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DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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22 April 2025

CUSTOMS MEMORANDUM CIRCULAR
NO. 96-2025

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. 23-013 issued on 15 April 2025 pursuant to Paragraph 2 of Section 1100 of Republic Act No. 10863, otherwise known as Customs Modernization and Tariff Act, on the shipment of "Dicar® Anvilok 8 (A8) Anvil Cover," from the United States of America consigned to Davao Packaging Corporation, (Import Entry/ Customs Reference No. C-112583, NAIA), the dispositive portion of which states that:

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

Product	AHTN 2022 Code	2022 MFN Rate
Dicar® Anvilok 8 (A8) Anvil Cover	8441.90.00	Zero

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



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REPUBLIC OF THE PHILIPPINES

TARIFF COMMISSION

**RE: REQUEST FOR TARIFF CLASSIFICATION
DISPUTE RULING ON "DICAR® ANVILOK® 8 (A8)
ANVIL COVER" CONSIGNED TO DAVAO
PACKAGING CORPORATION**

TCC (DR) NO. 23-013

**(Import Entry/Customs Reference No. C-112583,
BOC-NAIA)**

Issued on: 15 April 2025

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 Dicar® Anvilok 8 (A8) Anvil Cover, imported by Davao Packaging Corporation (Importer/Consignee) from the United States of America (USA). The request of the Importer/Consignee for a TCDR was accepted by this Commission on 03 August 2023.

The shipment of said subject article, declared under ASEAN Harmonised Tariff Nomenclature (AHTN) 2022 subheading 8443.91.00, with a Most Favoured Nation (MFN) rate of duty of zero, was processed under Import Entry/Customs Reference No. C-112583 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 3926.90.99, with an MFN rate of duty of 15% *ad valorem*.

Hence, this request for a TCDR.

Pursuant to Section 7.3 of Commission Order (CO) No. 2018-01, this Commission requested the concerned District Collector on 23 October 2023 for comments on the request for a TCDR on Dicar® Anvilok 8 (A8) Anvil Cover. Further, Section 7.4 of the said CO 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-NAIA, hence, it proceeded to evaluate the classification of the subject article based on the submissions received from the Importer/Consignee.

While evaluating the documents submitted by the Importer/Consignee, the Commission determined that additional information was needed to properly classify the subject article. Hence on 22 February 2024, the Commission wrote to the Importer/Consignee requesting the submission of the subject article's detailed production/plant process. The information requested was received by this Commission on 27 February 2024 via an electronic mail (email) from Mr. Michelangelo J. Molina, Box Plant Manager and the Technical Representative of the Importer/Consignee.

Upon further review, the Commission determined that additional information is needed in order for it to identify the appropriate tariff classification of subject article. Thus, in a letter dated 10 September 2024, the Commission requested the Importer/Consignee to submit the following additional data:

- a) a video or pictures showing an example of the product and its parts (labeled); and
- b) complete material composition of the anvil cover, as certified by the manufacturer/supplier.

In response, on 20 September 2024, the Commission received an email from Ms. Girly A. Dalo, Buyer of the Importer/Consignee, providing pictures of subject article prior to and after its installation to the die-cutting section of a flexographic machine; safety data sheet of polyurethane elastomer (one of the materials of subject article); and a video showing how subject anvil cover is attached/installed to the said flexographic machine. On 26 November 2024, the Commission



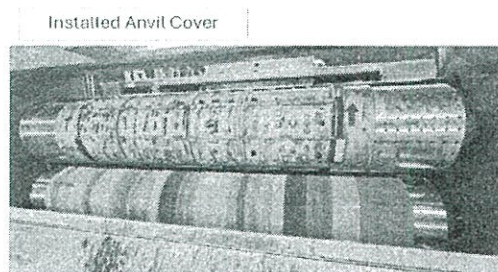
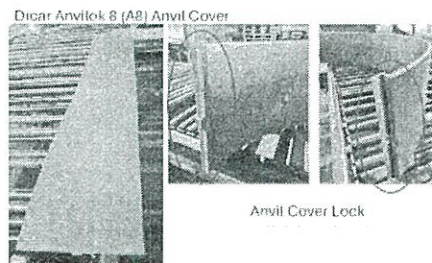
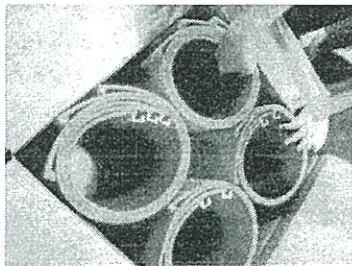
received another email from Mr. Molina providing the part number of subject anvil cover and confirming that the imported article *has metal/steel backing inside it*.

