



BUREAU OF CUSTOMS
 MAKABAGONG ADUANA, MATATAG NA EKONOMIYA

MASTER COPY



PROFESSIONALISM INTEGRITY ACCOUNTABILITY

10 January 2023

CUSTOMS MEMORANDUM CIRCULAR
NO. 20-2023

To: The Assistant Commissioner
 All Deputy Commissioners
 All Directors and Division Chiefs
 All District/ 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. 22-022 issued on 21 December 2022 pursuant to Commission Order No. 2018-1 (Rules of Procedure on Disputes involving Tariff Classification) on the shipment of "AJI-NO-MOTO® Umami Seasoning MSG 10g Laminated Film, in rolls" consigned to Ajinomoto Philippines Corporation (Import Entry/ Customs Reference No. C-2636, Sub-Port of Mactan International Airport) the dispositive portion of which states that:

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

Product	AHTN 2017 / 2022 Code	2022 MFN Rate	2022 ATIGA Rate
AJI-NO-MOTO® Umami Seasoning MSG 10g Laminated Film, in rolls	3920.20.10	15%	Zero

For information and guidance.

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

JAN 20 2023
 YOGI FLEMEN L. RUIZ
 Acting Commissioner

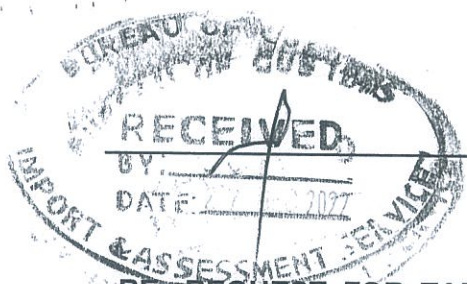




MASTER COPY



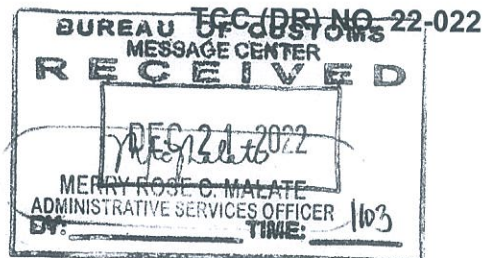
BOC-09-36636



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "AJI-NO-MOTO® UMAMI
SEASONING MSG 10G LAMINATED FILM",
CONSIGNED TO AJINOMOTO PHILIPPINES
CORPORATION

(Import Entry/Customs Reference No. C-2636,
Sub-Port of Mactan International Airport)



Issued on: 21 December 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 AJI-NO-MOTO® Umami Seasoning MSG 10g Laminated Film, in rolls, imported by Ajinomoto Philippines Corporation (Importer/Consignee) from Thailand. The request of the Importer/Consignee for a TCDR, filed by its Authorized Representative, Ms. Bianca Diokno of PricewaterhouseCoopers WMS Pte. Ltd., was accepted by this Commission on 13 September 2022.

The shipment of said article, declared under ASEAN Harmonized Tariff Nomenclature (AHTN) 2017 subheading 4911.99.90B, with a Most Favoured Nation (MFN) rate of duty of 10% *ad valorem*, was processed under Import Entry/Customs Reference No. C-2636 at the Bureau of Customs (BOC) Sub-Port of Mactan International Airport. 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*.

Hence, this request for Tariff Classification Dispute Ruling.

Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 11 October 2022 for comments on the request for TCDR on AJI-NO-MOTO® Umami Seasoning MSG 10g Laminated Film. In a letter dated 18 October 2022, Mr. Gerardo A. Campo, Port Collector of the BOC Sub-Port of Mactan International Airport, submitted BOC's comment through a memorandum prepared by Ms. Violeta R. Labaclado, Customs Operations Officer (COO) III, and Mr. Laurentino I. Villamar, Jr., Acting COO V, stating/affirming that subject article was reclassified from the declared AHTN 2017 subheading 4911.99.90 (with an MFN rate of duty of 10% *ad valorem*) to AHTN 2017 subheading 3921.90.90 (with an MFN rate of duty of 15% *ad valorem*). The basis for this reclassification decision, as stated in the memorandum, was as follows:

"The item under consideration is pictured and described in the invoice submitted and upon physical examination, it was found to contain plastic label (Other, 402 Rolls Plastic Label 1-MSG BUREAU), and therefore, classifiable under 39219090 15% rate of duty.

