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# BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY

26 November 2021

**CUSTOMS MEMORANDUM CIRCULAR**  
NO. 258-2021

To: All Deputy Commissioners  
The Assistant Commissioner  
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. 21-003 issued on 19 November 2021.

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



BOC-09-26215



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cmc No. 258-2021  
p.2

REPUBLIC OF THE PHILIPPINES  
TARIFF COMMISSION



BOC-09-26215

RE: REQUEST FOR TARIFF CLASSIFICATION DISPUTE RULING ON "10 MICRONS BOPET FILM INSIDE CORONA TREATED" CONSIGNED TO AMCOR FLEXIBLES PHILIPPINES CORPORATION

(Import Entry/Customs Reference Nos. C-104154-21 and C-105430-21, Manila International Container Port)

TCC (DR) NO. 21-003

BUREAU OF CUSTOMS  
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BY: MERRY ROSE G. MALATE TIME: 1015

Issued on: 19 November 2021

**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 shipments of 10 MICRONS BOPET FILM INSIDE CORONA TREATED imported by Amcor Flexibles Philippines Corporation (Importer/Consignee) from China. The request of the Importer/Consignee for TCDR was accepted by this Commission on 22 June 2021.

The shipments of the said article, declared under ASEAN Harmonized Tariff Nomenclature (AHTN) 2017 subheading 3920.62.90, with a Most Favoured Nation (MFN) rate of duty of 7% *ad valorem* and ASEAN-China Free Trade Area (ACFTA) rate of duty of zero, were processed under Import Entry/Customs Reference Nos. C-104154-21 and C-105430-21 at the Bureau of Customs (BOC), Manila International Container Port (MICP). The BOC contested the declared heading and reclassified subject article under AHTN 2017 subheading 3921.90.90, with an MFN rate of duty of 15% *ad valorem* and ACFTA rate of duty of 5% *ad valorem*.

Hence, this request for tariff classification dispute ruling.

The request for TCDR was filed by R.G. Manabat & Co. on behalf of the importer, Amcor Flexibles Philippines Corporation. On 02 July 2021, this Commission requested the Importer/Consignee, through its Supply Chain Manager Ms. Liwayway Gotengco, to submit scanned copy of valid government issued IDs of the applicant as required in an Authorization Letter accompanying requests for dispute ruling. The information requested was received by this Commission on the same day.

Pursuant to Section 7.3 of Commission Order 2018-01, this Commission requested the concerned BOC District Collector on 07 July 2021 for comments on the request for TCDR on BOPET Film. In a letter dated 19 July 2021, Mr. Romeo Allan R. Rosales, Acting District Collector of BOC MICP, submitted BOC's comment/position asserting that the tariff classification made by Amcor Flexibles Philippines Corporation in its shipments of BOPET Film under AHTN 2017 subheading 3920.62.90 is erroneous and that the proper tariff classification must be AHTN 2017 subheading 3921.90.90. The basis for this conclusion is stated in the BOC letter, as follows:

*"Subject article is a polyethylene terephthalate (PET) polyester film that has been subjected to a Corona treatment. Corona treatment is a process for improving the adhesion of printing ink, lacquer, glue and other coatings to plastic film, paper, and metal foil. As a result, the film will demonstrate improved printing and coating quality, and stronger lamination strength.*

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Website: [tariffcommission.gov.ph](http://tariffcommission.gov.ph) • Philippine Tariff Finder: [finder.tariffcommission.gov.ph](http://finder.tariffcommission.gov.ph)  
Email Address: [TC.Assist@mail.tariffcommission.gov.ph](mailto:TC.Assist@mail.tariffcommission.gov.ph)

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DATE: \_\_\_\_\_

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hmr

Heading 3921 of the ASEAN Harmonized Tariff Nomenclature (AHTN) 2017 covers plates, sheets, foil, and strip of plastics. The pertinent Harmonized System Explanatory Notes (EN) states that the heading covers plates, sheets, film, foil and strip, of plastics, other than those of heading 39.18, 39.19 or 39.20 or of Chapter 54. It therefore covers only cellular products or those which have been reinforced, laminated, supported, or similarly combined with other materials.

According to Note 10 to this Chapter, the expression "plates, sheets, film, foil and strip" applies only to plates, sheets, film, foil and strip and to blocks of regular geometric shape, whether or not printed or otherwise surface-worked (for example, polished, embossed, coloured, merely curved or corrugated), uncut or cut into rectangles (including squares) but not further worked (even if when so cut they become articles ready for use)".

A BOPET Film Inside Corona Treated works by "A corona treating system is designed to increase the surface energy of plastic films, foils and paper in order to allow improved wettability and adhesion of inks, coatings and adhesives. **As a result, the materials treated will demonstrate improved printing and coating quality, and stronger lamination strength.**"

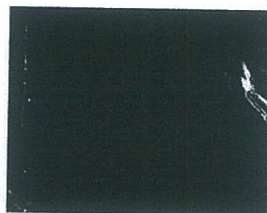
In view thereof, the examiner resolves to apply the correct tariff code of 3921.9090 5% rate of duty which the importer disputed."

