



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

March 16, 2018

CUSTOMS MEMORANDUM CIRCULAR
NO. 52-2018

To: All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
And Others Concerned

Subject: MOA Between Bureau of the Treasury & Hua Nan Bank

Attached is the Memorandum of Agreement executed by the Bureau of the Treasury and Hua Nan Commercial Bank Ltd., Manila Branch.

This bank is a BOC-Authorized Agent Bank.

For your information and guidance.

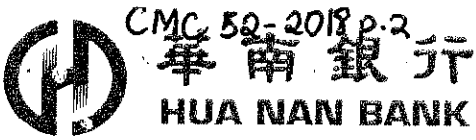
For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

Isidro S. Lapeña
ISIDRO S LAPEÑA, PhD, CSEE
Commissioner



MAR 20 2018

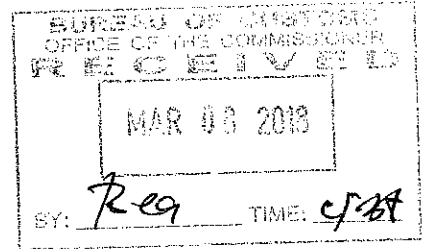
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MASTER COPY



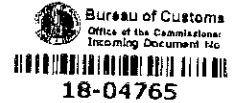
Hua Nan Commercial Bank Ltd., Manila Branch
Tel. Nos.: (02)812-8168, 817-8670/72/74

March 08, 2018

51-112
Internal Affairs
Received by: *Reg*
Date: 03/12/18
Time: 9:27



Isidro S. Lapeña
Commissioner
Bureau of Customs ("BOC")
South Harbor, Port Area, Manila



RE : Memorandum of Agreement between the Bureau of Treasury (BTr) and
Hua Nan Commercial Bank Ltd.,-Manila Branch

Dear Commissioner Lapeña,

In reference to the above subject matter, furnishing you herewith two (2) sets of the duly signed and notarized Memorandum of Agreement and Non-Disclosure Agreement executed by the Bureau of the Treasury(BTr) in connection with ourselves, HUA NAN COMMERCIAL BANK LTD.,MANILA BRANCH accreditation as an authorized agent bank of the Bureau of Customs for your file and reference.

Thank you.

Very Truly Yours,



Kun-Hsien Lai
General Manager

**MEMORANDUM OF AGREEMENT
AUTHORIZED AGENT BANK FOR COLLECTION
AND REMITTANCE CUSTOMS DUTIES**

KNOW ALL MEN BY THESE PRESENTS:

This Agreement is made and executed by and among:

BUREAU OF THE TREASURY, a duly constituted government Bureau of the Department of Finance, Republic of the Philippines, with a principal office at Ayuntamiento Building, Cabildo Street corner A. Soriano Avenue, Intramuros, Manila, hereinafter referred to as "BTr";

-and-

HUA NAN COMMERCIAL BANK LTD., MANILA Branch, a branch of a foreign bank licensed and authorized to operate as commercial bank under the laws of the Philippines, with principal office at Unit 2 & 3, 26th Floor, Tower 6789, Ayala Avenue, Makati City, 1209 Philippines, hereinafter referred to as "**BANK**".

WITNESSETH: That-

WHEREAS, Department of Finance Order No. 73-02 s. 2002 authorizes the BTr to open and maintain deposit accounts with the Bureau of Internal Revenue (BIR) / Bureau of Customs (BOC) Authorized Agent Banks (AAB) for the purpose of collecting national internal revenue taxes and customs duties;

WHEREAS, Monetary Board Circular No. 358 (s. 2002) in relation to Monetary Board Resolutions Nos. 1296 and 1390 dated September 5, 2002 and September 19, 2002, respectively, has approved the accreditation of all AABs of the BIR and the BOC as depository bank for National Government funds for purposes of national internal revenue tax and customs duties collections;

WHEREAS, the Government's public financial management policy under Executive Order (EO) No. 55 (s. 2011) is to shift from collection float to a **transaction fee-based scheme** as a mode of compensation to accredited banks for rendering banking services in connection with the collection of national internal revenue taxes, customs duties, and other non-tax revenues;

