



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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18 April 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 74-2024

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 (TCC DR) No. 23-005 issued on 16 April 2024 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "HP E24q G4 QHD Monitor," from China consigned to HP PPS Philippines, Incorporated, (Import Entry/ Customs Reference No. C-157571, Ninoy Aquino International Airport), the dispositive portion of which states that:

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

Product	AHTN 2022 Code	2023 MFN Rate	2023 ACFTA Rate*
"HP E24q G4 QHD Monitor"	8528.52.00.100	Zero	Zero

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

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

For strict compliance.

BIENVENIDO Y. RUBIO
Commissioner

[Signature]
MAY 03 2024



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CMC NO - 74-2024 p.2



APR 9:30 2024
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REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "HP E24Q G4 QHD
MONITOR", CONSIGNED TO HP PPS PHILIPPINES,
INCORPORATED

TCC (DR) NO. 23-005

(Import Entry/Customs Reference No. C-157571,
BOC-NAIA)

Issued on: 16 April 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 HP E24q G4 QHD Monitor, imported by HP PPS Philippines, Incorporated (Importer/Consignee) from China. The request of the Importer/Consignee for a TCDR was accepted by this Commission on 03 April 2023.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 8528.52.00.100, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-157571 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 8528.59.10, with an MFN rate of duty of 15% *ad valorem*.

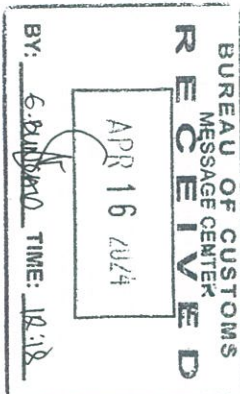
Hence, this request for a TCDR.

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 HP E24q G4 QHD Monitor. In a letter dated 04 August 2023, Atty. Maria Yasmin M. Obillos-Mapa, Acting District Collector, Port of NAIA, provided BOC's comment, stating the reasons why subject article was reclassified from the declared AHTN 2022 subheading 8528.52.00.100 (with an MFN rate of duty of zero) to AHTN 2022 subheading 8528.59.10 (with an MFN rate of duty of 15% *ad valorem*). The reasons for this reclassification decision, as stated in the letter, were as follows:

"Upon coordination with the concerned offices of this Port, it was found that the Consignee/Broker classified the subject commodity under HS Code 8528520010 with a tariff rate of 0% (--- a kind solely or principally used in automatic data processing system of heading 84.71"). The brochure taken from the package during the actual examination of the subject goods would reveal that the same should be classified under tariff heading 85285910. After a thorough review on the description of the commodity provided in the brochure, we concluded that the classification is deemed proper under tariff heading 85285910 with a duty rate of 15%, and which show features of the connectors and ports as follows:

- (1) **High Definition Multimedia Interface (HDMI)** is the most popular HD signal for sending high definition audio and video via a single cable. It is frequently used in commercial AV industry. TVs, laptops, and video game consoles are just a few examples of household electronics that frequently employ this sort of connector.
- (2) **USB 3.2 Port** which connect one end to USB device such as:
 - a. Storage devices: USB flash drive, external hard drive, external optical drive
 - b. Input devices: USB keyboard (wired and wireless), USB mouse (wired and wireless), webcam, scanner, gamepad
 - c. Output devices: printer, all-in-one office machine, USB speaker
 - d. Wireless adapters: network (Wi-Fi) adapter, bluetooth adapter, 3G adapter
 - e. Data (and charging) cable for mobile devices such as mobile phone, tablet, MP3 player.

4/17



16 APR 2024

(3) *Display Port. This cable has better quality over HDMI. It is a fast and has high high-resolution image.*

Following the receipt of BOC's comment, this Commission sent a letter on 09 August 2023 to the Importer/Consignee's Logistics Operation Manager, Ms. Marilyn Delloro, requesting the submission of document/s, certified by the supplier, clearly identifying the use/function of the monitor's two Universal Serial Bus (USB) ports (type-A and type-B). Ms. Delloro's response, together with the monitor's User Guide containing all the required information, was received by this Commission on 14 September 2023 via electronic mail (email).

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 technical specifications and user manual, it is established that subject article is a 24-inch monitor with a Quad High Definition (QHD) resolution of 2,560 x 1,440 pixels. It is mainly equipped with a liquid crystal display (LCD), backlight, and various video input ports, including High-Definition Multimedia Interface (HDMI), DisplayPort™, Video Graphics Array (VGA), and USB Type-B. These ports serve the purpose of transmitting video signals from source devices, such as a computer or game console. Additionally, the monitor features a USB Type-A, a port designed to connect to a peripheral device such as a keyboard, mouse, or USB hard drive. Subject article is suitable for use with automatic data processing machines for business and home applications.

Subject monitor is equipped with front components which include the menu, on-screen display (OSD), and power buttons, and the power light. It also features a nonglare panel; wide viewing angle (to allow viewing from a sitting or standing position, or moving from side to side); and tilt, swivel, and height adjustment capabilities, among others.

Both the Importer/Consignee and the BOC concurred that subject article is classifiable under Chapter 85 of the AHTN 2022 (which covers *electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles*), specifically under heading 85.28.

