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REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**

*A modernized and credible customs administration that upholds good governance and is among the world's best*

31 January 2024

**CUSTOMS MEMORANDUM CIRCULAR**  
NO. 19-2024

**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 No. 23-010 issued on 19 January 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act, on the shipment of "SCODY II Coffee Grinder," from Italy, consigned to Barista Depot Incorporated (Import Entry/Customs Reference No. C-54159, Ninoy Aquino International Airport), the dispositive portion of which states that:

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

Product	AHTN 2022 Code	2022 MFN Rate
SCODY II COFFEE GRINDER	8438.80.91	3% ad valorem

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

For strict compliance.

**BIENVENIDO Y. RUBIO**  
Commissioner



FEB 01 2024

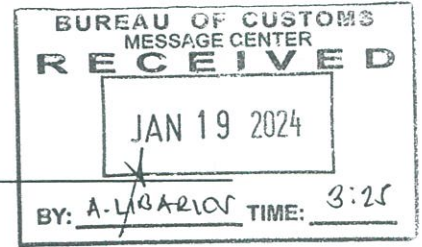


CMC No. 19-2024 p.2

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REPUBLIC OF THE PHILIPPINES  
TARIFF COMMISSION



RE: REQUEST FOR TARIFF CLASSIFICATION DISPUTE RULING ON "SCODY II COFFEE GRINDER", CONSIGNED TO BARISTA DEPOT INCORPORATED

TCC (DR) NO. 23-010

09-46070

(Import Entry/Customs Reference No. C-54159, NAIA)

Issued on: 19 January 2024

TARIFF CLASSIFICATION DISPUTE RULING

Before this Commission is a request for a 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 SCODY II Coffee Grinder imported by Barista Depot Incorporated (Importer/Consignee) from Italy. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 30 May 2023.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 8479.82.10, with a Most Favoured Nation (MFN) rate of duty of 1% *ad valorem*, was processed under Import Entry/Customs Reference No. C-54159 at the Bureau of Customs (BOC) - Ninoy Aquino International Airport (NAIA). The BOC contested the declared heading and reclassified subject article under AHTN 2022 subheading 8438.80.91, with an MFN rate of duty of 3% *ad valorem*.

Hence, this request for a TCDR.

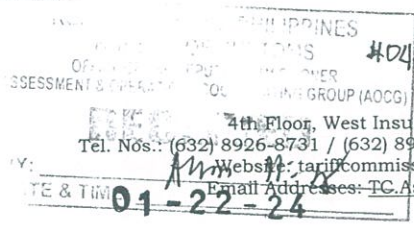
Pursuant to Section 7.3 of Commission Order No. 2018-01, this Commission requested the concerned BOC District Collector on 29 June 2023 for comments on the request for a TCDR on SCODY II Coffee Grinder. In a letter dated 10 July 2023, received by the Commission on 26 July 2023, Atty. Maria Yasmin M. Obillos-Mapa, Acting District Collector of BOC-NAIA, provided BOC's comment through a Memorandum, prepared by Ms. Ma. Eleanor D. Abriol, Customs Operations Officer (COO) III; Ms. Jackielyn G. Rivera, Acting COO V; Ms. Zaida D. Sarip, Acting Chief, Formal Entry Unit of the PAL/PSI Assessment Composite Unit; and Mr. Dan E. Oquias, Chief, PAL/PSI Assessment Composite Unit, stating the reasons why subject article was reclassified from the declared AHTN 2022 subheading 8479.82.10 (with an MFN rate of duty of 1% *ad valorem*) to AHTN 2022 subheading 8438.80.91 (with an MFN rate of duty of 3% *ad valorem*). The reasons for this reclassification decision, as stated in the aforesaid Memorandum, were as follows:

"The Consignee / Broker classified subject commodity under HS Code 84798210 with a tariff rate of 1% (---Electrically operated). A brochure taken from the package during actual examination of goods described the commodity as Espresso / Coffee Grinder intended for commercial use. After a thorough review on the description of the commodity provided in the brochure, we have concluded that it be classified under the heading 84388091 with a duty rate of 3%. Stated below is our basis in the classification of subject commodity.

**Explanatory Notes (B) General Arrangement of the Chapter states that (3) Headings 84.25 to 84.78 cover machines and apparatus, with certain exceptions, are classified by reference to the field of industry in which they are used, regardless of their particular function in that field. (4) Heading 84.79 covers machines and mechanical appliances not covered by preceding heading of the Chapter, which in this case was covered under 84.38 for Food Industry. In addition, it also states that Explanatory Notes of Chapter 84.79 (1) Machinery of General Use (2) Presses, crushers, grinders, mixers, etc., not designed for particular goods or industries. Thus, classifiable under tariff heading 84388091 with a rate of duty of 3%."**



