN 2022 subheading 8431.39.50 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2022 MFN Rate
System Res Half Inflated Rubber Bag Ref DTLG272A1450	8431.39.50	1% <i>ad valorem</i>

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION



MARILOU P. MENDOZA
Chairperson

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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BOC-01-08737

10 May 2024

CUSTOMS MEMORANDUM CIRCULAR

No. 78-2024

**To: All Collectors of Customs
Importers, Customs Brokers, Brokers'
Representatives and All Others Concerned**

In line with Customs Memorandum Order No. 14 - 2019, the Exchange Rate duly issued by the Bangko Sentral ng Pilipinas on May 10, 2024 shall be the applicable Rate of Exchange for the week May 11, 2024 to May 17, 2024 for both the regular consumption entries (formal and informal), warehouse entries as well as withdrawal entries for shipments entered under warehousing.

COUNTRY	UNIT	PHIL. PESO EQUIVALENT
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I. CONVERTIBLE CURRENCIES WITH BANGKO SENTRAL:

1 UNITED STATES	DOLLAR	57.3830
2 JAPAN	YEN	0.3691
3 UNITED KINGDOM	POUND	71.8722
4 HONGKONG	DOLLAR	7.3432
5 SWITZERLAND	FRANC	63.3576
6 CANADA	DOLLAR	41.9528
7 SINGAPORE	DOLLAR	42.4274
8 AUSTRALIA	DOLLAR	37.9818
9 BAHRAIN	DINAR*	152.1974
10 KUWAIT	DINAR	N/A
11 SAUDI ARABIA	RIYAL	15.3005
12 BRUNEI	DOLLAR	42.2711
13 INDONESIA	RUPIAH	0.0036
14 THAILAND	BAHT****	1.5623
15 UNITED ARAB EMIRATES	DIRHAM	15.6254
16 EUROPEAN MONETARY UNION	EURO	61.8761
17 KOREA	WON	0.0421
18 CHINA	YUAN**	7.9465



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II. OTHERS (NOT CONVERTIBLE WITH BSP)

19 ARGENTINA	PESO	0.0651
20 BRAZIL	REAL	11.1597
21 DENMARK	KRONER	8.2949
22 INDIA	RUPEE	0.6877
23 MALAYSIA	RINGGIT	12.1099
24 MEXICO	NEW PESO	3.4236
25 NEW ZEALAND	DOLLAR	34.6192
26 NORWAY	KRONER	5.2964
27 PAKISTAN	RUPEE	0.2061
28 SOUTH AFRICA	RAND	3.1073
29 SWEDEN	KRONER	5.2888
30 SYRIA	POUND	0.0044
31 TAIWAN	NT DOLLAR	1.7728
32 VENEZUELA	BOLIVAR	1.5724

It shall be understood that the foreign currencies shall be converted directly into the Philippine Pesos rather than the old practice of converting first into U.S. Dollar.

All issuances inconsistent with this Order are hereby revoked.

This Order shall take effect May 10, 2024.

ATTY. VENER S. BAQUIRAN
Deputy Commissioner, AOCC



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mf

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

29 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 82-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 23-014 issued on 26 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "M322221 Pressure Transducer -0.9/2.0 Bar 5008/S 6008," from Germany consigned to Fresenius Medical Care Philippines Incorporated, (Import Entry/ Customs Reference No. C-26216, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate
M322221 Pressure Transducer -0.9/2.0 Bar 5008/S 6008	9026.20.90	Zero

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.



BIENVENIDO Y. RUBIO
Commissioner

MAY 10 2024

CMC 82-2024



BUREAU OF CUSTOMS

REPUBLIC OF THE PHILIPPINES

TARIFF COMMISSION

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2024

GROUP (BOC)

RECEIVED

Adms VN

04-26-24

DA-48210

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "M322221 PRESSURE
TRANSDUCER -0.9/2.0 BAR 5008/S 6008",
CONSIGNED TO FRESENIUS MEDICAL CARE
PHILIPPINES INCORPORATED

(Import Entry/Customs Reference No. C-26216,
BOC-NAIA)

