



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

CUSTOMS MEMORANDUM ORDER
NO. 51-92

TO : All Collectors, Division and
Section Chiefs, Examiners/Appraisers,
SGS-Manila Liaison Office (SGS-MLO),
Importers, Brokers and
All Others Concerned

SUBJECT: Rules and Regulations Providing for a Simplified
Procedure in the Tentative Release of Shipments
Covered by / Subject to the SGS-CRF Requirement

I. OBJECTIVES

1. To avoid unnecessary delay in the processing and release of shipments occasioned by questions arising from the SGS-CRF requirement in relation to Joint Order No. 1-91 as implemented by CMD No. 39-92.
2. To further facilitate trade and at the same time provide adequate security to government revenue.
3. To enable the prompt collection of revenue due the government.
4. To expedite the resolution of cases referred to the Customs-SGS Imports Valuation and Classification Committee (hereinafter referred to as the Committee).

II. COVERAGE

This Order shall cover shipments where:

1. The importer contests the valuation and/or classification reflected in the SGS-CRF.
2. The Examiner/Appraiser has sufficient justification to doubt/question the correctness of the SGS-CRF valuation and/or classification which would result to a lower assessment of duties and taxes.
3. The requisite SGS-CRF is lacking.

III. ADMINISTRATIVE PROVISIONS

1. The Chief, Formal Entry Division (FED) or equivalent unit, shall be authorized to approve requests for the tentative release of shipments, subject to compliance with all the requirements, conditions and procedural steps prescribed under this Order.
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2. To secure government revenue, the importer shall be required to issue a 60-day company post-dated check payable to the Bureau of Customs and which shall be deposited with the Cash Division under a provisional receipt. The amount of the check shall be as follows:

2.1 Where the issue is valuation and/or classification, it shall be equivalent to the difference in the duties, taxes and other charges as between that due on the CRF and the lower value and/or classification as claimed by the importer.

However, the importer shall not be required to put up such security where the valuation and/or classification issue is raised at the instance of the Examiner/Appraiser, but the import entry in such a case shall be marked and so considered as one under Tentative Liquidation.

2.2 Where the issue is lack of the requisite SGS-CRF, the amount shall be equivalent to the redemption value of subject shipment as defined under Section 2307 of the Tariff and Customs Code of the Philippines (TCCP), as amended.

3. Where the case/issue remains unresolved and the check matures, the following shall be observed:

3.1 Unless the Committee, *motu proprio*, on meritorious grounds, extends the maturity date of the check, the importer/broker, at least seven (7) days before the check matures, shall file with the Committee, a written request for its extension, copy thereof furnished the Chief, Cash Division.

3.2 Where the delay in the resolution of the case is attributable to the fault of, or caused by, the importer, the check shall be deposited for collection.

3.3 Where such delay is not attributable to the fault of, or caused by, the importer, the Committee may allow an extension of the maturity period of the post-dated check under such terms and conditions it may find necessary to impose.

IV. OPERATIONAL PROVISIONS

A. In cases where the importer contests the SGS-CRF valuation and/or classification or the requisite SGS-CRF is lacking under Par. II, sub-paragraphs 1 and 3, respectively, above, the following steps shall be observed:

STEP 1. The importer shall accomplish and execute under oath the Referral/Information Sheet shown in Annex "A" hereof, the requirements therein being deemed as forming an integral part of this Order and submit the same

directly to the Chief, FED/equivalent unit.

STEP 2. The Chief, FED/equivalent unit, upon receipt of the accomplished Importer's Referral/Information Sheet, shall immediately accomplish the 1st Indorsement shown in Annex "B" hereof, requiring/ instructing, to wit:

2.1 THE ENTRY PROCESSING DIVISION to:

2.1.1: Immediately allow the filing and acceptance of the import entry; and

2.1.2: Immediately forward the entry together with all copies of the Order of Payment (OP) to the Examiner/Appraiser, thru the Section Chief concerned.