Heading 85.28 of the AHTN 2022 covers, among others, *monitors and projectors, not incorporating television reception apparatus*. The pertinent Harmonized System (HS) Explanatory Notes (EN) to this heading state that:

"This heading includes :

- (1) Monitors and projectors, not incorporating television reception apparatus.*
- (2) Television reception apparatus, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus, for the display of signals (television sets).*
- (3) Apparatus for the reception of television signals, without display capabilities (e.g., receivers of satellite television broadcasts).*

Monitors, projectors and television sets utilize different technologies, such as CRT (cathode-ray tube), LCD (liquid crystal display), DMD (digital micromirror device), OLED (organic light-emitting diodes) and plasma, to display images.

Monitors and projectors may be capable of receiving a variety of signals from different sources. However, if they incorporate a television tuner they are considered to be reception apparatus for television.

(A) MONITORS CAPABLE OF DIRECTLY CONNECTING TO AND DESIGNED FOR USE WITH AN AUTOMATIC DATA PROCESSING MACHINE OF HEADING 84.71

This group includes monitors which are capable of accepting a signal from the central processing unit of an automatic data processing machine and provide a graphical presentation of the data processed. These monitors are distinguishable from other types of monitors (see (B) below) and from television receivers.

The monitors of this group may be characterised by the following features :

CMC No. 74-2024 p. 4

TCC (DR) NO. 23-005

- (i) They usually display signals of graphics adaptors (monochrome or colour) which are integrated in the central processing unit of the automatic data processing machine;
- (ii) They do not incorporate a channel selector or video tuner;
- (iii) **They are fitted with connectors characteristic of data processing systems (e.g., RS-232C interface, DIN, D-SUB, VGA, DVI, HDMI or DP (display port) connectors);**
- (iv) **The viewable image size of these monitors does not generally exceed 76 cm (30 inches);**
- (v) They have a display pitch size (usually smaller than 0.3 mm) suitable for close proximity viewing;
- (vi) They may have an audio circuit and built-in speakers (generally, 2 watts or less in total);
- (vii) They usually have control buttons situated in the front panel;
- (viii) They usually cannot be operated by a remote control;
- (ix) **They may incorporate tilt, swivel and height adjusting mechanisms, glare-free surfaces, flicker-free display, and other ergonomic design characteristics to facilitate prolonged periods of viewing at close proximity to the monitor;**
- (x) They may utilize wireless communication protocol to display data from an automatic data processing machine of heading 84.71. [emphasis added]

(B) MONITORS OTHER THAN THOSE CAPABLE OF DIRECTLY CONNECTING TO AND DESIGNED FOR USE WITH AN AUTOMATIC DATA PROCESSING MACHINE OF HEADING 84.71

*This group includes monitors which are capable of receiving signals when connected directly to the video camera or recorder by means of composite video, s-video or co-axial cables, so that all the radio-frequency circuits are eliminated. They are typically used by television companies or for closed-circuit television (airports, railway stations, factories, hospitals, etc.). They can, moreover, have separate inputs for red (R), green(G) and blue (B), or be coded in accordance with a particular standard (NTSC, SECAM, PAL, D-MAC, etc.). For reception of coded signals, the monitor must be equipped with a decoding device covering (the separation of) the R, G and B signals. **They are not fitted with connectors characteristic of data processing systems, and they do not incorporate tilt, swivel and height adjusting mechanisms, glare-free surfaces, flicker-free display, and other ergonomic design characteristics to facilitate prolonged periods of viewing at close proximity to the monitor. They do not incorporate a channel selector or video tuner. [emphasis added]***

x x x"

The Importer/Consignee and the BOC's classification both fall under the same one-dash description "Other monitors". Said one-dash description is further subdivided into two two-dash descriptions, subheadings 8528.52.00 and 8528.59, which contain two Philippine national subheadings and two AHTN 2022 subheadings, respectively, as shown in the table below:

AHTN 2022 Code	Description
	- Other monitors :
8528.52.00	-- Capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71 :
8528.52.00.100	--- Of a kind solely or principally used in an automatic data processing system of heading 84.71
8528.52.00.900	--- Other
8528.59	-- Other :
8528.59.10	--- Colour
8528.59.20	--- Monochrome

Based on the above table, AHTN 2022 subheading 8528.52.00 covers other monitors (i.e., other than cathode-ray tube monitors of subheadings 8528.42 and 8548.49) capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71. On the other hand, monitors under the six-digit subheading 8528.59 are monitors other than those capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71 (i.e., designed for devices/equipment other than automatic data processing machines or computers).

Upon evaluation of subject monitor's essential characteristics and available ports/interfaces, the Commission has determined that subject article is a monitor that is:

CMC NO. 74-2024 p. 5

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TCC (DR) NO. 23-005

- (i) capable of directly connecting to an automatic data processing of heading 84.71 (i.e., computers); and
- (ii) designed for and principally used in an automatic data processing system of heading 84.71.

Thus, subject HP E24q G4 QHD Monitor which is capable of accepting a signal from the central processing unit of automatic data processing machines for work and home applications through its various video/data input ports (VGA, HDMI, DisplayPort™, and USB Type-B) and capable of connecting to computer peripherals (e.g., keyboard, mouse, and USB hard drive) through its USB Type-A port, is appropriately classified under AHTN 2022 six-digit subheading 8528.52, and not under subheading 8528.59.

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 8528.52.00.100 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	2023 ACFTA Rate*
HP E24q G4 QHD Monitor	8528.52.00.100	Zero	Zero

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

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. 74-2024 p. 6

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