

April 10, 2007

Customs Memorandum Order No. 7 - 2007

To: The Director, Collection Service
All District Collectors of Customs
The Chief, Bonds Division
CBW Operator / Surety and Bonding Company
and all others concerned

Subject: Supplemental Provisions to CMO 22-2003, Quarterly Accreditation of Surety Companies and Renewal of Accreditation

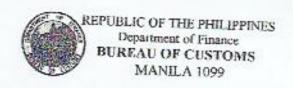
To properly evaluate the application of Surety and Bonding Company for Quarterly Accreditation to underwrite bond and to settle their accountabilities, the following guidelines is hereby issued.

I. Determination of thirty (30) percent threshold

Henceforth, the Chief, Bonds Division Attn: Bonds Examiner is hereby directed that for purposes of evaluating the performance of surety and bonding company applying for quarterly renewal of accreditation, the computation of thirty (30) percent threshold rule shall apply only to the current matured accounts of not more than one (1) year older excluding at the time of filing of such application of the preceding quarter, pending requests for abatement as certified by the Chief Operating Division concerned.

11. Settlement of outstanding accounts more than 1 yr. old

The Surety and Bonding company with unsettled or outstanding accounts arising from matured / expired bonds including those subject of court cares must apply for staggered payments with the Commissioner of Customs thru the District Collector of Customs Attn: The Director, Collection Service and the Chief, Bonds Division. The proposed payment scheme should include an initial payment equivalent to thirty (30) percent of its total accountabilities with the remaining balance payable into equal monthly installments for a period of two (2) years which will be covered by post dated checks.



end - 7-2007

III. Renewal of Accreditation

No renewal of accreditation shall be effected unless the 30 % threshold requirement as year old accounts as the duly of approved payment scheme as old accounts are fully satisfied / implemented.

A default of two (2) consecutive monthly settlements shall be treated as a breach of agreement and shall cause the recession of such agreement and the immediate suspension of its accreditation. The suspension shall only be lifted upon a new approved payment scheme duly approved by the Commissioner.

IV. Repealing Clause

All customs Memorandum Orders inconsistent herewith are hereby amended, suspended, or modified accordingly.

V. Effectivity Clause

This order shall take effect immediately.

Napoleon L. Morales Commassioner