



BUREAU OF CUSTOMS

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08 October 2020

CUSTOMS MEMORANDUM CIRCULAR
NO. 243-2020

To: All Deputy Commissioners
All Directors and Division Chiefs
All District/ Port Collectors
All Others Concerned

SUBJECT: TARIFF CLASSIFICATION DISPUTE RULING

Pursuant to Commission Order No. 2018-1 (Rules of Procedure on Disputes involving Tariff Classification), attached is the copy of Tariff Classification Circular Dispute Ruling (TCC/DR) No. 20-004 issued on 05 October 2020.

For your information and guidance.

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


REY LEONARDO B. GUERRERO
Commissioner

OCT 19 2020



BOC-09-15799

South Harbor, Gate 3, Port Area, Manila 1099

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A Modernized and Credible Customs Administration That is Among the World's Best

cmc No. 243-2020
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REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION



TCC (DR) NO. 20-004

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "LORRY MOUNTED
CRANE TRANSPORT, MODEL:
DONGFENG/2020" CONSIGNED TO
EASTPOWER TECHNOLOGY CORPORATION



BOC-09-15799

(Import Entry/Customs Reference No. C-1031055,
Port of Manila)

Issued on: 05 October 2020

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for 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 Lorry Mounted Crane Transport, Model: Dongfeng/2020 imported by Eastpower Technology Corporation (Importer/Consignee) from China. The request of the Importer/Consignee for TCDR was received by this Commission on 11 August 2020.

The shipment of the said article, declared under ASEAN Harmonized Tariff Nomenclature (AHTN) 2017 subheading 8705.10.00, with Most Favoured Nation (MFN) rate of duty of 3% *ad valorem*, was processed under Import Entry/Customs Reference No. C-1031055 at the Bureau of Customs (BOC), Port of Manila. The BOC contested the declared heading and reclassified the subject article under AHTN 2017 subheading 8704.22.59 with an MFN rate of duty 20% *ad valorem*.

Hence, this request for tariff classification dispute ruling.

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 24 August 2020 for comments on the request for TCDR on Lorry Mounted Crane Transport, Model: Dongfeng/2020. To date, the Commission did not receive any comment from the BOC.

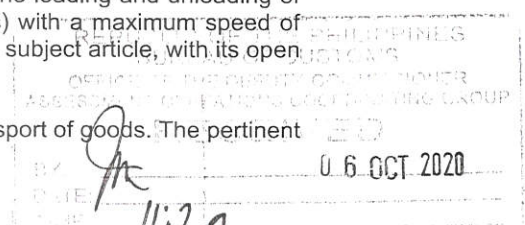
In the evaluation of disputes on tariff classification, Section 8 of Commission Order No. 2018-01 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending dispute in the tariff classification. In the present case, however, this Commission found that the submissions of the Importer/Consignee are 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 photographs of the actual article and its technical specifications, it is established that subject article is a completely built-up (CBU) motor vehicle fitted with a half-row cab and an open cargo area with low side panels. It is equipped with a crane located between the cab and the cargo area designed to facilitate the loading and unloading of cargoes. The lorry (truck) is powered by a diesel engine (6,700 cc) with a maximum speed of 95 km/hr. Having a gross vehicle weight (g.v.w.) of 31,000 kg (31 t), subject article, with its open cargo area, is primarily used for transporting large and heavy cargo.

Heading 87.04 of the AHTN 2017 covers motor vehicles for the transport of goods. The pertinent Harmonized System (HS) Explanatory Notes (EN) state that:

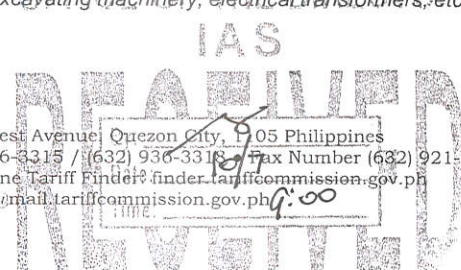
"This heading covers in particular:

Ordinary lorries (trucks) and vans (flat, tarpaulin-covered, closed, etc.); delivery trucks and vans of all kinds, removal vans; lorries (trucks) with automatic discharging devices (tipping lorries (trucks), etc.); tankers (whether or not fitted with pumps); refrigerated or insulated lorries (trucks); multi-floored lorries (trucks) for the transport of acid in carboys, cylinders of butane, etc.; dropframe heavy-duty lorries (trucks) with loading ramps for the transport of tanks, lifting or excavating machinery, electrical transformers, etc.; lorries (trucks)



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specially constructed for the transport of fresh concrete, **other than** concrete-mixer lorries (trucks) of heading 87.05; refuse collectors whether or not fitted with loading, compressing, damping, etc., devices.

This heading also covers :

(3) **Self-loading vehicles** equipped with winches, elevating devices, etc., but designed essentially for transport purposes."

On the other hand, heading 87.05 of the AHTN 2017 covers special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological units). The pertinent HS EN state that:

"This heading covers a range of motor vehicles, specially constructed or adapted, equipped with various devices that enable them to perform certain non-transport functions, i.e., the primary purpose of a vehicle of this heading is not the transport of persons or goods.

The heading includes:

(7) **Crane lorries (trucks)**, not for the transport of goods, consisting of a motor vehicle chassis on which a cab and a rotating crane are permanently mounted. However, lorries (trucks) with self-loading devices are **excluded (heading 87.04).**"

Subject article is a lorry (truck) fitted with a self-loading device (i.e., crane) between its half-row cab and open cargo area and is principally designed for the transport of goods. Hence, it should not be considered as a "special purpose vehicle" (i.e., the primary purpose is not the transport of persons or goods) under the purview of heading 87.05.

Based on the information provided by the Importer/Consignee (i.e., subject article is a motor vehicle powered by a 6,700 cc diesel engine, fitted with a half-row cab and an open cargo area, and with a g.v.w. of 31 t) and the foregoing HS EN, subject article is classified under AHTN 2017 subheading 8704.23.69 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 2017 Code	2020 MFN Rate	2020 ACFTA Rate*
Lorry Mounted Crane Transport, Model: Dongfeng/2020	8704.23.69	20%	5%

*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

MariLou P. Mendoza

MARILOU P. MENDOZA
Chairperson

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TCC (DR) NO. 20-004

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MEMORANDUM

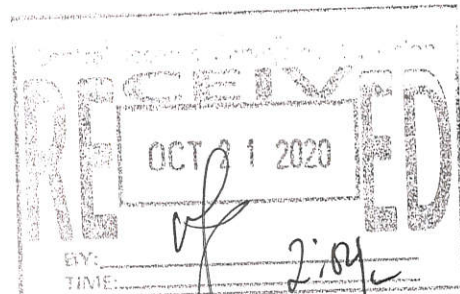
TO : GLADYS C. CABUGAWAN
Chief, Central Records Management Division

FROM : ATTY. YASSER ISMAIL A. ABBAS, CESE
Director III, Imports and Assessment Service

SUBJECT : UNNUMBERED CMC RE: TARIFF CLASSIFICATION
DISPUTE RULING

DATE : 21 October 2020

Respectfully forwarded the herein 08 October 2020 unnumbered Customs Memorandum Circular **RE: TARIFF CLASSIFICATION DISPUTE RULING** signed by the Commissioner dated 19 October 2020, for numbering.



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