



BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



13 June 2023 **MASTER COPY**

CUSTOMS MEMORANDUM CIRCULAR

NO. 97-2023

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-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. 23-002 issued on 30 May 2023 pursuant to Commission Order No. 2018-1 (Rules of Procedure on Disputes involving Tariff Classification) on the shipment of "Alltech® Mineral Block Plus (Blueprint® 20% AN PH)", consigned to Alltech Biotechnology Corporation (Import Entry/ Customs Reference No. C-11901, Manila International Container Port) the dispositive portion of which provides, to wit:

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

Product	AHTN 2022 Code	2022 MFN Rate
Alltech® Mineral Block Plus (Blueprint® 20% AN PH)	2309.90.20	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.

BIENVENIDO RUBIO
Commissioner

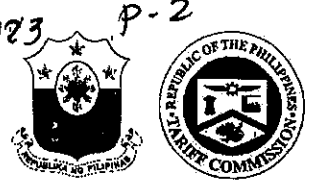


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Case No. 97-2023 P-2

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REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION DISPUTE RULING ON "ALLTECH® MINERAL BLOCK PLUS (BLUEPRINT 20% AN PH)", CONSIGNED TO ALLTECH BIOTECHNOLOGY CORPORATION

(Import Entry/Customs Reference No. C-11901, Manila International Container Port)

6/1
1:00

Issued on: 30 May 2023

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 Alltech® Mineral Block Plus (Blueprint 20% AN PH), imported by Alltech Biotechnology Corporation (Importer/Consignee) from the United States of America (USA). The request of the Importer/Consignee for a TCDR, filed by its Authorized Representative, Ms. Loida P. Caoyonan, Regulatory Specialist of Alltech Biotechnology Corporation, was accepted by this Commission on 02 February 2023.

The shipment of said article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 2309.90.20, with a Most Favoured Nation (MFN) rate of duty of 35% *ad valorem*, processed under Import Entry/Customs Reference No. C-11901 (BOC) Manila International Container Port (MICP). The BOC contested the subheading and reclassified subject article under AHTN 2022 subheading 2309.90.20 with an MFN rate of duty of 35% *ad valorem*.

REPUBLIC OF THE PHILIPPINES
BUREAU OF CUSTOMS
OFFICE OF THE DEPUTY COMMISSIONER
GENERAL INVESTIGATIVE OPERATIONS COORDINATING GROUP (AOCG)
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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 17 February 2023 for comments on the request for TCDR on Alltech® Mineral Block Plus (Blueprint 20% AN PH). Further, Section 7.4 of the same Commission Order states that within 10 working days from the receipt of the notice and the records of the case, the BOC may file a comment or submit any additional explanation or documents to justify its findings. However, to this date, the Commission has not received any response from the BOC and, hence, proceeded to evaluate the classification of the subject article based on available data.

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 were sufficient to make a correct determination on the tariff classification of the subject article. A hearing, therefore, is no longer necessary.

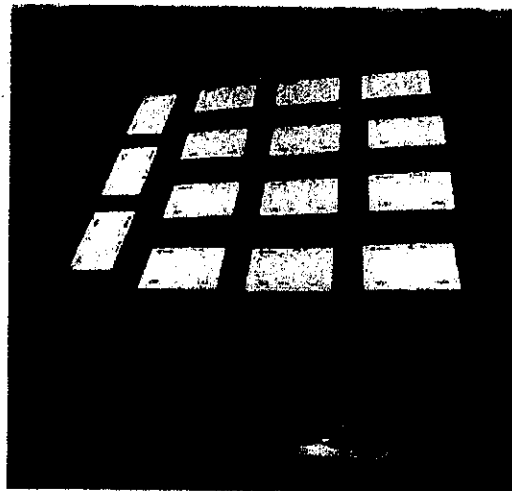
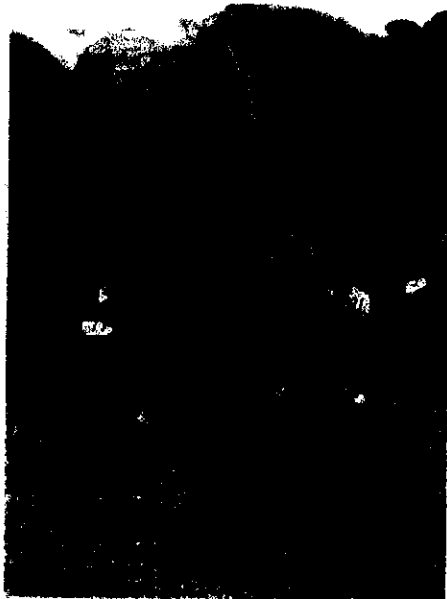
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After due examination of the submitted product specifications, certificate of formulation and guarantee, method of manufacture, Certificate of Product Registration (CPR) from the Bureau of Animal Industry (BAI), product label, and photograph of the product, it is established that subject article is a mineral and vitamin supplement for cattle in the form of brown pressed blocks. It is composed of soybean meal, cane molasses, salt, monocalcium phosphate, calcium carbonate, corn distillers dried grains with solubles, soybean hulls, magnesium oxide, zinc proteinate, manganese proteinate, and vitamins A, D₃, and E, among others. It is produced by mixing the ingredients, compressing into blocks, and packing.

