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