



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

SEP 11 2001

CUSTOMS MEMORANDUM ORDER
NO. 22-2001

TO : All District Collectors Concerned

SUBJECT : A Special Guidelines for the Governance of Manufacturing Bonded Warehouse on Petrochemical Import-Export, Pursuant to Section 2004 of the Tariff and Customs Code Of the Philippines (TCCP)

Pursuant to the provisions of SEC. 608, in relation to Sec. 2004 of the Tariff and Customs Code of the Philippines (TCCP); and in order to uplift transparency and accountability in customs service, particularly for the warehousing and bonding system.

I. OBJECTIVES:

1. To effectively monitor importations of petrochemical products through customs bonded warehouses;
2. To accelerate liquidation of entries and cancellation of re-export surety bonds; and
3. To ensure collection of lawful government revenues as well as the proper compliance with all other laws and regulations administered by the Bureau of Customs.

II. ADMINISTRATIVE PROVISIONS:

The following guidelines are hereby promulgated for strict implementation, viz:

a) Creation of Technical Working Group (TWG) :

A TWG is hereby created composed of the following:

1. Head of the group - to be designated by the Commissioner
2. The Chief, Common Bonded Warehouse Division or his duly authorized representative.

CMO - 22 - 01 2

- 3. The Deputy Collector for Operations or his representative
- 4. The Warehouseman of the CBW operator
- 5. Other members as may be designated by the Commissioner

A representative from the industry manufacturing sector, to be designated by the Association of Petrochemical Manufacturers of the Philippines (APMP) shall act as observer and give technical advice to the team.

b) Duties and Functions:

- 1. The Group shall conduct visitations of every CBW manufacturer/importer of petrochemical products for export.
- 2. To see to it that all operators have complied with Sec. 2004, TCCP, in the matter of executing verified sworn monthly returns containing a detailed statement of all imported articles used by them in the manufacture of the exported products.
- 3. To counter-check the verified sworn monthly return against the book of account kept by the District Collector of all articles delivered by him to the said CBW.
- 4. The Group in its inspection shall take note of the following:
 - a) articles manufacture
 - b) formula of manufacture
 - c) production capacity of the CBW
 - d) Requisition Slip approved by the Warehouseman
 - e) List of machinery and other equipment for manufacture and production

and compare these with the records on file at Bureau of Customs.

- 5. If the operator of CBW is found liable for any customs duties and taxes, the Group shall, without delay, recommend that a demand letter for the immediate settlement therefor be sent to the CBW operator with surcharge as warranted.

CMD-22-01

6. If after six (6) months, the liability shall have remained due and demandable, the Collector of Customs, through the Law Division, shall conduct the proper administrative proceedings to forfeit the surety bond and its equivalent penal amount.
6. The Group shall be clothed with a continuing Mission Order to be issued by the Commissioner or his Deputy Commissioner for IEG.
7. Pending settlement of the "due and demandable" account, the Group shall recommend to the Commissioner for suspension or closure of the CBW operation, as may be warranted.

III. REPEALING CLAUSE:

All rules and regulations inconsistent with this Order are hereby deemed superseded or modified accordingly.

IV. EFFECTIVITY:

This Order shall take effect upon approval by the Commissioner of Customs.


JESUS B. VILLANUEVA
Commissioner