



BUREAU OF CUSTOMS

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INTEGRITY

ACCOUNTABILITY

9 July 2021

CUSTOMS MEMORANDUM CIRCULAR (CMC)
No. 151-2021

To: All Deputy Commissioners
The Assistant Commissioner
All Directors and Division Chiefs
All District/ Port Collectors
All Others Concerned

**SUBJECT: DOE-BOC-BIR MEMORANDUM OF AGREEMENT (MOA) ON
INFORMATION EXCHANGE AND RECONCILIATION**

Attached is a copy of Department of Energy (DOE) – Bureau of Customs (BOC) – Bureau of Internal Revenue (BIR) Memorandum of Agreement (MOA) on Information Exchange and Reconciliation

For your information and guidance.

For record purposes, please confirm the dissemination of this Memorandum of Agreement throughout your offices within fifteen (15) days from receipt thereof.

REY LEONARDO B. GUERRERO
Commissioner
JUL 14 2021



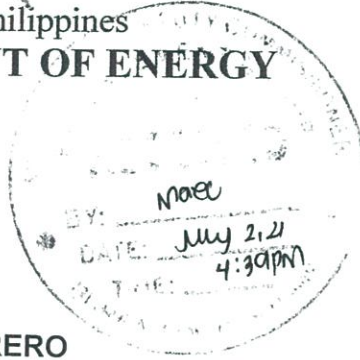
BOC-09-22630



Republic of the Philippines
DEPARTMENT OF ENERGY

MASTER COPY
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July 1, 2021



REY LEONARDO R. GUERRERO
Commissioner
Bureau of Customs
South Harbor, Gate 3
Port Area, Manila City

Attention: **Atty. Teddy S. Raval**
Deputy Commissioner, EG



BOC-09-22630

Dear Commissioner Guerrero:

Respectfully transmitting original copy of the notarized Memorandum of Agreement on Information Exchange and Reconciliation, for your reference. Likewise, to acknowledge receipt of the copy of the Customs Special Order No. 81-2021 for BOC personnel designation to the DOE-BOC-BIR Information Exchange and Reconciliation Committee.

Please be informed that first Reconciliation Committee meeting shall soon be set for orientation and discussion of report templates.

For any clarification, please contact Ms. Gloria Ferranco at gferranco@doe.gov.ph or CP# 09063131665.

Thank you.

Very truly yours,

DIRECTOR RINO E. ABAD
Oil Industry Management Bureau

Encl: a/s

Saf
GAF/HVL/RIR



MEMORANDUM OF AGREEMENT ON INFORMATION EXCHANGE AND RECONCILIATION

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement is made and entered into by and between:

The **DEPARTMENT OF ENERGY**, a national government agency under the laws of the Philippines, with office address at PNOC Building V, Energy Center, Rizal Drive, Bonifacio Global City, Taguig, Metro Manila, represented by its Secretary, **ALFONSO G. CUSI**, hereinafter referred to as "**DOE**".

-and-

The **BUREAU OF CUSTOMS**, a national government agency existing under the laws of the Philippines, with office address at G/F OCOM Bldg., BOC Port Area, represented by its Commissioner, **REY LEONARDO B. GUERRERO**, hereinafter referred to as "**BOC**";

-and-

The **BUREAU OF INTERNAL REVENUE**, a national government agency existing under the laws of the Philippines, with office address at BIR Road, Diliman Quezon City represented by its Commissioner, **CAESAR R. DULAY**, hereinafter referred to as "**BIR**";

The **DOE**, **BOC** and the **BIR** are collectively called "Parties" and individually called "Party" to this Agreement.

WITNESSETH:

WHEREAS, pursuant to the DOE Department Circular No. 98-03-004, known as the implementing rules and regulation of the Downstream Oil Industry Deregulation Act of 1998 (Republic Act 8479), any person who shall engage in the importation and exportation of crude and finished petroleum products shall submit notices and reports to the DOE.