Subject article is placed throughout the pasture where the animals congregate, such as at the loafing, grazing, and watering areas, at an adequate distance (minimum 10 feet) to prevent crowding and ensure adequate access to the blocks. It is fed at a rate of one block per 5 to 15 heads of cattle, or equivalent to 450 to 900 grams per head daily based on a 450-kg animal, as a source of minerals and vitamins to support the growth and performance of the beef cattle in pasture. It is available in 11.34-kg and 15.12-kg pressed blocks.

Below are photographs of the actual product submitted by the Importer/Consignee to this Commission:



Both the Importer/Consignee and the BOC considered the classification of subject article under heading 23.09 of the AHTN 2022 which covers *preparations of a kind used in animal feeding*. They are also in agreement that the product falls under the six-digit subheading 2309.90 which covers preparations of a kind used in animal feeding "**other than dog or cat food, put up for retail sale**" [*emphasis added*]. Their classification differed at the eight-digit subheading level with the Importer/Consignee classifying subject article under subheading 2309.90.20 which covers "*premixes, feed supplements or feed additives*" while the BOC considered the disputed product under subheading 2309.90.90 which refers to *preparations of a kind used in animal feeding, other than the following: (i) dog or cat food, put up for retail sale; (ii) complete feed; and (iii) premixes, feed supplements or feed additives.*

This Commission agrees that subject article, being a preparation for animal feeding, is classifiable under heading 23.09.

Note 1 to Chapter 23 of the AHTN 2022 states that:

"Heading 23.09 includes products of a kind used in animal feeding, not elsewhere specified or included, obtained by processing vegetable or animal materials to such an extent that they have lost the essential characteristics of the original material, other than vegetable waste, vegetable residues and by-products of such processing."

Further, the Harmonized System (HS) Explanatory Notes (EN) to heading 23.09 state that:

"This heading covers sweetened forage and prepared animal feeding stuffs consisting of a mixture of several nutrients designed:

- (1) to provide the animal with a rational and balanced daily diet (**complete feed**);*
- (2) to achieve a suitable daily diet by supplementing the basic farm-produced feed with organic or inorganic substances (**supplementary feed**); or*
- (3) for use in making complete or supplementary feeds.*

x x x

(II) OTHER PREPARATIONS

x x x

(B) PREPARATIONS FOR SUPPLEMENTING (BALANCING) FARM-PRODUCED FEED (FEED SUPPLEMENTS)

Farm-produced feed is usually rather low in proteins, minerals or vitamins. The preparations devised to compensate for these deficiencies, so as to ensure a well-balanced animal diet, consist of proteins, minerals or vitamins plus additional-energy feeds (carbohydrates) which serve as a carrier for the other ingredients.

Although, qualitatively, these preparations have much the same composition as those described in complete feeds, they are distinguished by a relatively high content of one particular nutrient."

This Commission agrees with the Importer/Consignee and the BOC that subject article can be considered under subheading 2309.90 since it is not a dog or cat food, put up for retail sale. It should be noted, however, that subheading 2309.90.90 is a residual subheading for the preparations of a kind used in animal feeding and should only be considered if a preparation is not specified or included in the previous subheadings.

Subject article, being a mineral and vitamin feed supplement for cattle to support their growth and performance, falls under subheading 2309.90.20 of the AHTN 2022 which specifically covers premixes, feed supplements or feed additives.

Based on the information received from the Importer/Consignee, and the clarifications provided by the foregoing Chapter Note and HS EN, subject article is properly classified under AHTN 2022 subheading 2309.90.20 by virtue of Rules 1 and 6 of the General Rules for the Interpretation (GRI) of the HS (Section 1610 of the CMTA).

*Cme No. 97-2029**P. 6**mmms*

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