

29 July 1993

CUSTOMS MEMORANDUM ORDER
NUMBER: 37-93

TO: All Collectors of Customs
All Importers, Brokers and their Representatives
Others Concerned

SUBJECT: Treatment of Importations of
Metal Waste and Scraps.

It has come to the attention of this Office that importations of surplus/used machines, spare parts and other articles of iron or steel, such as used LPG Cylinder Tank are being passed-off as Scrap Metals.

Such deceptive circumvention to evade payment of higher duties and taxes by way of lower appraisal and lower rate of duty is against the interest of the government.

Specific example is the cutting-up of the used LPG Cylinder Tank to pass it off as a scrap metal. This does not necessarily classify such article as waste/scrap under H.S. 7204.4900 at 3% ad valorem. Articles which, with or without repair or renovation, can be reused for their former purposes or can be adopted for other uses are not to be considered as scrap or waste. Similarly, it applies to those which can be re-fashioned into other goods without first being recovered as metal. Used LPG Cylinder Tank, cut-up, which if welded together would again be usable for their former purposes are classifiable under H.S. 7311.0090 at 30% ad valorem.

In view herewith, you are hereby directed to examine thoroughly all importation of metal, waste and scraps and assess item judiciously in accordance with Tariff and Customs Code.

For your strict compliance.


GUILLERMO L. PARAYNO, JR.
Commissioner