WHEREAS, pursuant to the Joint Administrative Order No. 2008-1, Series of 2008, known as the Guidelines Governing the Biofuel Feedstocks Production, and Biofuels and Biofuel Blends Production, Distribution and Sale Under Republic Act No. 9367, an oil company maybe allowed to import bioethanol in the event of supply shortage of locally-produced bioethanol subject to issuance of a certification to import from DOE- Oil Industry Management Bureau (OIMB);

WHEREAS, pursuant to Revenue Regulation No. 8-2006, any volume of imported bioethanol shall be subject to full denaturing conducted in the presence of the authorized representatives of the Oil Industry - Participant, DOE and BIR and a joint denaturing report duly signed by all the authorized representatives shall be issued. Accordingly, the DOE and BIR shall ensure that the data showing the volume of denatured imported bioethanol shall be reconciled;

WHEREAS, Section 202 (a) of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), provides for the function of the BOC to assess and collect customs revenues from imported goods and other dues, fees, charges, fines and penalties accruing under the CMTA;

WHEREAS, Sec. 6 of the NIRC authorizes the BIR at any time during the taxable year for inventory stocktaking of any goods of any taxpayer as a basis for determining the internal revenue tax liabilities and Sec. 161 requires wholesale dealers to keep records of their purchases and sales or deliveries of articles subject to excise tax. Such records and the entire stock of goods subject to tax shall be subject at all times to inspection of internal revenue officers;

WHEREAS, Sec. 3 of the Department of Finance (DOF), BOC and BIR Joint Circular 001.2021 provides for the creation of a joint special task force established by the BOC and BIR to perform Field Testing activities under the Fuel Marking Program pursuant to Section 148-A, 151, 157, 171, 172 and 265-A of Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The same shall be created in coordination with other government agencies on matters concerning petroleum products;

NOW, THEREFORE, for the Parties to reconcile the volumes of imported and exported crude oil, finished petroleum products and bioethanol, denatured imported bioethanol, and inventory report, and on the process assess the proper taxes, the Parties agree and stipulate the following:

ARTICLE 1 INFORMATION EXCHANGE

- 1.1 The DOE shall provide BOC and BIR with the following documents and information:
- a. Copy of individual acknowledgement letters and certificate of quality for the import notices for crude oil and refined petroleum products provided by importers within twenty-four (24) hours from the issuance of the acknowledgement letter;
 - b. Monthly report on importation and exportation of crude oil, finished petroleum products and bioethanol per oil company, in a format to be agreed by the Parties, on or before the end of the succeeding month;
 - c. Monthly report on denatured imported bioethanol per oil company, in a format to be agreed by the parties, on or before the end of the succeeding month;



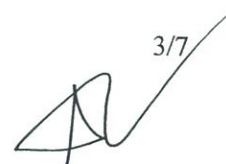
- d. Monthly report on inventory of crude oil, finished petroleum products and biofuel per oil company, in a format to be agreed by the parties, on or before the end of the succeeding month;
- e. Monthly report on the list of registered downstream oil industry participants, such as but not limited to, refiners, importers and terminal operators, on or before the end the succeeding month; and
- f. Other relevant information that the BOC may require for the monitoring of importations and exportations of crude oil and finished petroleum products subject to the confidentiality requirements of Section 15(g) of RA 8479, otherwise known as the "Downstream Oil Industry Deregulation Act of 1998."

1.2 The BOC shall provide DOE and BIR with the following documents and information:

- a. Monthly reconciliation report on actual importations and exportations of crude oil, finished petroleum products and bioethanol per oil company, in a format to be agreed by the Parties, on or before the end of the succeeding month from the month of receipt of the DOE report;
- b. Monthly reconciliation report on the list of BOC-registered/accredited downstream oil industry importers on or before the end of the succeeding month from the month of receipt of the DOE report; and
- c. Other relevant information that the DOE and BIR may require for the monitoring of importations and exportations of crude oil, finished petroleum products and bioethanol.