In the evaluation of disputes on tariff classification, Section 8 of CO 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.

After due examination of the submitted brochures, safety data sheet, technical data sheet, photographs of the product, video on its attachment/installation, and overview of the flexographic machine, it was established that subject article is an anvil cover consisting of a polyurethane sheet casted onto a steel backing and fitted on one end with a female lock and on the other end with a male lock. It is designed for installation to the die-cut cylinder (anvil) of a die-cutting section (part of a "flexographic machine") where vent holes, hand holes, and other custom blank cuts needed in paperboard boxes or cartons are punched/cut.

Subject anvil cover is to be installed by mounting the female lock end into the slot of the die-cut cylinder and bolting it to ensure secure connection, followed by wrapping around the cylinder, and then aligning and securing the flush connection of the male end with the female end by tapping with the use of a mallet (or a similar tool). Having a dimension (ID x W x T) of 11.595 inches x 9.860 inches x 0.290 inch, subject article serves as the "chopping board" of the die-cutting section to protect the cylinder/anvil from die penetration and damage, and to ensure proper cutting and scoring of the paperboard boxes or cartons.

Shown below are photographs of subject article submitted by the Importer/Consignee to this Commission:



The Importer/Consignee declared the product under heading 84.43 of the AHTN 2022 which covers *printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof* and specifically under subheading 8443.91.00. The said subheading covers *parts and accessories of printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42*, as they considered subject article to be a part/accessory of a flexographic printing machine.

The pertinent Harmonized System (HS) Explanatory Notes (EN) to heading 84.43 state that:

"This heading covers (1) all machines used for printing by means of the plates or cylinders of the previous heading, and (2) other printers, copying machines and facsimile machines, whether or not combined.

XXX

(I) PRINTING MACHINERY USED FOR PRINTING BY MEANS OF PLATES, CYLINDERS AND OTHER PRINTING COMPONENTS OF HEADING 84.42

The most common of these machines are rotary presses. In their simplest form, these presses usually consist of a cylinder with two semi-cylindrical plates (letter press), or of cylinders which may be either engraved (gravure printing) or impressed (offset printing); rotary presses for colour-printing are equipped with several printing cylinders, their inking rollers being placed side by side. Since all the printing, pressing and inking mechanisms are rotary, these presses can be used for both continuous printing and sheet by sheet printing, in black or in colour, on single sides or on both sides of the paper.

XXX

PARTS AND ACCESSORIES

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), the heading also covers parts and accessories of the machines of this heading.

XXX

The heading also **excludes** :

(a) **Cylinder blankets and covers of textile fabric, rubberised textile fabric, felt, rubber, etc. (classified according to the constituent material).** [emphasis added]

(b) Machinery for labelling bottles, cans, boxes, bags or other containers, and wrapping machinery (heading 84.22).

(c) Machines with an ancillary printing device, e.g., certain bag filling or packing machines (heading 84.22); **certain machines for making up paper or paperboard** [emphasis added] (heading 84.41). If presented separately, the printing device remains classified in this heading provided it prints by one of the processes of the machines of this heading.

XXX"

On the other hand, based on the exclusion of *cylinder blankets and covers* under heading 84.43 (as stated in the above HS EN), the BOC classified subject article under heading 39.26 of AHTN 2022 which covers *other articles of plastics and articles of other materials of headings 39.01 to 39.14*, particularly under subheading 3926.90.99, which covers other articles of plastics except for the products identified in the preceding subheadings under heading 39.26.

The HS EN to heading 39.26 state that:

"This heading covers articles, not elsewhere specified or included, of plastics (as defined in Note 1 to the Chapter) or of other materials of headings 39.01 to 39.14.

XXX"

The Commission agrees with both the Importer/Consignee and the BOC that headings 84.43 and 39.26 both merit consideration in classifying subject article as it is a part/accessory of a "flexographic machine" and has a plastic (polyurethane) component.

However, to properly classify subject article, it is necessary to evaluate the machine where it is being used since the classification of parts or components of machines/apparatus generally depend on the classification of the machine/apparatus wherein said parts or components will be used.