TCC (DR) NO. 23-014

BUREAU OF CUSTOMS
MESSAGE CENTER

RECEIVED

APR 26 2024

BY: A. LIGANOR TIME: 11:53

Issued on: 26 April 2024

TARIFF CLASSIFICATION DISPUTE RULING

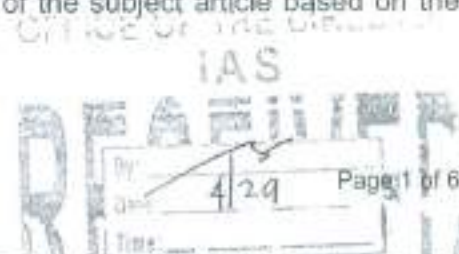
Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of M322221 Pressure Transducer -0.9/2.0 Bar 5008/S 6008, imported by Fresenius Medical Care Philippines Incorporated (Importer/Consignee) from Germany. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 05 September 2023.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 9026.90.00, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-26216 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2022 subheading 9033.00.00, with an MFN rate of duty of 3% *ad valorem*.

Hence, this request for a TCDR.

In the initial assessment of the application, the Importer/Consignee committed to provide information about the hemodialysis machine to which the subject article is a part of, including its functionality and exploded parts diagram depicting the machine's parts/components, to determine subject article's position/location. The information was received by this Commission on 11 September 2023.

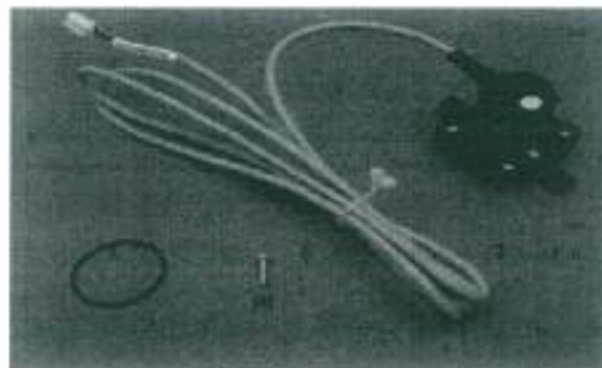
With information deemed sufficient to classify subject article and pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 28 December 2023 for comments on the request for TCDR on M322221 Pressure Transducer -0.9/2.0 Bar 5008/S 6008. Further, Section 7.4 of the same Commission Order states that within 10 working days from the receipt of the notice and the records of the case, the BOC may file a comment or submit any additional explanation or documents to justify its findings. However, to this date, the Commission has not received any response from the BOC-NAIA, hence, it proceeded to evaluate the classification of the subject article based on the submissions received from the Importer/Consignee.



In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted product brochure, technical specifications, commercial invoice, photograph of the product, and technical document for 5008S Hemodialysis Machine, it is established that subject article is a pressure transmitter, a component/part of the 5008S Hemodialysis Machine. It primarily consists of a pressure-sensing element connected to a cable. The pressure-sensing element detects and measures fluid pressures in the 5008S Hemodialysis Machine, then converts it into electrical signals through the transduction process. These signals are transmitted, through the cable/wiring connected to the transducer, to the monitoring system of the hemodialysis machine for further processing or analysis such as for calculating the transmembrane pressure. Subject article is installed in the dialysate inlet and outlet ports of the hemodialysis machine, where it monitors pressure changes that occur during the process of hemodialysis.

Below is the photograph of the subject article submitted by the Importer/Consignee to this Commission:



Both the Importer/Consignee and BOC considered classification of subject article as a part of a machine/apparatus under Chapter 90 of the AHTN 2022 which covers *optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof*. However, their classification differed at the heading level, with the Importer/Consignee selecting heading 90.26 [*instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flowmeters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading 90.14, 90.15, 90.28 or 90.32*] while the BOC considered the residual heading for parts of machines/apparatus of Chapter 90, heading 90.33 [*parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90*].

It should be noted that the classification of parts or components of machines/apparatus generally depend on the classification of the machine/apparatus where these will be used. In the instant case, it is established that subject article is a component or part of a hemodialysis machine. Based on this Commission's evaluation, hemodialysis machines are covered under heading 90.18 of the AHTN 2022 (*instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments*). Therefore, the classification of subject article under Chapter 90 by the Importer/Consignee and the BOC merits consideration.