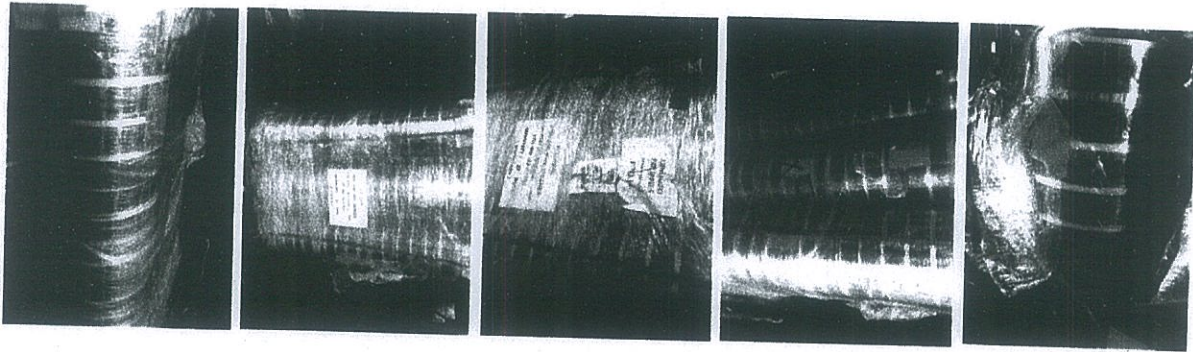
OFFICE OF THE DEPUTY COMMISSIONER
ASSESSMENT & OPERATIONS COORDINATING GROUP (AOCG)

RECEIVED

BY: F. Corp
4th Floor, West Insula Condominium, 135 West Avenue, Quezon City, 1105 Philippines



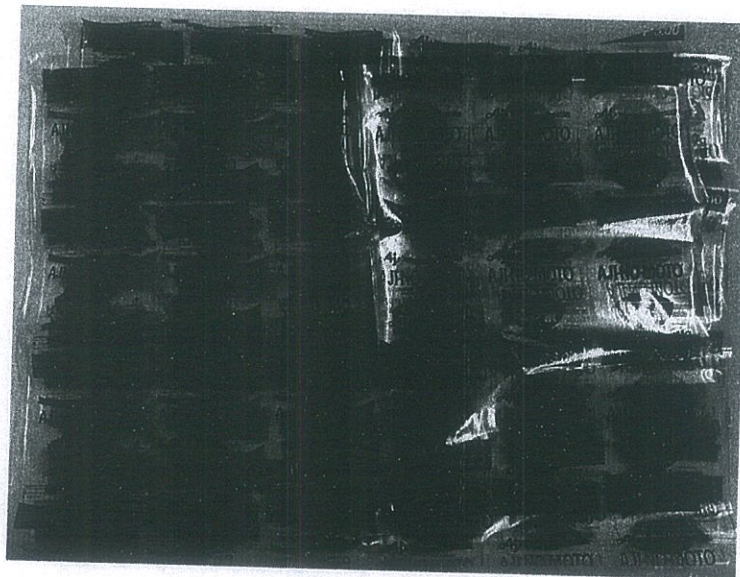
Attached herewith is the actual item and photocopy of image for reference marked as Annex B".



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 product composition, safety data sheet, certificate of analysis, packaging material specification sheet, photograph of the product, and sample, it is established that subject article is a printed plastic film produced by extrusion lamination of biaxially oriented polypropylene (BOPP) film using polypropylene (PP) resin. It is printed with the manufacturer's logo, name of the product being packaged, address of Ajinomoto Philippines Corporation, and name of trademark owner. It is used for the packaging of AJI-NO-MOTO® Umami Seasoning Pure Monosodium Glutamate (MSG). Subject article is imported in rolls, with reel dimensions (WxLxT) of 390 mm x 1,500 m x 36 µ.

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



The Importer/Consignee classified subject article under heading 49.11 of the AHTN 2017 (*Other printed matter, including printed pictures and photographs*), specifically under AHTN 2017 subheading 4911.99.90B which covers *other printed matter, other than trade advertising material, commercial catalogues and the like; pictures, designs and photographs; printed cards for jewelry or for small objects of personal adornment or articles of personal use*

normally carried in the pocket, handbag or on the person; printed labels for explosives other than those of heading 48.21; educational, technical, scientific, historical or cultural material printed on a set of cards; and printed matter which grants the right to access, install, reproduce or otherwise use software (including games), data, internet content (including in-game or in-application content) or services, or telecommunications services (including mobile services).