WHEREAS, in accordance with EO No. 55 (s. 2011) in relation to EO No. 449 (s. 1997), the BTr shall operate a Treasury Single Account, which shall be maintained at the Bangko Sentral ng Pilipinas (BSP), to receive remittance of collections of national internal revenue taxes, customs duties, and other non-tax revenues from Authorized Agent Banks and Authorized Government Depository Banks;

WHEREAS, the BANK is a Bureau of Customs (BOC)-Authorized Agent Bank for the purpose of collecting customs duties from taxpayers/client-depositors;

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants hereinafter set forth, the parties hereby bind themselves as follows:





I. DEPOSIT ACCOUNT

The BTr shall open a deposit account with the Head Office of the BANK in the name of the BTr-BOC to which all BOC collections shall be remitted.

The BANK shall provide to BTr the account opening documents.

The BTr shall provide the BANK with specimen signature of its authorized signatories.

II. REMITTANCE OF COLLECTIONS

The BANK shall remit all BOC collections held in the Deposit Account to the account of the BTr with Bangko Sentral ng Pilipinas (the "BTr-Treasury Single Account or BTr-TSA") **not later than 11:30 AM** of the next banking day counted from date of collection: Provided, that in case the remittance date is a non-banking day, then remittance shall be made on the next succeeding banking day.

III. REPORT OF COLLECTIONS

The BANK shall submit to BTr a collection report in the prescribed format comprising all BOC collections **not later than 4:00 PM of the next banking day** counted from the date of collection: Provided, that in case the reporting date is a non-banking day, then reporting of collections shall be made on the next succeeding banking day.

The BANK shall submit the collection report to BTr, in standard file format (.csv file), through the BTr-TSA Reporting and Monitoring System (TRAMS).

The BANK shall submit a duly accomplished TRAMS User Enrollment Form, attached herein as Annex A and Non-Disclosure Agreement, attached herein as Annex B.

IV. OTHER REPORTORIAL REQUIREMENTS

The BANK shall comply with the reportorial requirements of BOC such as but not limited to the submission of Detailed Remittance Report (DRR) and collection reports transmitted electronically to BOC.

V. COMPENSATION FOR BANKING SERVICES

Consistent with the policy to compensate for banking services rendered by BOC-Authorized Agent Banks by shifting from collection float to **transaction fee-based scheme**, the BANK shall be compensated Ten Pesos (PhP10.00) for each validated electronic transaction for facilitating BOC collections.

The BANK shall submit to BTr within five (5) banking days from the end of each reference month a **Billing Report of Number of BOC Transactions**, certified correct by an authorized BANK officer. The Billing Report, which shall serve as basis for payment of the transaction fee. The BTr shall make payment to the BANK through fund transfer to the Regular Demand Deposit Account of the BANK with BSP **within**



five (5) banking days from receipt of the Billing Report, subject to adjustments hereinafter provided upon validation by BOC.

The BTr shall transmit to BOC the Billing Report of Number of BOC Transactions reported by the BANK, for validation within fifteen (15) banking days from receipt of BTr's letter endorsement.

For this purpose, all BOC transactions shall be treated as electronic transactions.

Any adjustments on the actual number of validated BOC transactions shall be effected against future transaction fee payments to be made by BTr to the BANK.

VI. GUIDELINES AND PROCEDURES ON ADJUSTMENTS AND PENALTIES

The BANK shall strictly observe the guidelines and procedures prescribed under Treasury Circular No. 03-2013 dated December 11, 2013, attached herein as *Annex C*, including its amendments and supplements, which provisions are deemed incorporated by reference to this Agreement.

VII. NOTICES

All communications and notices required or permitted hereunder shall be in writing and shall be effected in any of the following manner: (i) personally delivered, (ii) transmitted by postage prepaid registered mail, (iii) transmitted by a nationally recognized courier service, or (iv) transmitted by facsimile to the parties as follows (as elected by the Party giving such notice):

To the BTr

BUREAU OF THE TREASURY
Ayuntamiento Building
Cabildo Street corner A. Soriano Avenue
Intramuros, 1002 Manila

Attention: The Deputy Treasurer of the Philippines
Asset Management Sector
Facsimile: (+63-2) 663-2298

To the BANK:

Hua Nan Commercial Bank Ltd., Manila Branch
Unit 2 & 3, 26th Floor, Tower 6789, Ayala Avenue
Makati City, 1209 Philippines

Attention: Kun-Hsien Lai, General Manager
Tel. & Fax No.: (02)816-3808 / 816-3800

VIII. INTERPRETATION

1. All headings appear for convenience only and shall not affect the interpretation or meaning of this Agreement.

2:

2. The singular includes the plural and vice versa and words, importing a gender includes other genders.
3. Other grammatical forms of defined words or expressions have corresponding meanings.
4. A reference to a clause, paragraph, and annexure, is a reference to a clause or paragraph of or annexure to this Agreement, which includes any annexure unless expressly provided otherwise.
5. A reference to a document, instrument or agreement, including this Agreement, includes in reference to that document or agreement as novated, altered or replaced from time to time.
6. Words and expressions importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies.
7. A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
8. The meaning of the general words is not limited by specific examples introduced by including, for example or similar expressions;
9. A rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it;
10. Except as provided in this Agreement, if the day on or by which an obligation must be performed or an event must occur is not a banking day, the obligation must be performed or the event must occur on or by the next banking day;
11. A reference to writing includes typewriting, printing, lithography, photography and any other method of representing and reproducing words, figures or symbols in a permanent and visible form; and
12. A reference to the word "includes" or "including" is to be construed without limitation to the proceeding words, unless it is expressly stated otherwise.
13. This Agreement constitute the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
14. No amendment in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the Parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
15. Except as provided in this Agreement, the rights, powers, remedies, and privileges provided in this Agreement are cumulative and not



exclusive of any rights, power, remedies, and privileges provided by law.

16. This Agreement (and each amendment or supplement in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original. All executed counterparts constitute one document.

IX. GOVERNING LAW AND DISPUTE RESOLUTION MECHANISM

This Agreement shall be construed in accordance with Philippine laws. All disputes arising in the interpretation and implementation of this Agreement shall be referred to mediation upon such terms and conditions as may be agreed by the parties. Unresolved disputes shall be referred to arbitration in accordance with R.A. 876 (the "Philippine Arbitration Law").

X. EFFECTIVITY, AMENDMENT AND TERMINATION

This Agreement shall take effect upon approval of the parties and shall remain effective unless otherwise modified, revoked or superseded by mutual agreement of the Parties hereto, or terminated at the instance of any of the Parties, to take effect after thirty (30) days from receipt of written notice sent to other Party.

This Agreement may be terminated by any of the Parties for any material breach of this Agreement or the provisions of Treasury Circular No. 03-2013, and its amendments and supplements. In the event of termination, the Parties are bound to preserve and maintain the confidentiality of all information/data held, acquired or in the possession of each Party pertaining to all transactions in connection with this Agreement (collectively, the "Confidential Information"). Unless otherwise allowed by the herein contracting Parties, Confidential Information shall not be disclosed to any party. Any unauthorized disclosure of Confidential Information by any of the contracting Parties, including its agents, employees or contractors shall authorize the other Party to seek judicial and administrative redress and claim damages as may be proven in accordance with law.

The provisions of this Agreement notwithstanding, this Agreement shall be subject to Philippine laws and government rules and regulations.

(NB: Signature page follows)



IN WITNESS WHEREOF, the parties through its authorized representatives have hereunto signed this instrument this day _____ of _____ 2018 at _____, Philippines.

BUREAU OF THE TREASURY

HUA NAN COMMERCIAL BANK LTD., MANILA BRANCH

By:

By:

Rosalia V. de Leon

ROSALIA V. DE LEON
Treasurer of the Philippines
015094 *WB*

Kun-Hsien Lai

KUN-HSIEN LAI
General Manager

SIGNED IN THE PRESENCE OF:

Isidro S. Lapeña

ISIDRO S. LAPENA
Commissioner of Customs
18-03250

FEB 27 2018

Sharon P. Almanza

SHARON P. ALMANZA
Deputy Treasurer of the Philippines
Bureau of the Treasury

Tzung-Jeng Shieh

TZUNG-JENG SHIEH
Deputy General Manager
Hua Nan Commercial Bank Ltd.,
Manila Branch