Note 2 to Chapter 90, which governs the classification of parts and accessories for the machines, apparatus, instruments and articles of the Chapter, states that:

"2.- Subject to Note 1 above, parts and accessories for machines, apparatus, instruments or articles of this Chapter are to be classified according to the following rules :

- (a) **Parts and accessories which are goods included in any of the headings of this Chapter or of Chapter 84, 85 or 91 (other than heading 84.87, 85.48 or 90.33) are in all cases to be classified in their respective headings [emphasis added];**
- (b) Other parts and accessories, if suitable for use solely or principally with a particular kind of machine, instrument or apparatus, or with a number of machines, instruments or apparatus of the same heading (including a machine, instrument or apparatus of heading 90.10, 90.13 or 90.31) are to be classified with the machines, instruments or apparatus of that kind;
- (c) **All other parts and accessories are to be classified in heading 90.33 [emphasis added].**

The pertinent Harmonized System (HS) Explanatory Notes (EN) for parts and accessories in heading 90.18, which covers hemodialysis machines, state that:

"PARTS AND ACCESSORIES

Subject to the provisions of Notes 1 and 2 to this Chapter (see the General Explanatory Note), parts and accessories of apparatus or appliances of this heading remain classified here [emphasis added]."

As stated in the above HS EN, parts and accessories of heading 90.18 remain classified in that heading but are bound by the conditions outlined in Notes 1 and 2 of Chapter 90.

Moreover, the pertinent HS EN for heading 90.26 of the AHTN 2022, where the Importer/Consignee classified subject article, state that:

"Apart from instruments or apparatus more specifically covered by other headings of the Nomenclature, such as :

- (a) Pressure-reducing valves and thermostatically controlled valves (**heading 84.81**);
- (b) Anemometers (wind gauges) and hydrological level gauges (**heading 90.15**);
- (c) Thermometers, pyrometers, barometers, hygrometers and psychrometers (**heading 90.25**);
- (d) Instruments and apparatus for physical or chemical analysis, etc. (**heading 90.27**).

This heading covers instruments and apparatus for measuring or checking the flow, level, pressure, kinetic energy or other process variables of liquids or gases.

The instruments and apparatus of this heading may be fitted with recording, signalling or optical scale-reading devices or transmitters with an electrical, pneumatic or hydraulic output.

Measuring or checking apparatus generally incorporates an element sensitive to variations in the quantity to be measured (e.g., Bourdon tube, diaphragm, bellows,

semiconductors) **moving a needle or a pointer. In some devices the variations are converted into electrical signals** [emphasis added].

x x x"

On the other hand, the pertinent HS EN to heading 90.33, the residual heading for parts and accessories for machines, appliances, instruments or apparatus of Chapter 90, and which BOC considered as the more appropriate heading for subject article, state that:

*"This heading covers all parts and accessories for machines, appliances, instruments or apparatus of this Chapter, **other than** :*

(1) Those mentioned in Chapter Note 1, e.g. :

(a) Optical elements of glass, not optically worked (Chapter 70).

(b) Articles of a kind used in machines, appliances, instruments or apparatus, of vulcanised rubber other than hard rubber (e.g., rubber gaskets, washers and the like) (heading 40.16), of leather or of composition leather (e.g., leather diaphragms for gas meters) (heading 42.05) or of textile material (heading 59.11).

(c) Parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV) or similar goods of plastics (Chapter 39).

(2) Those covered by Chapter Note 2 (a), which constitute in themselves machines, appliances, instruments or apparatus of any particular heading of Chapter 90 or of Chapter 84, 85 or 91 (other than the residual headings 84.87, 85.48 or 90.33). It therefore follows that separately presented articles of this type must be classified in their respective headings [emphasis added].

x x x"

The text/description of heading 90.33 [parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90] clearly indicates that this heading should be considered only when classifying parts and accessories for the machines, appliances, instruments or apparatus of Chapter 90 which are not mentioned in Note 1 (i.e., exclusions to Chapter 90) nor covered by Notes 2 (a) and 2 (b) of Chapter 90.

By reference to Note 2 (a) to Chapter 90 and the HS EN to headings 90.18, 90.26 and 90.33, the Commission has determined that subject article, being a part specifically for a hemodialysis machine which is responsible for detecting and measuring fluid pressures in the 5008S Hemodialysis Machine, converting it into electrical signals, and then transmitting them through the cable/wiring to the monitoring system of the machine for further processing or analysis (such as for calculating the transmembrane pressure), is specifically covered under heading 90.26 of the AHTN 2022.