Based on the overview of the flexographic machine submitted by the Importer/Consignee, the "flexographic machine" the company is using is a Flexo Folder Gluer (FFG) machine capable of producing completely finished boxes. The FFG is composed of several sections and performs the operations briefly described below:

- a) feeding the blank corrugated boards into the machine;
- b) printing the blank boards in two or more colors;
- c) creasing and slotting the boards;
- d) die-cutting (cutting out vent holes, hand holes, and other custom blank cuts);
- e) lap gluing;
- f) folding;
- g) squaring and stacking (20 pieces per bundle); and

- h) producing delivery bundles of finished boxes in uniform, accurately counted piles for shipping.

Based on the above information, the Commission has determined that the aforementioned "flexographic machine" is more than a printing machine of heading 84.43. Instead, said machine is appropriately classified under heading 84.41 of the AHTN 2022, which covers *other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds*.

The pertinent HS EN to heading 84.41 state that:

"This heading covers all machinery used for cutting, and (apart from the book-binding machinery) all machinery for making up paper pulp, paper or paperboard after it has been manufactured, ranging from machines for cutting into the widths required or into sheets of commercial sizes to those for the manufacture of various made up articles. [emphasis added]"

The heading includes :

XXX

- (2) **Machines for die-cutting** (confetti, labels, lace paper, index cards, window envelopes, box shapes, etc.).
- (3) **Machines for cutting, outlining or grooving paperboard** for cartons, boxes, file covers, etc.
- (4) **Machines for making paper bags.**
- (5) **Machines for making envelopes** (cutting, folding, lining, etc.).
- (6) **Machines for making folding cartons and boxes.**
- (7) **Machines for stapling boxes and similar articles, other than** simple wire stapling machines which can be used equally for book-binding or for box-making (heading 84.40).
- (8) **Other machines for making cartons and boxes.**

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- (13) **Stacking machines** for arranging sheets, cards, etc., in orderly piles.

XXX

Some of the machines of this heading, in particular the paper-bag or box-folding machines, may be equipped with a printing device. In accordance with Note 3 to Section XVI such machines remain classified in this heading **provided** the printing is not the principal function of the machine.

XXX

PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), **parts of the machines of this heading are also classified here.** [emphasis added]

XXX"

Moreover, in determining the classification of goods, the General Rules for the Interpretation (GRI) of the HS should be used and applied in hierarchical order. Rule 1 of the GRI provides that "The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions."

Note 2 to Chapter 39 states:

2.- **This Chapter does not cover :**

XXX

(s) **Articles of Section XVI** (machines and mechanical or electrical appliances); [emphasis added]

XXX"

Further, Note 2 to Section XVI, which governs the classification of parts of machines, apparatus, instruments and articles of AHTN 2022 Chapters 84 and 85, states that:

"2.- Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules :

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29; [emphasis added]

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48."

Though the HS EN to heading 84.43 exclude cylinder blankets and covers of textile fabric, rubberised textile fabric, felt, rubber, etc. generally used in offset printing under said heading, as cited by the BOC, the Commission has determined that subject Dicar® Anvilok 8 (A8) Anvil Cover is not a cylinder blanket or cover for offset printing. Rather, it is (i) an anvil cover consisting of a polyurethane sheet casted onto a steel backing and fitted on one end with a female lock and on the other end with a male lock; (ii) designed for installation to the die cut-cylinder (anvil) of a die-cutting section of a Flexo Folder Gluer machine; and (iii) to be installed by mounting the female lock end into the slot of the die-cut cylinder and bolting it to ensure secure connection, followed by wrapping around the cylinder, and then aligning and securing the flush connection of the male end with the female end by tapping with the use of a mallet (or a similar tool); thus, subject article is classifiable under heading 84.41 of the AHTN 2022 as part of the Flexo Folder Gluer machine classified under the same heading.

Based on the information received from the Importer/Consignee and the clarifications provided by the foregoing Section Notes, Chapter Note, and HS EN, subject article is properly classified under AHTN 2022 subheading 8441.90.00 by virtue of Rules 1 and 6 of the GRI of the HS (Section 1610 of the CMTA).

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

Product	AHTN 2022 Code	2022 MFN Rate
Dicar® Anvilok 8 (A8) Anvil Cover	8441.90.00	Zero

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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