



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA

CUSTOMS MEMORANDUM ORDER  
NO. J-92

SUBJECT: Legalization of Ownership/Possession of Motor Vehicles thru Settlement with a Minimum Penalty, Otherwise Known as the Motor Vehicle Legalization Program (MVLPP)

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OBJECTIVES

1. To generate more revenue for the Government.
2. To legalize the possession/ownership of motor vehicles with tax deficiencies and/or acquired under defective LTO registration titles.
3. To encourage the owners to come out voluntarily and pay their tax deficiencies and a minimum penalty based on the landed cost through the institution of constructive seizure proceedings which shall be summary in nature.

II. COVERAGE

This Order shall cover motor vehicles, including motorcycles and scooters, whether already under seizure or liable to seizure and whether registered or not with the Land Transportation Office (LTO), and which arrived on or before December 31, 1991 and imported under any of the following situations, to wit:

1. Vehicles imported by returning residents, overseas Filipinos (BALIKBAYAN) and persons coming to settle in the Philippines, with any of the following attendant violations:
  - 1.1 Lack of capacity to pay the value of the vehicle.
  - 1.2 Required permanent residency of the owner in the Philippines not complied with.
  - 1.3 Insufficient length of time of Registration abroad of the vehicle in the name of the owner.

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- 1.4 Insufficient length of time of stay abroad of the owner.
- 1.5 Violation of similar requirements imposed by law or regulations, not constituting fraud on the part of the owner.

2. Vehicles imported by retirees under the Philippine Retirement Authority (PRA) Program without full compliance with the requirements to qualify for the benefits under said Program, such as:

- 2.1 Foreign currency deposit available for domestic investment.
- 2.2 Permanent residency in the Philippines.
- 2.3 Similar requirements imposed by law or regulations, not constituting fraud on the part of the owner.

3. Vehicles imported by retired US servicemen under the RP-US Agreement in violation of any of the following requirements:

- 3.1 Permanent residency in the Philippines.
- 3.2 Limitation to only one service vehicle and one commercial vehicle, not constituting fraud on the part of the owner.

4. Vehicles imported by tax-exempt persons under various tax exemption laws and subsequently sold/transferred/conveyed to a non-tax-exempt person without complying with the requirements of existing regulations relative to the disposition/transfer/alienation of the vehicle, not constituting fraud on the part of the transferee.

5. Where the release of subject vehicle, imported under any of the foregoing situations, is effected or attempted through the use of forged or spurious documents such as forged registration papers, passport and the like or any other form of forgery/misrepresentation without the knowledge/participation of the owner.

6. All vehicles already registered with the LTO with tax deficiencies/defective titles when transferred to an innocent purchaser for value who offers to pay the tax deficiency and penalty.

### III. ADMINISTRATIVE PROVISIONS

1. The provisions of this Order may be availed of only for the

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period beginning January 16, 1992 and ending at the close of business hours on February 17, 1992.

2. The vehicle shall be constructively seized and a Warrant of Seizure and Detention issued under Section 2307 of the Tariff and Customs Code, as amended by E.O. 38.

3. The seizure proceedings instituted against the vehicle shall be summary in nature.

4. The processing of documents, the summary seizure proceedings and the release of the vehicle shall be undertaken by the One Stop Shop Unit (OSSU) created under CMO No. 2-92; provided that, except for NAIA, MICP and the Port of Manila, District Collectors and Port Collectors concerned shall undertake the processing of documents, the summary seizure proceedings and the release of vehicles entered in their respective Ports.

5. Except where the motor vehicle is already in Customs custody, the owner/applicant shall, at his convenience, have the option to file the required informal entry and written application with either the OSSU or the Port of entry outside Metro Manila.

#### IV. OPERATIONAL PROCEDURE

1. The owner/applicant shall file with the OSSU or the District/Port Collector, as the case may be, an informal entry (where no entry has yet been filed) and a written application (ANNEX "A") offering to settle the case and pay the penalty under Section 2307 of the Tariff and Customs Code, as amended by E.O. 38; provided that, no entry and application shall be accepted and given due course after the close of business hours on February 17, 1992; and provided further that, the imposable penalty shall be as follows:

1.1 Twenty percent (20%) of the landed cost, if the written application is filed not later than January 31, 1992.

1.2 Twenty-five percent (25%) of the landed cost, if the written application is filed after January 31, 1992.

2. Where appropriate and upon instruction of the Officer-in-Charge, OSSU, or District/Port Collector, as the case may be, an examiner/appraiser shall be assigned to examine the vehicle, take the stencil of the chassis and engine numbers and assess the duties, taxes

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and penalty in accordance with the following guidelines:

- 2.1 The applicable rate of exchange shall be that prevailing at the date of arrival or, in the case of local purchase, the date of payment.
  - 2.2 The old depreciation rate up to 90% shall be applied to trucks, pick-ups and other utility vehicles. The depreciation rate for cars shall be in accordance with CMO No. 168-89.
  - 2.3 Valuation shall be based on the Japanese and US Red Books and the World Car Book, as the case may be, and the vehicle shall be depreciated accordingly. In the absence of values from these sources, the vehicle shall be assessed based on the franchise dealer's price/certificates duly issued by the assemblers and/or distributors of similar type/brand of vehicle in the Philippines and/or through the exercise of reasonable ways and means available to the Bureau of Customs.
  - 2.4 The country of origin of the chassis shall be used as reference point.
  - 2.5 Entries processed by the OSSU shall be pre-liquidated /audited by a duly designated representative from the Collection Service who shall hold office at the OSSU. Entries processed by the other Ports of entry shall be pre-liquidated/audited by the Customs Assessor.
3. A designated Special Deputy Collector of the OSSU shall act for the District Collector and the Chief, Import Assessment Service and Officer-in-Charge of the OSSU, shall act for the Commissioner of Customs.
4. After payment of the duties, taxes, penalty and other charges, the Certificate of Payment shall be issued by the Cashier and copy thereof transmitted to the LTO Central Registration Section, East Avenue, Quezon City, thru the Warrant Section for entries processed by the OSSU. For entries processed by the District/Port Collectors, the Certificate of Payment shall likewise be transmitted to the LTO Central Registration Section, thru the OSSU.
5. For internal control and post-audit purposes, all District/Port Collectors concerned shall immediately forward to the OSSU copies of all entries and supporting documents via the fastest, most secure

means of communication available, in addition to a weekly summary report of releases which shall indicate the entry numbers and the names of the corresponding owners.

PROBLEMS NOT COVERED BY THIS ORDER

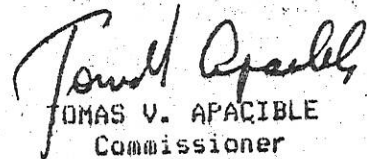
Any situation/problem relative to the foregoing guidelines shall be resolved on a case-by-case basis by the Head, OSSH, with notice to the Commissioner of Customs in accordance with Section 3501 of the Tariff and Customs Code, as amended.

REPEALING CLAUSE

Customs memorandum orders and other regulations inconsistent with this Order are hereby repealed and/or modified accordingly.

VI. EFFECTIVITY

This Order shall take effect January 15, 1992.

  
TOMAS V. APACIBLE  
Commissioner

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ANNEX "A"

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APPLICATION  
(MOTOR VEHICLE LEGALIZATION PROGRAM)

\_\_\_\_\_  
Date

The Officer-in-Charge  
One Stop Shop Unit  
Bureau of Customs  
Port Area, Manila

Sir :

Pursuant to CMO No. \_\_\_\_\_, I have the honor to apply for the payment of the duties, taxes and other charges due, hereby offering to further pay the penalty of \_\_\_% of the landed cost, on the vehicle described hereunder, to wit:

TYPE OF VEHICLE \_\_\_\_\_  
(e.g., sedan, van, pick-up, motorcycle, etc.)  
MAKE \_\_\_\_\_ YEAR/MODEL(S) \_\_\_\_\_  
PISTON DISPLACEMENT(S) \_\_\_\_\_ KERBWEIGHT(S) \_\_\_\_\_  
CHASSIS NUMBER(S) \_\_\_\_\_ ENGINE NUMBER(S) \_\_\_\_\_

I further hereby state under oath as follows:

- That I am residing at \_\_\_\_\_  
and (check mark, as applicable).
  - ( ) the owner/importer; ( ) the owner/purchaser for value of the above described vehicle(s)
  - ( ) a returning resident
  - ( ) an overseas Filipino (BALIKBAYAN)
  - ( ) going to settle permanently in the Philippines
  - ( ) a retiree under the PRA
  - ( ) a US serviceman
  - ( ) other (specify) \_\_\_\_\_
- That in the importation/acquisition of the vehicle(s), the following

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requirements were not complied with (enumerate all):

3. That seizure proceedings against the vehicle(s) (check mark, as applicable):

had already been instituted at the Port of \_\_\_\_\_, with S.I. No. \_\_\_\_\_, dated \_\_\_\_\_.

not yet instituted.

3. That the vehicle(s) had already been registered with the LTO as shown by the attached Registration Certificate(s) duly certified by the LTO.

Not yet registered with the LTO.

4. That the vehicle(s), presently located at \_\_\_\_\_

(Complete address/location)  
shall be brought to any area within the Customs premises any time required for purposes of examination.

5. That the vehicle(s) arrived at the Port of \_\_\_\_\_ on \_\_\_\_\_.

6. That I am submitting the following documents:

- Deed of Sale covering the vehicle(s)
- Certified true copy of the BIR Certificate of Payment
- Evidence of the action taken by me (consisting of \_\_\_\_\_)

against the broker/agent/other person for misrepresentation /submission without my knowledge/participation of forged/spurious documents to effect the release of the vehicle(s) from Customs custody.

That I fully understand that any false statement made herein or before the OSSU or any Customs official, or any willful non-disclosure of material information, or any misrepresentation made by me and similar acts/manifestations of bad faith on my part in connection with this

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application, shall be ground for the institution of forfeiture proceedings against the subject vehicle(s) and/or of the appropriate administrative/criminal action against me.