The Harmonized System (HS) Explanatory Notes (EN) to heading 49.11 state that:

"This heading covers all printed matter (including photographs and printed pictures) of this Chapter but not more particularly covered by any of the preceding headings of the Chapter.

X X X

The following articles, in particular, are also **excluded** from this heading:

(b) Goods of headings 39.18, 39.19, 48.14 or 48.21 or printed paper products of **Chapter 48** in which the printed characters or pictures are merely subsidiary to the primary use of the products [emphasis added]."

On the other hand, the BOC considered the disputed product under heading 39.21 of the AHTN 2017 (Other plates, sheets, film, foil and strip, of plastics), particularly under AHTN 2017 subheading 3921.90.90 which covers other plates, sheets, film, foil and strip, of plastics, **other than** of cellular products, of vulcanised fibre, of hardened proteins, of chemical derivatives of natural rubber, of condensation or rearrangement polymerisation products, of regenerated cellulose, of other cellulose or its chemical derivatives, and of addition polymerisation products.

The HS EN to heading 39.21 state that:

"This 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. (For the classification of plates, etc. combined with other materials, see the General Explanatory Note.) [emphasis added]"

The Commission agrees with the BOC that heading 39.21 merits consideration as subject article is a printed plastic film. However, as its EN explicitly state, said heading should only be selected if the good is a cellular product or if it has been reinforced, laminated, supported or similarly **combined with other materials** (i.e., other than plastics). As presented and based on its composition and use, subject article is made of plastic polymer (polypropylene) and is therefore covered by another heading.

Note 2 to Section VII (which covers plastics and articles thereof, and rubber and articles thereof) states that:

"Except for the goods of heading 39.18 or 39.19, plastics, rubber, and articles thereof, printed with motifs, characters or pictorial representations, which are not merely subsidiary to the primary use of the goods, fall in Chapter 49."

Moreover, Note 10 to Chapter 39 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). [emphasis added]"*

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 HS EN to this heading state that:

*"This heading covers plates, sheets, film, foil and strip of plastics (which are **not** reinforced, laminated, supported or similarly combined with other materials), **other than** those of heading 39.18 or 39.19.*

X X X

*This heading **does not cover** products which have been reinforced, laminated, supported or similarly combined with materials **other than plastics (heading 39.21)**. For this purpose "similarly combined" must be combinations of plastics with materials, **other than plastics**, which enhance the strength of the plastic material (e.g., embedded metal mesh and woven glass fabric, as well as mineral fibres, whiskers and filaments)."*

Subject article, being a printed BOPP film produced by extrusion lamination using PP resin and used as a packaging material, falls under heading 39.20 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, Chapter Note, and HS EN, subject article is properly classified under AHTN 2017 subheading 3920.20.10 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	2022 ATIGA Rate*
AJI-NO-MOTO® Umami Seasoning MSG 10g Laminated Film, in rolls	3920.20.10	15%	Zero

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

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

CMC No. 20-2023

p. 6

TCC (DR) NO. 22-022

Copy furnished:

The Secretary

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

The Commissioner

Bureau of Customs (BOC)
Office of the Commissioner
G/F OCOM Building, 16th Street
South Harbor, Port Area, Manila
Email: boc.ocom@customs.gov.ph
comm.boc@gmail.com

Mr. Gerardo A. Campo, LCB

Sub-Port Collector, Sub-Port of Mactan
Bureau of Customs (BOC)
MCIA Cargo Road, Barangay Ibo
Lapu-lapu City, Cebu
Email: p07b.customsph@gmail.com

Mr. Ernesto Carlos

Associate Director
Ajinomoto Philippines Corporation
11th Flr. V Corporate Centre
125 L. P. Leviste Street, Salcedo Village
Makati City
Email: ernie.carlos.n2k@asv.ajinomoto.com

Ms. Bianca Colina Diokno

Senior Associate
PricewaterhouseCoopers WMS Pte Ltd - Philippine Branch
14th Floor, Tower II, Rockwell Business Center
Ortigas Avenue, Pasig City
Email: bianca.colina.diokno@pwc.com