Based on the information received from the Importer/Consignee, and the clarifications provided by the foregoing Chapter Notes and HS EN, subject article is properly classified under AHTN 2022 subheading 9026.20.90 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate
M322221 Pressure Transducer -0.9/2.0 Bar 5008/S 6008	9026.20.90	Zero

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION

Marilou P. Mendoza

MARILOU P. MENDOZA
Chairperson

Copy furnished:

The Secretary

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The Commissioner

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PH_MNT_FME_IMPORTS@fmc-asia.com

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Email: lorriemye.filio@hartrodt.com.ph



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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

26 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 83-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : TARIFF CLASSIFICATION DISPUTE RULING

This has reference to the herein attached Tariff Commission Circular Dispute Ruling (TCC DR) No. 23-018 issued on 23 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "M334391 Pressure Transducer TMP 4008B/H/S/S V10" from Germany consigned to Fresenius Medical Care Philippines Incorporated, (Import Entry/ Customs Reference No. C-26216, Ninoy Aquino International Airport), the dispositive portion of which states that:

"WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate
M334391 Pressure Transducer TMP 4008B/H/S/S V10	9026.20.90	Zero

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For strict compliance.



BIENVENIDO Y. RUBIO
Commissioner

MAY 10 2024



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "M334391 PRESSURE
TRANSDUCER TMP 4008B/H/S/S V10",
CONSIGNED TO FRESNIUS MEDICAL CARE
PHILIPPINES INCORPORATED

TCC (DR) NO. 23-018

00-48137

(Import Entry/Customs Reference No. C-26216,
BOC-NA/A)

Issued on: 23 April 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a Tariff Classification Dispute Ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of M334391 Pressure Transducer TMP 4008B/H/S/S V10, imported by Fresenius Medical Care Philippines Incorporated (Importer/Consignee) from Germany. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 05 September 2023.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 9026.90.00, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-26216 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2022 subheading 9033.00.00, with an MFN rate of duty of 3% *ad valorem*.

Hence, this request for a TCDR,

In the initial assessment of the application, the Importer/Consignee committed to provide information about the hemodialysis machine to which the subject article is a part of, including its functionality and exploded parts diagram depicting the machine's parts/components, to determine subject article's position/location. The information was received by this Commission on 11 September 2023.

With information deemed sufficient to classify subject article and pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 19 December 2023 for comments on the request for a TCDR on M334391 Pressure Transducer TMP 4008B/H/S/S V10. Further, Section 7.4 of the same Commission Order states that within 10 working days from the receipt of the notice and the records of the case, the BOC may file a comment or submit any additional explanation or documents to justify its findings. However, to this date, the Commission has not received any response from the BOC-NAIA, hence, it proceeded to evaluate the classification of the subject article based on the submissions received from the Importer/Consignee.

APR 23 2024

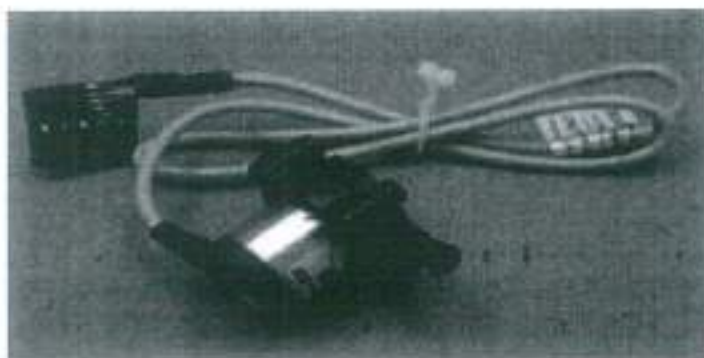
BY: A. L. WARE TIME: 3:48

nee: REPUBLIC OF THE PHILIPPINES
 BUREAU OF CUSTOMS
 OFFICE OF THE DEPUTY COMMISSIONER
 ASSESSMENT & OPERATIONS COORDINATING GROUP (AOCG)
RECEIVED #2129
 BY: *[Signature]*
 DATE & TIME: *Nov 11: 11*
04-24-24

In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending disputes in tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