2.2 THE EXAMINER/APPRAISER to:

2.2.1: Immediately conduct a 100% examination of the shipment;

2.2.2: Verify the correctness/sufficiency of the amount of the post-dated check per importer/broker's computation indicated in the Information/Referral Sheet.

2.2.3: Submit to the Chief, FED/equivalent unit, the entry and all copies of the OP, together with representative sample/s of subject article/s and/or brochure/literature thereon; and

2.2.4: Render a report to the Chief, FED/equivalent unit, under a return 2nd Indorsement, using the format shown in Annex "C" hereof, the requirements therein being deemed as forming an integral part of this Order.

STEP 3. The Chief, FED/equivalent unit, after the examination of the shipment and upon receipt of the Examiner/Appraiser's report (2nd Indorsement), shall make a determination whether to approve or disapprove the tentative release of the shipment, taking into consideration and proceeding as follows:

3.1 If, on the basis of the Examiner/Appraiser's report, a discrepancy is found or any violation of the TCCP, as amended, is established, tentative release shall only be allowed if the uncovered discrepancy or violation does not merit the issuance of a Warrant of Seizure and Detention (WSD), otherwise the matter shall be referred to the District Collector.

3.2 If no discrepancy is found except subject issue of CRF valuation and/or classification, nor any violation of law is established except the lack of the requisite SGS-CRF, the tentative release of the shipment shall be allowed.

STEP 4. The Chief, FED/equivalent unit, in granting the tentative release of the shipment, shall:

4.1 Require the importer to issue and submit a 60-day company post-dated check in the amount verified by the Examiner/Appraiser.

4.2 Stamp on the face of the import entry and all copies of the OP, the following text:

TENTATIVE RELEASE ALLOWED PER CMO NO. _____ (this Order).

and, thereupon, issue to the importer his copy of the OP.

4.3 Forward the entry and all related documents to the Cash Division.

The Chief, Cash Division, shall:

4.3.1: Take appropriate steps to ensure the genuineness and authenticity of the post-dated check and issue a provisional receipt therefor. In case the check is found spurious, insufficient as to amount or otherwise irregularly issued, he shall return the entry to the Chief, FED/equivalent unit, for appropriate further action.

4.3.2: Verify directly with the Chief, FED/equivalent unit, the authenticity of the stamp-mark, TENTATIVE RELEASE ALLOWED PER CMO NO. _____ (this Order), on the face of the import entry and Order of Payment. In case the same is found spurious, he shall return the entry to the Chief, FED/equivalent unit, for appropriate further action.

STEP 5. Refer the case to the Committee, per 3rd Indorsement, using the format shown in Annex "D" hereof

B. In cases where the Examiner/Appraiser questions the SGS-CRF valuation and/or classification under Par. II, sub-paragraph 2, above, the following steps shall be observed:

STEP 1. The Examiner/Appraiser shall refer the matter

to the the Committee, thru Chief, FED/equivalent unit, under a 1st Indorsement, using the format shown in Annex "E" hereof, specifying the justification/basis for questioning the SGS-CRF valuation and/or classification.

STEP 2. The Chief, FED/equivalent unit, shall then forward the case to the Committee, under a 2nd Indorsement, using the format shown in Annex "F" hereof.

In such a case, the referral to the Committee shall not operate to bar the continuance of the processing of the entry and release of the shipment, but the entry shall be marked and considered as one under tentative liquidation.

C. The Committee, upon receipt of the referral/indorsement from the Chief, FED/equivalent unit, shall forthwith proceed as follows:

STEP 1. Refer the same to SGS-MLO:

1.2 For submission of its comment/position paper at the earliest instance without delay, in case the issue is valuation and/or classification; or

2.2 For immediate and expeditious determination of the correct FMV, report of which shall be submitted directly to the Committee, in case the issue is lack of the requisite SGS-CRF.

In such a case, the same shall likewise be referred to the Central Bank, for the latter to render its usual report in accordance with the existing procedure of the Committee.

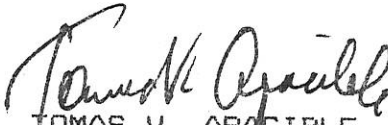
STEP 2. Calendar the case for determination/resolution, upon receipt of the comment/position paper or report of SGS-MLO and/or the report of the Central Bank, as the case may be.

