



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

CUSTOMS MEMORANDUM ORDER
NO. 35-2002

**TO: All District Collectors
Service and Division Chiefs
And Others Concerned**

**SUBJECT: Amendment To Customs Memorandum Order No. 39-91
That Will Allow Disposition of Wastages or "Retaso" of
Garments Manufacturing Bonded Warehouses Through
Donation.**

The following provisions to Section III.1.4 of CMO No. 39-91 on the Disposition of Wastages Rejects and By-products are hereby made in addition to the existing modes:

"III.1.4.4 By Donation

Wastages commonly known as "retaso" of any Garments Manufacturing Bonded Warehouses incurred in the manufacture of export products shall be properly accounted for and may be disposed thru donation at the option of the Operator, provided that the following conditions will be strictly complied and the same will be determined and verified by the Condemnation Committee, to wit:

- a. the donee of the said wastages or "retaso" shall be the Department of Social Welfare Development (DSWD) that will ensure that the said articles shall be delivered to the intended beneficiaries in accordance with its rules and regulations;
- b. the quantity of the said wastages or "retaso" shall be determined by the Condemnation Committee whether or not the same have any commercial value;
- c. the Condemnation Committee has determined that the amount of wastages is within the verified GTEB formula of manufacture;

- d. if approved by the Committee, the transfer of the wastages or "retaso" to the DSWD shall be properly supervised by the custom warehouseman assigned to the warehouse concerned;
- e. immediately upon termination of the said transfer, a report shall be submitted to the District Collector thru the Chief Operating Division concerned for proper recording and liquidation for reference, together with the required proof of receipt of the wastages or "retaso" from the DSWD."

This Order shall take effect immediately.

July 29, 2002.



ANTONIO M. BERNARDO
Commissioner