After due examination of the submitted product brochure, technical specifications, commercial invoice, photograph of the product, and technical document for 4008S Hemodialysis Machine, it is established that subject article is a pressure transmitter, a component/part of the 4008S Hemodialysis Machine. It primarily consists of a pressure-sensing element connected to a cable. The pressure-sensing element detects and measures the dialysate pressure in the hydraulics of the machine, then converts it into electrical signals through the transduction process. These signals are transmitted, through the cable/wiring connected to the transducer, to the monitoring system of the hemodialysis machine for further processing or analysis such as for determining the integrity of the filter and closed system (via pressure holding tests). Subject article is installed between the multifunction block and relief valve and/or before the dialyzer valve of the hemodialysis machine, where it monitors pressure changes that occur during the process of hemodialysis.

Below is the photograph of the subject article submitted by the Importer/Consignee to this Commission:



Both the Importer/Consignee and BOC considered classification of subject article as a part of a machine/apparatus under Chapter 90 of the AHTN 2022 which covers *optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof*. However, their classification differed at the heading level, with the Importer/Consignee selecting heading 90.26 [*instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flowmeters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading 90.14, 90.15, 90.28 or 90.32*] while the BOC considered the residual heading for parts of machines/apparatus of Chapter 90, heading 90.33 [*parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90*].

It should be noted that the classification of parts or components of machines/apparatus generally depend on the classification of the machine/apparatus where these will be used. In the instant case, it is established that subject article is a component or part of a hemodialysis machine. Based on this Commission's evaluation, hemodialysis machines are covered under heading 90.18 of the AHTN 2022 [*instruments and appliances used in medical, surgical, dental or veterinary sciences, including scientific apparatus, other electro-medical apparatus and sight-testing instruments*]. Therefore, the classification of subject article under Chapter 90 by the Importer/Consignee and the BOC merits consideration.

Note 2 to Chapter 90, which governs the classification of parts and accessories for the machines, apparatus, instruments and articles of the Chapter, states that:

"2.- Subject to Note 1 above, parts and accessories for machines, apparatus, instruments or articles of this Chapter are to be classified according to the following rules :

- (a) **Parts and accessories which are goods included in any of the headings of this Chapter or of Chapter 84, 85 or 91 (other than heading 84.87, 85.48 or 90.33) are in all cases to be classified in their respective headings [emphasis added];**
- (b) Other parts and accessories, if suitable for use solely or principally with a particular kind of machine, instrument or apparatus, or with a number of machines, instruments or apparatus of the same heading (including a machine, instrument or apparatus of heading 90.10, 90.13 or 90.31) are to be classified with the machines, instruments or apparatus of that kind;
- (c) **All other parts and accessories are to be classified in heading 90.33 [emphasis added]."**

The pertinent Harmonized System (HS) Explanatory Notes (EN) for parts and accessories in heading 90.18, which covers hemodialysis machines, state that:

"PARTS AND ACCESSORIES

Subject to the provisions of Notes 1 and 2 to this Chapter (see the General Explanatory Note), parts and accessories of apparatus or appliances of this heading remain classified here [emphasis added]."

As stated in the above HS EN, parts and accessories of heading 90.18 remain classified in that heading but are bound by the conditions outlined in Notes 1 and 2 of Chapter 90.

Moreover, the pertinent HS EN for heading 90.26 of the AHTN 2022, where the Importer/Consignee classified subject article, state that:

"Apart from instruments or apparatus more specifically covered by other headings of the Nomenclature, such as :

- (a) Pressure-reducing valves and thermostatically controlled valves (**heading 84.81**);
- (b) Anemometers (wind gauges) and hydrological level gauges (**heading 90.15**);
- (c) Thermometers, pyrometers, barometers, hygrometers and psychrometers (**heading 90.25**);
- (d) Instruments and apparatus for physical or chemical analysis, etc. (**heading 90.27**),

this heading covers instruments and apparatus for measuring or checking the flow, level, pressure, kinetic energy or other process variables of liquids or gases.

The instruments and apparatus of this heading may be fitted with recording, signalling or optical scale-reading devices or transmitters with an electrical, pneumatic or hydraulic output.