After reviewing BOC's comments, the Commission deemed it necessary to require the submission of the detailed manufacturing process and actual sample of the contested importation. On 18 August 2021, the Commission sent a letter to the Importer/Consignee requesting the submission of the aforementioned information and sample of the product. On 02 September 2021, the Commission received an email from Ms. Lynn Margarita O. Palis, Tax Supervisor of KPMG, representing Amcor Flexibles Philippines Corporation, requesting for an extension of time in the submission of the aforesaid additional information. The electronic copy of the detailed manufacturing process and actual sample of the product were received by this Commission on 05 October and 22 October 2021, respectively.

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 detailed manufacturing process, technical specifications, certificate of product composition and use, technical brochure, picture of the product, and sample submitted, it is established that subject article is a plastic film, made only of poly(ethylene) terephthalate that has been subjected to corona treatment. Corona treating process is designed to increase the surface energy of plastic films, foils, and paper to allow improved wettability and adhesion of inks, coatings, and adhesives. Said treatment is done to the plastic film before the slitting process. A corona treating system consists of two major components: the power supply and the treater station. The treater station applies the high frequency and high voltage power to the surface of the material, through an air gap, via a pair of electrodes at high potential (top plate) and roll at ground potential (bottom plate) which supports the material. The voltage build-up ionizes the air in the air gap, creating a corona and producing small and dense indigo-blue sparks that will increase the surface tension of the substrate passing over the electrically grounded roll.

Subject article comes in rolls with a thickness of 10 microns, length of 2,400 mm, and width of 1,035 mm to 1,172 mm. It is used in packaging, mainly in flexible packaging. Below is a picture of the actual sample submitted:



*hmt*

Note 10 to Chapter 39 of the AHTN 2017 states that:

*"In headings 39.20 and 39.21, the expression "plates, sheets, film, foil and strip" applies only to plates, sheets, film, foil and strip (other than those of Chapter 54) and to blocks of regular geometric shape, whether or not printed or otherwise surface-worked, uncut or cut into rectangles (including squares) but not further worked (even if when so cut they become articles ready for use)."*

Heading 39.20 of the AHTN 2017 covers other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials. The pertinent Harmonized System (HS) Explanatory Notes (EN) to this heading state that:

*"This heading does not cover products which have been reinforced, laminated, supported or similarly combined with materials other than plastics."*

*"Products made out of plastics compounded with fillers in the form of powders, granules, spheres or flakes are classified in this heading. Further, minor surface treatments such as coloration, printing (subject to Note 2 to Section VII), vacuum deposition of metal are not to be regarded as reinforcements or similar combinations for the purposes of this heading".*

Subject article, being a film made only of polyethylene terephthalate that was merely subjected to corona treatment without being reinforced, laminated, supported or similarly combined with other materials, falls under heading 39.20 of the AHTN 2017.

Based on the technical information and product sample provided by the Importer/Consignee, and on the information received from the BOC and the foregoing HS EN, subject article is classified under AHTN 2017 subheading 3920.62.90 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 2017 Code	2021 MFN Rate	2021 ACFTA Rate*
10 microns BOPET Film Inside Corona Treated	3920.62.90	7% <i>ad valorem</i>	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

*MariLou P. Mendoza*  
Digitally signed

**MARILOU P. MENDOZA**  
Chairperson

TCC (DR) No. 21-003 FINAL

Copy furnished:

**The Secretary**

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**The Commissioner**

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[comm.boc@gmail.com](mailto:comm.boc@gmail.com)

**Mr. Romeo Allan R. Rosales**

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Bureau of Customs (BOC)  
Manila International Container Port (MICP)  
Port Area, Tondo, Manila  
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**Ms. Liwayway Gotengco**

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Amcor Flexibles Philippines Corporation  
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**Ms. Lynn Margarita O. Palis**

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KPMG in the Philippines  
R.G. Manabat & Co.  
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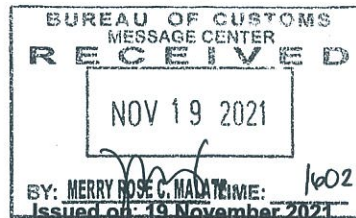
REPUBLIC OF THE PHILIPPINES

TARIFF COMMISSION

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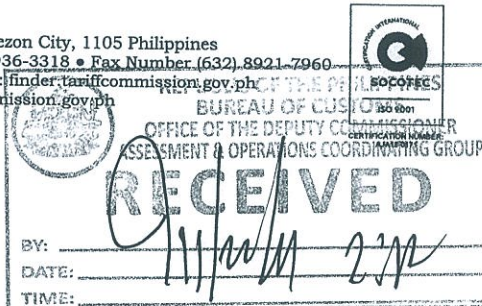
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TCC (DR) NO. 21-003

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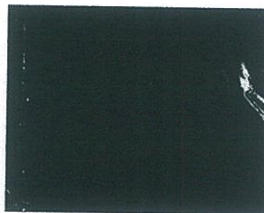
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So Ordered.

FOR THE COMMISSION

*MariLou P. Mendoza*  
Digitally signed

**MARILOU P. MENDOZA**  
Chairperson



hmm

TCC (DR) No. 21-003 FINAL

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