

WORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

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HARMONIZED SYSTEM COMMITTEE

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CLASSIFICATION OF "CACHAÇA"

(Item VII.2 on Agenda)

I. BACKGROUND

1. Several countries (Barbados, the Dominican Republic, Guyana, Jamaica, and St. Lucia) have recently been in touch with the Secretariat in order to clarify the classification of "cachaça" (a spirit distilled from sugar cane). According to these countries, "cachaça" should be regarded as "rum and tafia" of subheading 2208.40 and not as other spirituous beverages of subheading 2208.90. For that reason, these countries have proposed to amend the legal texts and/or the Explanatory Notes to clarify this situation.

II. SECRETARIAT COMMENTS

- 2. The Secretariat supports the idea of amending the texts. However, as a first step, the Secretariat would like the HS Committee to settle the correct classification of this product before making proposals to amend the texts.
- 3. According to information obtained by the Secretariat from the Internet "cachaça" can be described as follows:

"Cachaça is a Brazilian liquor made from distilled sugar cane juice. While rum is distilled from molasses, cachaça is distilled directly from the juice of the unrefined sugar cane. Prior to distillation the juice ferments in a wood or copper container for three weeks, and is then boiled down three times to a concentrate. Cachaça is always distilled in such a way that the scent of sugar cane and inimitable flavour typical of rum are retained.

Cachaça is sometimes known as caxaca, caxa or chacha.

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Brazil has 4,000 brands of cachaça and the country produces 1 billion litres of the beverage per year. It is one of the most consumed drinks in Brazil, second only to beer." (http://www.webtender.com/db/ingred/66).

"Cachaça hails from Brazil, where it is the second most consumed drink, after beer (they produce 1 billion litres of the stuff every year!). The process of distillation began in 1532, when one of the Portuguese colonisers brought the first cuttings of sugar cane from Madeira.

The process is similar to rum distillation, but rather than utilising molasses (the unrefined treacly-like syrup from sugar cane), cachaça is directly distilled from the fermented juice of the cane. After distillation, various techniques are employed to "finish off" the product. The most commonly encountered form of cachaça is clear, which indicates no ageing, just filtration before bottling.

The result is a clean, strong flavour, somewhat reminiscent of white rum, but with an edge that is noticeably different. This is the stuff that most bars serve, and is best suited to mixing. Much more rare (in this country at least) is aged cachaça. This has been kept in casks for anything between two and 12 years after distillation is complete.

Although oak casks are used occasionally, most producers prefer to utilise local woods, which produce a remarkable range of colours, flavours and aromas in the product. Aged cachaça would be wasted on cocktails; a good slug over ice is the preferred way to enjoy this unique drink."

(http://www.viewlondon.co.uk/drink_feat_cachaca.asp)

- 4. Based on this information, it is quite clear that "cachaça" is obtained by a process similar to the rum distillation process. However, while rum is distilled from molasses, cachaça is distilled directly from the juice of the unrefined sugar cane.
- 5. Subheading 2208.40 refers to "rum and tafia" (tafia is described as "a variety of rum" (Webster's Unabridged Dictionary)). The corresponding Explanatory Note (heading 22.08, item (3)) refers to :
 - "(3) Spirits obtained by distilling fermented sugar-cane molasses or sugar-cane juice (rum and tafia) and spirits obtained by distilling beet sugar molasses."
- 6. In the Secretariat's view, it is quite clear that the Explanatory Note above covers "cachaça". However, since this text does not refer directly to subheading 2208.40, it is not that clear that "cachaça" should be classified in this subheading. Even though "cachaça", as tafia, could be described as a variety of rum, the subheading text itself seems rather restrictive. The Secretariat therefore leaves it to the Committee to decide whether "cachaça" should be classified in subheading 2208.40 ("rum and tafia") or in subheading 2208.90 ("other").

III. CONCLUSION

- 7. The Committee is invited to rule on the classification of "cachaça", on the basis of the information provided and the Secretariat's comments set out above.
- 8. The Committee is also invited to instruct the Secretariat as to what further action should be taken in this regard.

"Cachaça", spirit obtained by distilling sugar-cane juice.