



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

JUL 21 2003

CUSTOMS ADMINISTRATIVE ORDER

NO. 4-2003

**SUBJECT: DISPOSITION OF SEIZED AND FORFEITED
RIGHT-HAND DRIVE VEHICLES**

Whereas, the Bureau of Customs has in its possession a number of Right-Hand Drive Vehicles (RHDs) that have been seized/forfeited pursuant to Republic Act No. 8506;

Whereas, said seized/forfeited RHDs, although legally considered as contraband items, can be a source of government revenues;

Whereas, Section 2609(d) of the Tariff and Customs Code of the Philippines (TCCP) allows the sale of contrabands under certain conditions, to wit: (a) the contraband has commercial value; (b) it is capable of legitimate use; and (c) there is assurance that the use thereof is for legitimate use only;

Whereas, the Department of Justice has issued Opinion No. 86-2002, dated 01 October 2001, allowing the auction sale of RHDs noting that all the requisites prescribed under Sec. 2609(d) are present with respect to RHDs;

Wherefore, in view of the foregoing, and by authority of Section 608 of the TCCP, the following rules and guidelines on the disposition of seized/forfeited RHDs are hereby promulgated.

1. OBJECTIVES

- 1.1 To realize the commercial value of the seized/forfeited RHDs pursuant to Sec.2609(d) of the TCCP; and
- 1.2 To decongest the premises of all ports of all seized/forfeited RHDs.

2. COVERAGE

This Order shall apply to RHDs seized/forfeited as of 31 July 2003.

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3. GENERAL PROVISIONS

- 3.1 Seized/forfeited RHDs shall be sold in public auctions pursuant to Sec.2609(d) of the TCCP.
- 3.2 The general guidelines specified under CMO 5-2003 for the conduct of auction sales shall be strictly observed, with the following supplemental rules for auction sales involving RHDs:
 - 3.2.1 Expenses for the conversion of RHDs to Left-Hand Drive Vehicles (LHDs) shall be borne by the winning bidder;
 - 3.2.2 The advertisement for the auction sale of RHDs shall state clearly all requirements and restrictions; and
 - 3.2.3 RHDs for sale shall not be mixed with other items in one single lot.
- 3.3 RHDs that have been successfully auctioned off shall be converted to LHDs. Solely for the purpose of converting RHDs into LHDs, a motor vehicle repair shop, duly accredited and authorized as such by the Department of Trade and Industry and by the Land Transportation Office, shall be established as a special customs bonded warehouse for a limited duration by the Bureau of Customs (BoC).
- 3.4 RHDs found being operated on the streets shall be automatically seized/forfeited in favor of the government notwithstanding the fact that it was previously auctioned by the BoC.

4. SPECIFIC PROVISIONS

- 4.1 After Auction Sale
 - 4.1.1 After its successful auction, a RHD shall be transferred from the port premises straight to the special customs bonded warehouse established for the conversion of RHDs into LHDs, either with the use of a tow truck or by loading the same onto a truck. The transfer of a RHD to such facility on its own automotive power is strictly prohibited. *aw*

- 4.1.2 The transfer of any RHD vehicle to such conversion facility shall be done upon approval by the Commissioner of Customs and shall be continuously underguarded by a Customs Guard.
- 4.2 After Conversion of RHD to LHD
- 4.2.1 The conversion facility shall issue a Certificate of Conversion, in the form to be prescribed by the BoC, under oath, certifying to the fact of conversion.
- 4.2.2 The LTO-Motor Vehicle Inspection Service shall certify to the roadworthiness of the subject vehicle.
- 4.2.3 The Chief, Auction and Cargo Disposal Division (ACDD), or his/her equivalent unit shall assign an examiner who shall confirm the fact of conversion and thereafter shall submit a report on his/her examination, supported with pictures of the converted vehicle.
- 4.2.4 When all of the above requirements are fully complied with, the District Collector, in whose jurisdiction the converted vehicle was sold, shall issue the corresponding release/clearance order to the accredited conversion facility.
- 4.2.5 No BoC Certificate of Payment shall be issued and transmitted to the LTO unless and until such time all the above requirements under paragraphs 4.2.1 – 4.2.4 shall have been strictly complied with.
- 4.3 In cases of RHDs that remain unsold after two failed biddings – whether for lack of qualified bidders or acceptable bids – the Commissioner of Customs may order its use by the Bureau for purposes of revenue collection, or for fighting smuggling or other fraud against the government; or for the official use of another national agency; or for donation to a government charitable institution, through the Department of Social Welfare and Development, pursuant to Sec. 2610 of the TCCP, subject to the above process, conditions and/or requirements for the conversion of RHDs to LHDs.
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5. ACCOUNTABILITY CLAUSE

It shall be the responsibility of the Chief, ACDD or its equivalent unit in the respective ports, to ensure that the RHDs sold under its jurisdiction are properly converted to LHDs before the Certificate of Payment is released.

Parties entrusted/involved, directly or indirectly, with/in the conversion of RHDs to LHDs, shall be meted the appropriate penalties prescribed under the TCCP and applicable customs rules and regulations for the loss or illegal withdrawal of a RHD/converted vehicle from Customs custody.

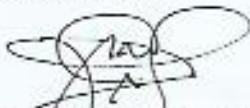
6. EFFECTIVITY

This Order shall take effect immediately.



ANTONIO M. BERNARDO
Commissioner

Approved by:



JOSE ISIDRO CAMACHO
Secretary of Finance
Date: _____