Measuring or checking apparatus generally incorporates an element sensitive to variations in the quantity to be measured (e.g., Bourdon tube, diaphragm, bellows,

CMC 83-2024

semiconductors) **moving a needle or a pointer. In some devices the variations are converted into electrical signals** [emphasis added].

x x x"

On the other hand, the pertinent HS EN to heading 90.33, the residual heading for parts and accessories for machines, appliances, instruments or apparatus of Chapter 90, and which BOC considered as the more appropriate heading for subject article, state that:

*"This heading covers all parts and accessories for machines, appliances, instruments or apparatus of this Chapter, **other than** :*

(1) *Those mentioned in Chapter Note 1, e.g. :*

(a) *Optical elements of glass, not optically worked (Chapter 70).*

(b) *Articles of a kind used in machines, appliances, instruments or apparatus, of vulcanised rubber other than hard rubber (e.g., rubber gaskets, washers and the like) (heading 40.16), of leather or of composition leather (e.g., leather diaphragms for gas meters) (heading 42.05) or of textile material (heading 59.11).*

(c) *Parts of general use, as defined in Note 2 to Section XV, of base metal (Section XV) or similar goods of plastics (Chapter 39).*

(2) *Those covered by Chapter Note 2 (a), which constitute in themselves machines, appliances, instruments or apparatus of any particular heading of Chapter 90 or of Chapter 84, 85 or 91 (other than the residual headings 84.87, 85.48 or 90.33). It therefore follows that separately presented articles of this type must be classified in their respective headings* [emphasis added].

x x x"

The text/description of heading 90.33 [parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90] clearly indicates that this heading should be considered only when classifying parts and accessories for the machines, appliances, instruments or apparatus of Chapter 90 which are not mentioned in Note 1 (i.e., exclusions to Chapter 90) nor covered by Notes 2 (a) and 2 (b) of Chapter 90.

By reference to Note 2 (a) to Chapter 90 and the HS EN to headings 90.18, 90.26 and 90.33, the Commission has determined that subject article, being a part specifically for a hemodialysis machine which is responsible for detecting and measuring the dialysate pressure in the hydraulics of the 4008S Hemodialysis Machine, converting it into electrical signals, and then transmitting them through the cable/wiring to the monitoring system of the machine for further processing or analysis [such as for determining the integrity of the filter and closed system (via pressure holding tests)], is specifically covered under heading 90.26 of the AHTN 2022.

Based on the information received from the Importer/Consignee, and the clarifications provided by the foregoing Chapter Notes and HS EN, subject article is properly classified under AHTN 2022 subheading 9026.20.90 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

WHEREFORE, premises considered, subject article is hereby classified as follows:

Product	AHTN 2022 Code	2023 MFN Rate
M334391 Pressure Transducer TMP 4008B/H/S/S V10	9026.20.90	Zero

This is for compliance by the BOC pursuant to Section 1100 of the CMTA.

So Ordered.

FOR THE COMMISSION

MariLou P. Mendoza
Digitally signed

MARILOU P. MENDOZA
Chairperson

Copy furnished:

The Secretary

Department of Finance (DOF)
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The Commissioner

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

A modernized and credible customs administration that upholds good governance and is among the world's best

26 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 84-2024

TO : ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : LETTER DATED 02 APRIL 2024 FROM THE NATIONAL
BUREAU OF INVESTIGATION (NBI) RE: ISSUANCE OF
CLEARANCE TO IMPORT COLOR REPRODUCTION
MACHINES

This has reference to the herein attached letter dated 02 April 2024 from Atty. Medardo G. Lemos, Director, National Bureau of Investigation (NBI), regarding the issuance of clearance to import color reproduction machines with 2,400 dots per inch (dpi) or higher.

As stated in the NBI letter, an Inter-Agency Meeting between the Office of the Assistant Director for Investigation Service of the NBI and the Payment and Currency Investigation Group (PCIG) of the Bangko Sentral ng Pilipinas (BSP) held on 13 March 2024 clarified the terms of the 1977 Memorandum Agreement (MOA) between the NBI and the BSP on the issuance of clearance to import on the above-described commodity.

In accordance with the BSP's updated Manual of Regulations of Foreign Exchange Transaction, color reproduction machine with 2,400 dpi or higher is categorized as a regulated commodity.