\_\_\_\_\_  
(Signature over printed name)  
Owner/Applicant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_  
1992. Affiant exhibited to me his/her \_\_\_\_\_  
issued at \_\_\_\_\_, on \_\_\_\_\_

\_\_\_\_\_  
Officer Authorized to Administer Oath

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 19 \_\_\_\_\_



MEMORANDUM OF AGREEMENT

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This MEMORANDUM OF AGREEMENT entered into by and among:

The BUREAU OF CUSTOMS, an agency under the Department of Finance, represented by its Commissioner of Customs TOMAS V. APACIBLE, hereinafter referred to as the BOC;

and

The LAND TRANSPORTATION OFFICE, an agency under the Department of Transportation and Communications, represented by its Assistant Secretary JOAN V. BORRA, JR., hereinafter referred to as the LTO;

and

The PHILIPPINE NATIONAL POLICE HIGHWAY PATROL GROUP, an agency under the Department of Interior and Local Government, represented by its Chief Superintendent PERCIVAL L. ADIONG, hereinafter referred to as the PNPHPG;

WITNESSETH :

WHEREAS, the BOC has issued Customs Memorandum Order (CMO) No. 2-92 and CMO No. 5-92, otherwise known as "Voluntary Payment Scheme" and "Motor Vehicle Legalization Program", respectively, to generate more revenue for the government, legalize the possession/ownership of motor vehicles, and encourage the owners to voluntarily pay to the BOC their tax deficiencies and the corresponding penalties;

WHEREAS, for the proper and effective implementation of the said Scheme and Program and in order to attain the objectives thereof aforesaid, a close and joint coordination among the BOC, LTO and PNPHPG is necessary;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereto have agreed as follows:

1. The parties shall jointly undertake to ensure the proper, effective and smooth implementation of the said Scheme and Program.

2. The LTO shall, in the absence of the BOC Certificate of Payment (CP) on file with the Registering Agency or where such CP is under question; require a BOC clearance for motor vehicles covered by the said Scheme and Program before allowing the original registration or renewal thereof.

3. The BOC shall see to it that all original CP's issued for motor vehicles covered by the Scheme and Program are transmitted by official messenger to the LTO Central Registration Section, East Avenue, Quezon City, where such CP's shall be issued confirmation certificates before the motor vehicles are registered with the LTO, Diliman District Office, East Avenue, Quezon City, and after all other requirements are complied with.

4. The LTO and PNPHPG shall, during the effectivity of the said

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5. The parties shall help in the campaign for the widest dissemination of information on the said Scheme and Program to reach as many owners/possessors as possible as well as the general public.

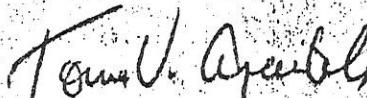
6. The parties shall, respectively, issue the necessary instructions for the proper and effective implementation of this Agreement.

7. This Agreement shall take effect upon its approval.

IN WITNESS WHEREOF, the parties have hereunto signed this Memorandum of Agreement this \_\_\_\_ day of January, 1992 at Manila, Philippines.

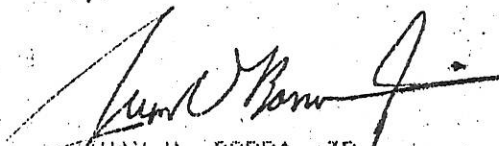
BUREAU OF CUSTOMS

By:

  
TOMAS V. APACIBLE  
Commissioner

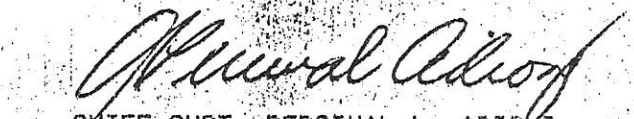
LAND TRANSPORTATION OFFICE

By:

  
JUAN V. BORRA, JR.  
Assistant Secretary

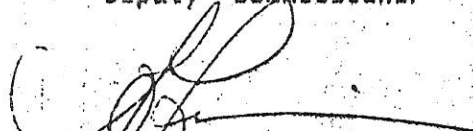
PNP HIGHWAY PATROL GROUP

By:

  
CHIEF SUPT. PERCIVAL L. ADIONG  
Director

Signed in the presence of:

CESAR Z. DARIO  
Deputy Commissioner

  
VICENTE A. FERIA, JR.  
Deputy Commissioner

LICERIO C. EVANGELISTA  
Deputy Commissioner

  
TITUS B. VILLANUEVA  
Deputy Commissioner



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REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA

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MEMO  
3-27-92

1 April 1992

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_:

We are returning herewith your application for employment filed in this Bureau.

We regret to inform you that this application was no longer considered inasmuch as we have already filled-up all vacancies available for hiring of new personnel. Further filling-up of positions is no longer allowed per Comelec Resolution No. 2333.

Reapplication, however, is allowed in future evaluation.

Thank you.

Very truly yours,

VICENTE A. FERIA, JR.  
Deputy Commissioner for  
Internal Administration  
Group