1.3 The BIR shall provide DOE and BOC with the following documents:

- a. Monthly reconciliation report on denatured imported bioethanol per oil company, in a format to be agreed by the parties, on or before the end of succeeding month from the month of receipt of the DOE report;
- b. Monthly reconciliation report on inventory of crude oil, finished petroleum products and biofuel per oil company, in a format to be agreed by the parties, on or before the end of the succeeding month from the month of receipt of DOE report;
- c. Monthly reconciliation report on issued withdrawal certificates per oil company, in a format to be agreed by the parties, on or before the end of the succeeding month;
- d. Monthly reconciliation report on the list of BIR-registered/accredited downstream oil industry participants, such as but not limited to, refiners, importers and terminal operators, on or before the end the succeeding month; and
- e. Other relevant information that the DOE and BOC may require for the monitoring of denatured imported bioethanol and inventory of crude oil, finished petroleum products and biofuel.



**ARTICLE 2
DESIGNATED OFFICES FOR THE INFORMATION EXCHANGE AND
RECONCILIATION**

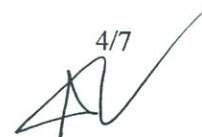
- 2.1 For the DOE, the Oil Industry Competition and Monitoring Division (OICMD) of the Oil Industry Management Bureau (OIMB) shall be the responsible office for the receipt, distribution, collation and reconciliation of documents and information on acknowledgement letters and crude oil and finished petroleum products importation with BOC, and inventory of crude oil, finished petroleum products and biofuel with BIR and BOC;
- 2.2 For the DOE, the Oil Industry Standards and Monitoring Division (OISMD) of the Oil Industry Management Bureau (OIMB) shall be the responsible office for the receipt, distribution, collation and reconciliation of documents and information on bioethanol importations and denaturing with the BIR and BOC; and
- 2.3 For the BOC, the Enforcement Group (EG), in coordination with the Assessment and Operations Coordinating Group (AOCG) and the Post Clearance Audit Group, shall be the responsible offices for the receipt, distribution, collation and reconciliation of documents and information from the DOE and BIR; and
- 2.4 For the BIR, the Excise Large Taxpayer Field Operations Division (ELTFOD) shall be the responsible office for the receipt, distribution, collation and reconciliation of documents and information from the DOE and BOC.

The respective Parties of this agreement shall issue the necessary designation/special order to personnel who will be part of the information exchange and reconciliation committee and provide copy to all parties, including any amendment thereof.

**ARTICLE 3
INFORMATION EXCHANGE AND RECONCILIATION COMMITTEE
FUNCTIONS**

- 3.1 The designated personnel of the Parties shall form part of the reconciliation committee created with the following functions:
 - a. Create a standard reporting and reconciliation format to allow effective and efficient reconciliation of information provided by all Parties;
 - b. Monitor and report any discrepancies or variance on the information provided by any of the Parties for reconciliation and further investigation;
 - c. Upon findings of discrepancies, endorse the said findings for enforcement of applicable rules and regulation of the responsible Party having jurisdiction of the matter or endorse the matter for a joint enforcement;
 - d. Observe the protection of the confidentiality of the documents and information; and



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- e. Perform other functions as may be determined by the Parties consistent to the discharge of the intent and purposes of this MOA.

The reconciliation committee shall exchange information via electronic mail through the official email addresses of all Parties. The reconciliation committee shall likewise conduct regular monthly meetings preferably scheduled every Friday of the last week of the month to present and discuss the submitted and reconciled reports on a designated time and platform agreed upon. Upon call by any of the Parties, a special meeting maybe conducted to address any urgent concern.

