CUSTOMS MEMORANDUM ORDER
NO. 30-2006

TO All District/Port Collectors
Service/Division/Section Chiefs
All Others Concerned

SUBJECT Decentralization of Approval of Floor
Prices of Motor Vehicles Offered for
Auction

In line with the Bureau's thrust to enhance the effectiveness of existing
systems and procedures, the approval of floor prices of motor vehicles offered for
auction is hereby decentralized and reverted back to the District Collectors,
subject to the following, to wit:

1. Physical inventory and identification of motor vehicles that may be
subject to auction sale shall be conducted by concerned Port officials
in the presence of a representative from the Auction & Cargo Disposal
Monitoring Division, Port Operations Service (POS), who shall render a
report to the Office of the Deputy Commissioner for Internal
Administration Group (IAG) pursuant to CMO 12-2006;

2. All floor process previously submitted for the approval of, and are still
pending before the Office of the Commissioner are deemed returned to
the District Collectors for the latter's re-inspection, re-identification
and/or re-evaluation of floor prices;

3. In the setting of floor prices, the basis shall be the total landed cost
plus ad valorem tax and VAT and an additional 25% mark-up on the
total landed cost, as per CMO-18-2003;

4. In the determination of the total landed cost, the basis shall be on the
Red/Blue/KARO/Korean book value using the straight line method of
depreciation of 10% per year but shall not exceed 90% depreciation;

5. Any report of unreasonably low prices or discrepancy in the
identification of motor vehicles subject of auction sale emanating from
any concerned sector shall be verified and evaluated by the port's
auction officials, and whenever warranted, stop the auction sale and
refer the matter to the Office of the Deputy Commissioner for IAG.

Any Order inconsistent with this CMO is hereby amended and/or
superseded accordingly.

This Order shall take effect immediately.

For strict compliance,

[Signature]

Commissioner

[Stamp]