V. REPEALING CLAUSE

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

VI. EFFECTIVITY

This Order shall take effect upon approval.


THOMAS V. APACIBLE
Commissioner

Date Approved: _____

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the required position paper.

6.2 Computation of the company post-dated check in the amount of P_____ (subject to verification by Examiner/Appraiser).

6.4 L/C No. _____, date issued _____

Name of bank/branch: _____

6.5 SGS-CRF No. _____; I.A.N. No. _____

7. OTHER DOCUMENTS/INFORMATION: _____

8. UNDERTAKING

I, _____, for and on behalf of our company and on my own, do hereby certify that the foregoing information and the documents hereto attached are true, authentic and genuine to the best of my knowledge and belief. We understand that any false statement, misrepresentation and/or non-disclosure of any material fact in connection herewith and subject shipment shall be dealt with accordingly by the proper authority, including the institution of criminal and administrative action against myself and/or our herein-named company. We further undertake and commit to pay any additional duties, taxes, expenses and other charges not covered by the post-dated check and/or as a result of a decision on the case or in relation to our protest.

Submitted hereto attached is the Board Resolution, authorizing the execution and submission of this document to the Bureau of Customs.

COMPANY NAME
By:

Affiant
Position _____

SUBSCRIBED AND SWORN to before me this ___ day of _____, 19___, affiant exhibiting to me his TIN No. _____ issued by _____, on _____

Officer Authorized to Administer Oath

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ANNEX "A"
IMPORTER'S REFERRAL/INFORMATION SHEET

[N.B.: Importer/broker must submit this, duly accomplished, directly to the Chief, FED/equivalent unit, concerned.]

SUBJECT : Shipment of _____

Pursuant to CMD No. _____, this referral/information sheet is respectfully submitted, hereby furnishing the particulars, as follows:

1. CONSIGNEE/IMPORTER NAME: _____
Complete Office Address: _____
_____ Tel. No. _____
BOC Registration/Accreditation No.: _____
BOI Registration No. _____ and CAI _____
GTEB Registration No. _____; Others (specify) _____

2. BROKERAGE: _____
Complete Office Address: _____
_____ Tel. No. _____
BOC License No. _____

3. ISSUE (X-marked):
() CRF FMV at US\$ _____, VS. US\$ _____ as indicated in _____
() CRF classification under HS _____, at _____%, VS. HS _____, at _____%.
() Others (specify): _____
() Lack of the requisite SGS-CRF. State as follows:
a. Reason/s why CRF was not issued: _____

b. Use for subject importation (X-mark): () for re-export; () for manufacture for domestic market; () for re-sale; () others _____

c. Mode of payment, if importation is non-L/C or non-dollar: _____

d. Date _____ and country of exportation _____

e. Date of arrival _____

4. PORT OF ENTRY/RELEASE: () POM; () MICP; () NAIA;
() Other (specify) _____

6. REQUIRED DOCUMENTS HERETO ATTACHED:

6.1 Position paper and documentary evidence (if issue is valuation and/or classification)

N.B.: Tentative release shall not be acted upon without

ANNEX "B"
1st Indorsement

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Respectfully referred, pursuant to CMD No. _____, in relation to CMD No.39-92, to the the Examiner/Appraiser concerned, Section _____, thru the Chief, Entry Processing Division, the within accomplished IMPORTER'S REFERRAL/INFORMATION SHEET relative to a shipment consigned to:

hereby requesting/instructing, to wit:

1. THE ENTRY PROCESSING DIVISION to:

- 1.1 Immediately allow the filing and acceptance of the import entry; and
- 1.2 Immediately forward the entry, together with all copies of the Order of Payment, to the Examiner/Appraiser, thru the Section Chief concerned.