Further, the NBI stated that the application of clearance to import shall be filed directly with the NBI, which shall forward the matter to the BSP, through the PCIG, Office of the Assistant Governor – Payments and Currency Development Sub-Sector (OAG-PCDSS). Hence, clearance to import shall be released by the NBI.

In addition, copying machines not having the above-mentioned capacity are not covered by the BSP's regulation and therefore not required to secure clearance to import. However, owners or operators of copying machines regardless of printing capacity are required to register their commodities with the NBI as prescribed by Presidential Decree No. 140.



Gate 3, South Harbor, Port Area, Manila 1018

+63 (02) 8705-6000, +63 (02) 8527-1968 | www.customs.gov.ph | boc.cares@customs.gov.ph

For records purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt thereof.

For information and guidance.


BIENVENIDO Y. RUBIO
Commissioner



MAY 09 2024



Gate 3, South Harbor, Port Area, Manila 1018

+63 (02) 8705-6000, +63 (02) 8527-1968 | www.customs.gov.ph | boc.care@customs.gov.ph

CMC 84-2024 p 3



Office of the Assistant Director
Investigation Service

00-6-2024-0279

2 April 2024

Republika ng Pilipinas
(Republic of the Philippines)
Kagawaran ng Katarungan
(Department of Justice)
PAMBANSANG KAWANIHAN NG PAGSISIYASAT
(NATIONAL BUREAU OF INVESTIGATION)
Quezon City

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BACONG PILIPINAS

09-48074

HON. BIENVENIDO Y. RUBIO

Commissioner

Bureau of Customs

G/F OCOM Building, 16th Street
South Harbor, Port Area, Manila

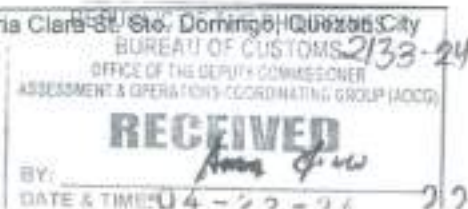
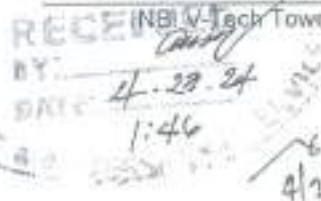


Dear Commissioner Rubio:

This has reference to the Inter-Agency Meeting between the Office of the Assistant Director for Investigation Service of the National Bureau of Investigation (NBI) and the Payment and Currency Investigation Group of the Bangko Sentral ng Pilipinas (BSP) on 13 March 2024 which clarified the terms of a 1977 Memorandum of Agreement (MOA) between the NBI and the BSP on the issuance of clearance to import for color reproduction machines with 2,400 dots per inch (dpi) or higher.

The BSP's updated Manual of Regulations of Foreign Exchange Transaction categorized color reproduction machines with 2,400 dpi or higher as a regulated commodity. The corresponding application then for clearance to import shall be filed directly with the National Bureau of Investigation (NBI), which shall forward the matter to the BSP, through the Payments and Currency Investigation Group (PCIG), Office of the Assistant Governor - Payments and Currency Development Sub-Sector (OAG-PCDSS). Clearance to import shall be released by the NBI.

NBI Tech Tower, 1257 Gregorio Araneta Avenue cor. Maria Clara St., Quezon City





Office of the Assistant Director
Investigation Service

Republika ng Pilipinas
(Republic of the Philippines)
Kagawaran ng Katarungan
(Department of Justice)
PAMBANSANG KAWANIHAN NG PAGSISIYASAT
(NATIONAL BUREAU OF INVESTIGATION)
Quezon City

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BAGONG PILIPINAS

Copying machines not having this capacity is not covered by the BSP's regulation and therefore not required to secure clearance to import. However, owners or operators of copying machines regardless of printing capacity are required to register their commodities with the NBI as prescribed by Presidential Decree No. 140.

If you have clarification on this matter, please coordinate with Assistant Director VICENTE A. DE GUZMAN III, Office of the Assistant Director for Investigation Service, Attention: ATTY. DON R. HERNANDEZ and ATTY. ABRAM M. GERONAGA via their official email address at oddinvs@nbi.gov.ph and landline number **8536-3535**.

Your continued cooperation on matters of mutual concern will be highly appreciated.

Thank you very much and more power.

Very truly yours,


ATTY. MEDARDO G. LEMOS
DIRECTOR