**ARTICLE 4
ENFORCEMENT USE AND CONFIDENTIALITY OF INFORMATION**

- 4.1 All document and information provided in this MOA shall remain confidential and will not be disclosed to a third party without the prior written consent of the originating Party's Head of Agency or authorized representative.
- 4.2 The access and use of the information shall be strictly for the purpose of this MOA and limited to authorized personnel of the Parties. Each party shall be held accountable for the strict compliance of this article and the Party concerned and the third party involved shall be penalized pursuant to Section 1431 of the CMTA, Section 24 of RA 8479, Section 270 of NRIC as amended, and the Data Privacy Act, if applicable.

**ARTICLE 5
GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

**ARTICLE 6
ENTIRE AGREEMENT AND INTERPRETATION**

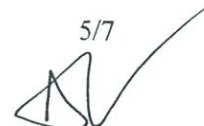
This Agreement contains the entire agreement of the Parties with respect to its subject matter, and there are no other promises or conditions in any other agreement/s, whether oral or written. This Agreement supersedes any prior written or oral agreements between the Parties with respect to its subject matter.

The titles to the paragraphs of this Agreement are solely for the convenience of the Parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

**ARTICLE 7
AMENDMENT**

This Agreement may be modified or amended. Any modification or amendment must be in writing and signed by all Parties.



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**ARTICLE 8
SEVERABILITY**

If any provision of this Agreement shall be declared invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but by limiting such provision it would become valid or enforceable, such provision shall be deemed to be written, construed, and enforced as so limited.

IN WITNESS WHEREOF the parties hereto have affixed their respective signatures this ___ day of _____, 2021 in Taguig City, Philippines.

Department of Energy

By:


ALFONSO G. CUSI
Secretary



Bureau of Customs

By:


REY LEONARDO B. GUERRERO
Commissioner

Bureau of Internal Revenue

By:


CAESAR R. DULAY
Commissioner
043714

SIGNED IN THE PRESENCE OF:

Department of Energy

By:


ATTY. RINO E. ABAD
Director, OIMB


Bureau of Customs

By:


ATTY. TEDDY S. NAVAL
Deputy Commissioner, EG

Bureau of Internal Revenue

By:


ATTY. BEVERLY S. MILO
Head Revenue Executive
Assistant, Large Taxpayer
Service

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S

JUN 25 2021


BEFORE ME, a Notary Public for and in the City of Manila, this ___ day of _____ 2021, appeared the following persons presenting to me their respective identifications, *to wit:*

Name	Competent Evidence of Identity	Date & Place of Issue
ALFONSO G. CUSI	Passport No. P9755302A	November 29, 2018 DFA Manila
REY LEONARDO B. GUERRERO	Passport No. S0014348A	March 15, 2019 DFA Manila
CAESAR R. DULAY	TIN No. 117-597-871	
RINO E. ABAD	Passport No. P9683298A	May 31, 2019 DFA Manila
TEDDY S. RAVAL	TIN No. 240-072-527	
BEVERLY S. MILO	TIN No. 134-699-560	

known to me and to me known to be the same persons who executed and voluntarily signed the foregoing Memorandum of Agreement, which they acknowledged before me as their own free and voluntary act and deed, and with full authority to sign in that capacity.

This instrument refers to the Memorandum of Agreement and consisting of three (3) original copies distributed to each to DOE, BOC and BIR with each copy having seven (7) pages including this page where the Acknowledgment is written, duly signed by the parties and their instrumental witnesses thereof.

IN WITNESS WHEREOF, I have hereto set my hand on the day, year and place above the written.


ATTY. ISIDRO V. ALMENTEROS
Notary Public
Until June 30, 2021
NOTARY PUBLIC
1626 Estrada Street, San Andres, Manila
IBP (2021) OR No. 129675, MLA IV, Sept. 23, 2020
PTR No. 9872886, MLA January 22, 2021
MCLE Compliance No. VI-0011435, April 14, 2022
Attorney's Roll No. 34272

Doc No. 438
Page No. 87
Book No. 16
Series of 2021