

**[ SRA SUGAR ORDER NO. 7, S. 2003-2004, March 30, 2004 ]**

**RULES AND REGULATIONS ON IMPORTATION OF FOOD PREPARATIONS UNDER TARIFF HEADING 21.06 OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES - ASEAN HARMONIZED TARIFF NOMENCLATURE (TCCP-AHTN)**

WHEREAS, the Sugar Regulatory Administration (SRA) has confirmed that samples obtained from certain shipments apprehended by the Bureau of Customs (BOC) were in reality, *cane or beet sugar or chemically pure sucrose in solid form* classified under Tariff Heading 17.01 of the Tariff and Customs Code of the Philippines - ASEAN Harmonized Tariff Nomenclature (TCCP-AHTN), and not food preparations as declared under Tariff Heading 21.06 by unscrupulous importers;

WHEREAS, the importation of *cane or beet sugar chemically pure sucrose in solid form* which appropriately falls under Tariff Heading 17.01 but entered as a food preparation under Tariff Heading 21.06, not only jeopardizes the revenue collection efforts of the BOC but likewise rendering the SRA ineffective in its mandate to maintain a balanced and rationalized supply of sugar vis-a-vis demand, and such being the case, is damaging to the survival/viability of the sugar industry.

WHEREAS, certain food preparations listed under Tariff Heading 21.06, although specifically are in the forms different from the items enumerated under Tariff Heading 17.01, such food preparations, nonetheless, are basically and principally made of sugar in general, over which supply, the SRA is mandated to oversee and maintain in rational equilibrium with demand;

WHEREAS, the Tariff Commission (TC) has implemented the Asean Harmonized Tariff Nomenclature (AHTN) through the BOC issuing its Customs Memorandum Order No. 6-2004, dated March 11, 2004 to implement the AHTN, thus, making all classification rulings issued by the TC prior to AHTN implementation no longer applicable;

WHEREAS, it is with the expectation that importers of certain food preparations which are basically and principally made of sugar in general, shall still declare their importation under HS 2106 or its equivalent AHTN pending the classification ruling of the TC, hence, the need to be regulated by the SRA;

WHEREAS, Section 3 of the Presidential Memorandum Order (PMO) No. 134 dated February 9, 2004, mandates the SRA to assist the BOC or the Bureau of Internal Revenue (BIR) in the determination of the appropriate classification of sugar and sugar products for purposes of imposing proper import duties and/or assessing value-Added or other taxes thereon;

WHEREAS, Section 4 of the aforementioned PMO No. 134 mandates the SRA, in

appropriate agreements with other agencies, such as with the BOC and the BIR, to issue such additional rules and procedure as may be necessary or desirable in order to fully implement the provisions of the said PMO.

NOW, THEREFORE, by virtue of the authority vested upon the Sugar Regulatory Administration, it is hereby ordered that:

*SECTION 1. Scope and Definition.* This Sugar Order shall apply to food preparation commodities listed in the TCCP as enumerated hereunder, and which, for facility, may also be referred to herein, as premix commodities:

New Classification

- 1.1 AHTN Tariff Code 2106.90 51
- 1.2 AHTN Tariff Code 2106.90 52
- 1.3 AHTN Tariff Code 2106.90 54
- 1.4 AHTN Tariff Code 2106.90 59
- 1.5 AHTN Tariff Code 2106.90 83
- 1.6 AHTN Tariff Code 2106.90 95
- 1.7 AHTN Tariff Code 2106.90 99 (B)

Old Classification

- 1.8 HS Code 2106.90 10
- 1.9 HS Code 2106.90 50
- 1.10 HS Code 2106.90 60
- 1.11 HS Code 2106.90 70
- 1.12 HS Code 2106.90 80

*SECTION 2. Monitoring.* All importations of premix commodities as enumerated in Section 1 above, shall be monitored by the SRA in terms of declared classification and quantities thereof, their dates of arrival, countries of origin, and the names of their importers or consignees. In addition thereto, random/representative sample/s of the said commodities shall be subject to SRA laboratory analysis.

*SECTION 3. Premix Commodity Release Clearance.* Importers or Consignees of premix commodities should apply with the SRA for a Premix Commodity Release Clearance (PCRC) prior to withdrawal thereof from the BOC, by submitting to the SRA the following, namely:

3.1 Initial Requirement