IAS  
OF THE DIRECTOR



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 brochure, user manual, and photographs taken during the actual examination of subject article, it is established that subject article is a coffee grinder consisting mainly of a motor, grinding discs, hopper, controller, cooling fan, and power switch. The grinder is operated by placing coffee beans into the hopper and selecting the desired settings from the controller. The motor then starts the grinding process, transforming the beans into powdered form. Designed to supply on-demand ground coffee in coffee shops, hotels, restaurants, and similar establishments, subject article has the following specifications:

Grinding disc diameter, mm	75
Electrical rating	450 W, 220-240 V, 50 Hz, 1 phase
Grinding capacity, kg per day	2-3
Grinding time for single espresso, sec	3.2
Bean hopper capacity, kg	2.0
Dimension (W x H x D), mm	220 x 620 x 370
Net weight, kg	16.0

Both the Importer/Consignee and the BOC considered classification of the product under Chapter 84 of the AHTN 2022 which covers *nuclear reactors, boilers, machinery and mechanical appliances; parts thereof*. The Commission agrees that subject article is covered by said Chapter.

The Harmonized System (HS) General Explanatory Notes to Chapter 84 state that:

“XXX

**(B) GENERAL ARRANGEMENT OF THE CHAPTER**

XXX

(3) **Headings 84.25 to 84.78 cover machines and apparatus which, with certain exceptions, are classified there by reference to the field of industry in which they are used, regardless of their particular function in that field [emphasis added].**

(4) **Heading 84.79 covers machines and mechanical appliances not covered by any preceding heading of the Chapter [emphasis added].**

XXX”

The Importer/Consignee classified subject article under the residual heading for products classifiable under Chapter 84, heading 84.79, which covers *machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter*. The pertinent HS Explanatory Notes (EN) to this heading state that:

“This heading is **restricted to machinery having individual functions, which :**

- (a) *Is not excluded from this Chapter by the operation of any Section or Chapter Note.*
- and (b) *Is not covered more specifically by a heading in any other Chapter of the Nomenclature.*
- and (c) *Cannot be classified in any other particular heading of this Chapter since :*
  - (i) *No other heading covers it by reference to its method of functioning, description or type.*
  - and (ii) *No other heading covers it by reference to its use or to the industry in which it is employed.*
  - or (iii) *It could fall equally well into two (or more) other such headings (general purpose machines).*

XXX

The many and varied machines covered by this heading include *inter alia :*

**(I) MACHINERY OF GENERAL USE**

This group includes, for example :

(1) Vats or other receptacles (e.g., vats or tanks for electrolysis), fitted with mechanical devices (agitators, etc.), and which are not identifiable as being for any particular industry and are not heating, cooking, etc., apparatus of **heading 84.19**. Vats or other receptacles simply fitted with taps, level or pressure gauges or the like are classified according to their constituent material.

(2) Presses, crushers, grinders, mixers, etc., not designed for particular goods or industries.

XXX

**(II) MACHINERY FOR CERTAIN INDUSTRIES**

This group includes :

XXX

**(B) Machinery for the oil, soap or edible fat industries, e.g. :**

(1) Special grinders, crushers, mills or presses for oilseeds or oleaginous fruit.

(2) Tanks fitted with mechanical agitators, specially designed for purifying oils.

(3) Tallow-washing equipment.

(4) Equipment for rolling raw tallow in order to crush the cells before melting down.

(5) Churns and mixers for mixing together the component parts of margarine.

(1) Soap cutting or moulding machines.

XXX"

On the other hand, the BOC considered the product to be appropriately classified under heading 84.38 of the AHTN 2022, which covers *machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable or microbial fats or oils*. The pertinent HS EN for this heading state that:

*"This heading covers machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink (whether for immediate consumption or preserving, and whether for human or animal consumption), but not including machinery for the extraction or preparation of animal or fixed vegetable or microbial fats or oils (heading 84.79). This heading also includes machines for industrial or commercial use, of a type used in restaurants or similar establishments [emphasis added]."*

XXX

**(X) OTHER MACHINERY FOR THE INDUSTRIAL PREPARATION OR MANUFACTURE OF FOOD OR DRINK**

This group includes :

(1) **Mechanical appliances for acetification** (used in vinegar-making).

(2) **Coffee bean husking or hulling machines** (cylinder, disc or blade types).

(3) **Extracting machines**, of the spiked roller type, for extracting the essential oil from oranges.

(4) **Tea-leaf cutting or rolling machines**.

XXX"

CMC NO. 19-2024 p.5

TCC (DR) NO. 23-010

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Subject article, being an electrical machine used for grinding coffee beans into powder form to supply on-demand ground coffee in coffee shops, hotels, restaurants, and similar establishments, is more appropriately classified under heading 84.38 (the residual heading for machines for the industrial preparation or manufacture of food or drink) rather than heading 84.79 (the residual heading for machines covered under Chapter 84).

Based on the information received from the Importer/Consignee and the BOC, and the clarifications provided by the foregoing HS EN, subject article is properly classified under AHTN 2022 subheading 8438.80.91 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 2022 Code	2023 MFN Rate
SCODY II Coffee Grinder	8438.80.91	3% <i>ad valorem</i>

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

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