



# BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA

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ACCOUNTABILITY

14 June 2022

**CUSTOMS MEMORANDUM CIRCULAR**  
NO. 85-2022

To: The Assistant Commissioner  
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. 21-012 issued on 10 June 2022.

For 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



Brand and model	Konecranes / MF11LB206
Phase	3
Voltage Rating	400 - 460 V (AC)
Current Rating	4.1 A
Power Rating @ 50 Hz	1.8/0.5 kW @ 1,420/400 rpm
Power Rating @ 60 Hz	2.2/0.7 kW @ 1,710/495 rpm

The Importer/Consignee declared the subject article under heading 85.01 of the AHTN 2017 which covers electric motors and generators (excluding generating sets). The Harmonized System (HS) Explanatory Notes (EN) to this heading state that:

*"Electric motors are machines for transforming electrical energy into mechanical power. This group includes rotary motors and linear motors.*

*Rotary motors produce mechanical power in the form of a rotary motion. They are of many types and sizes according to whether they operate on DC or AC, and according to the use or purpose for which they are designed.*

*With the exception of starter motors for internal combustion engines (heading 85.11), the heading covers electric motors of all types from low power motors for use in instruments, clocks, time switches, sewing machines, toys, etc., up to large powerful motors for rolling mills, etc."*

On the other hand, the BOC classified subject article under heading 84.31 of the AHTN 2017, specifically under AHTN 2017 subheading 8431.49.10. Heading 84.31 covers parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30. Cranes, the machinery where subject travelling motor is intended for, are generally classified under heading 84.25 of the AHTN 2017; hence, BOC's consideration of heading 84.31 for the classification of subject article.

However, the HS EN to heading 84.31 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 boulders, wafers, semiconductor devices, electronic integrated circuits or flat panel displays (heading 84.86)."*

The classification of parts under Section XVI (which covers Chapters 84 and 85) of the AHTN 2017 is governed by Note 2 of the Section, which 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.*

(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."

Moreover, the General Explanatory Notes to Section XVI regarding 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 :

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

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 :

(8) Electric motors of heading 85.01 [emphasis added]."

Subject article, being a 2-speed 3-phase synchronous electric motor with voltage rating of 400 - 460 V (AC) and power rating of 1.8-2.2 kW, falls under heading 85.01 of the AHTN 2017.

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 2017 subheading 8501.52.29 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 ATIGA Rate
Konecranes® Travelling Motor, Model No.: MF11LB206	8501.52.29	0	0

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

CMC NO. 85 - 2022

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RE: REQUEST FOR TARIFF CLASSIFICATION DISPUTE RULING ON "KONECRANES® TRAVELLING MOTOR, MODEL NO.: MF11LB206", CONSIGNED TO MHE-DEMAG (P), INC.

TCC (DR) NO. 21-012



(Import Entry/Customs Reference No. C-4308, Sub-Port of Mactan)

Issued on: 10 June 2022

TARIFF CLASSIFICATION DISPUTE RULING

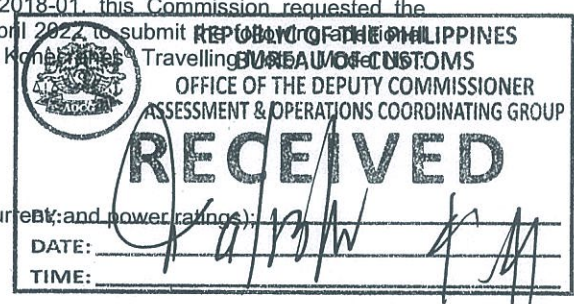
Before this Commission is a request for tariff classification dispute ruling (TCDR), pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), on the shipment of KONECRANES® TRAVELLING MOTOR, MODEL NO.: MF11LB206 imported by MHE-Demag (P), Inc. (Importer/Consignee) from Singapore. The request of the Bureau of Customs (BOC) for TCDCR was received by this Commission on 07 December 2021.

Based on the documents provided by the BOC dated 03 December 2021, the following relevant information were gleaned:

- a. The shipment of the said article, declared under ASEAN Harmonized Tariff Nomenclature (AHTN) 2017 subheading 8501.52.29, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-4308 at the Sub-Port of Mactan.
b. The assigned Customs Examiner, Mr. Roy R. Gonzaga, reclassified subject article under AHTN 2017 subheading 8431.49.10, with an MFN rate of duty of 1% ad valorem.

Pursuant to Section 6 of Commission Order No. 2018-01, this Commission requested the Importer/Consignee, MHE-Demag (P), Inc., on 12 April 2022, to submit information in relation to BOC's request for TCDCR on Konecranes Travelling Motor MF11LB206:

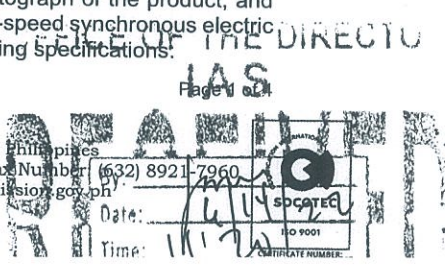
- 1. technical brochure and/or manual;
2. use/function;
3. brand and/or model;
4. electrical specifications (phase, voltage, current and power ratings);
5. overall dimension (LxWxH), in mm;
6. weight, in kg; and
7. actual photograph of the product.



On 25 April 2022, the Commission received the requested information (via electronic mail) from the Importer/Consignee's customs broker, Mr. John Carlo B. Catolico of a. hartrodt Philippines, Inc. A clearer picture of the product was further submitted by Ms. Manilyn Briobo, Purchasing Executive II of MHE-Demag (P), Inc. on 25 May 2022.

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 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, photograph of the product, and other supporting documents, it is established that subject article is a 2-speed synchronous electric motor intended to be installed in an overhead crane. It has the following specifications:



CMR No: 85-2022

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Copy furnished:

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