



August 19, 2019

CUSTOMS MEMORANDUM CIRCULAR

NO. 190-2019

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

SUBJECT: Tariff Dispute Ruling

Pursuant to Commission Order No. 2018-1 (Rules of Procedure on Disputes Involving Tariff Classification), attached is the certified true copy of Tariff Classification Circular Dispute Ruling (TCC/DR) No. 19-013 issued on 14 August 2019.

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-01-01557



REPUBLIC OF THE PHILIPPINES

TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "MILKIWEAN NUCLEO B"
CONSIGNED TO JA FARMS ASIA PACIFIC, INC.

TCC (DR) NO. 19-013

(Import Entry No. C-120678, MICP)

Issued on: AUG 14 2019

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 MILKIWEAN NUCLEO B imported by JA Farms Asia Pacific, Inc. (Importer/Consignee) from Belgium.

The shipment of the said article/good, declared under ASEAN Harmonized Tariff Nomenclature (AHTN) 2017 subheading 2309.90.20, with Most Favoured Nation (MFN) tariff rate of zero, was lodged/ processed under Import Entry No. C-120678 in the Bureau of Customs (BOC), Manila International Container Port (MICP). The BOC contested the declared heading and classified the article under AHTN 2017 subheading 2309.90.90 with MFN rate of 35% *ad valorem*.

Hence, this request for tariff classification dispute ruling.

On 02 May 2019, this Commission requested the concerned BOC District Collector for comments on the request for TCDR on Milkiwean Nucleo B within ten (10) working days from receipt of the Commission's letter. However, after the lapse of the given period, the BOC failed to submit any comment to controvert the claims of the applicant.

On 01 July 2019, this Commission requested JA Farms Asia Pacific, Inc. to submit additional information that would explain and/or show the actual use of the said product within ten (10) working days from receipt of the Commission's letter. Thus, on 13 July 2019, Ms. Arlene M. Opelanio of JA Farms Asia Pacific, Inc. sent an email explaining the actual usage of subject article which states that:

"Nucleo B is a specialty basemix that completes the finished feed in 1 batch formulation. This is normally being mixed at 5% of feed or 50 kgs per ton. As specialty basemix, this is being mixed with other raw material ingredient including yellow corn, soybean meal and fishmeal among others for the purpose of simplifying long hand formulation. Nucleo B is composed of micro ingredients that complements the requirements of the animal based on age and body weight."

Section 8 of Commission Order No. 2018-1 provides that this Commission, if it deems necessary, shall conduct a hearing to clarify the facts necessary to resolve the pending

CMC No. 190-2019 p.3

dispute in the tariff classification. However, this Commission found the consignee's submissions as sufficient to determine the correct tariff classification of the subject article, thus, a hearing is no longer necessary.

Due examination by this Commission of the submitted brochure, product specifications, nutrient specifications, certification from the Bureau of the Animal Industry (BAI), certificate of composition, and certificate of feed product registration from BAI establishes that subject article is a special feed nutrient preparation in the form of dark-brown granulated powder. It is composed of monocalcium phosphate, sugar, sodium chloride, calcium carbonate, sodium bicarbonate, dehulled soya feed, wheat feed, copra hydrolysed expeller, medium-chain fatty acid esterified with glycerol, salts of fatty acid (butyric acid), coconut and palm kernel fatty acids, and dextrose. Packed in 25-kg bags, subject article is added at a rate of 5% of feed to complete the booster, pre-starter, and starter feeds for piglets.

Heading 23.09 of AHTN 2017 covers preparations of a kind used in animal feeding. The pertinent Harmonized System (HS) Explanatory Notes (EN) state that this heading includes, among others, preparations for use in making the complete feeds or supplementary feeds. These preparations, known in trade as "premixes", are, generally speaking, compound compositions consisting of a number of substances (sometimes called additives) the nature and proportions of which vary according to the animal production required. These substances include those which improve digestion and, more generally, ensure that the animal makes good use of the feeds and safeguard its health: vitamins or provitamins, amino-acids, antibiotics, coccidiostats, trace elements, emulsifiers, flavourings and appetisers, etc.

WHEREFORE, premises considered, subject article is classified under AHTN 2017 subheading 2309.90.20, with MFN rate of duty of zero.

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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CMC No. 190-2019 p.4

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