2. THE EXAMINER/APPRAISER to:

- 2.1 Immediately conduct a 100% examination of the shipment;
- 2.2 Verify the correctness/sufficiency of the amount of the post-dated check per importer/broker's computation indicated attached to the Information/Referral Sheet and advise the importer/broker if the amount be insufficient;
- 2.3 Submit to the undersigned the import entry together with representative sample of subject article/s and/or brochure/literature thereon; and
- 2.4 Render a report to the undersigned under a return 2nd Indorsement, using and accomplishing the format shown in Annex "C" of CMD No. _____ (this Order).

Chief, FED
Port _____

ANNEX "C"

2nd Indorsement

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Respectfully returned to the Chief, Formal Entry Division, the within IMPORTER'S REFERRAL/INFORMATION SHEET, relative to subject shipment consigned to:

hereby rendering this report and submitting as follows:

1. Covering Entry No. _____; CRF No. _____, together with the required: sample/s; brochure/literature Others (specify): _____;
2. The computation of the amount of P _____ of the post-dated check was verified: sufficient; not sufficient, and the importer/ broker was advised to adjust/increase the same to P _____.
3. Extent of examination: 100%; regular.
4. FINDINGS:
5. DISCREPANCY/IES / VIOLATIONS (other than lack of CRF, if such be the case):
6. RECOMMENDATION (indicate justification/basis):

Examiner/Appraiser

Section _____

REQUEST FOR TENTATIVE RELEASE
APPROVED / DISAPPROVED:

Chief, FED

ANNEX "D"

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3rd Indorsement

Respectfully referred, pursuant to CMD No. _____ in relation to CMD No. 32-92, the Chairman, Customs-SGS Imports Valuation and Classification Committee, the within 2nd Indorsement dated _____ reflecting the Examiner/Appraiser's report relative to a:

Shipment of _____

Entry No. _____, SGS-CRF No. _____

Consigned to: _____

herewith submitting three (3) copies of the accomplished Importer's Referral/Information Sheet, () sample/s and () brochure/literature on subject article/s.

FOR DETERMINATION/RESOLUTION of issue of (X-marked):

- () CRF FMV at US\$ _____, VS. US\$ _____ as indicated in _____
- () CRF classification under HS _____, at _____%, VS. HS _____, at _____%.
- () Others (specify): _____
- () Lack of the requisite SGS-CRF.

TENTATIVE RELEASE WAS: () not requested by importer;
() granted and a 60-day company post-dated check was issued with particulars as follows:

Amount: P _____; Date of issue _____
Date of maturity _____; Bank _____

CASE SUMMARY (FINDINGS/ARGUMENTS/EVIDENCES):

UNDERSIGNED'S POSITION/RECOMMENDATION:

Chief, FED
Port _____

ANNEX "E"

1st Indorsement

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Respectfully referred, pursuant to CMD No. _____, to the Chief, Formal Entry Division, the within Entry No. _____, with SGS-CRF No. _____, covering a shipment of:

consigned to: _____
address _____

hereby, indicating, to wit:.

1. ISSUE (X-marked):

() CRF FMV at US\$ _____, VS. US\$ _____ as indicated in _____

() CRF classification under HS _____, at _____%, VS. HS _____, at _____%.

- 2. DATES: _____ Entry was forwarded to the undersigned.
- _____ Examination was conducted.
- _____ Importer/broker informed of my objection/s.

3. JUSTIFICATION / POSITION PAPER:
(Use separate sheet as needed.)

I question/disagree with the CRF, on the following grounds/
documentary evidence:

EXAMINER/APPRaiser
Section _____

Enclosures: as stated.

ANNEX "F"

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2nd Indorsement

Respectfully referred, pursuant to CMO No. _____ in relation to CMO No. 32-92, to the Chairman, Customs-SGS Imports Valuation and Classification Committee, the within 1st Indorsement dated _____ reflecting the Examiner/Appraiser's findings/objections relative to the therein indicated shipment, hereby requesting determination/resolution of the issue, to wit:

(X-marked):

() CRF FMV at US\$ _____, VS. US\$ _____ as indicated in _____

() CRF classification under HS _____, at _____%, VS. HS _____, at _____%.

UNDERSIGNED'S POSITION/RECOMMENDATION:

Chief, FED
Port _____