



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

JUL 21 2003

CUSTOMS ADMINISTRATIVE ORDER

NO. 5-2003

SUBJECT: SUMMARY SEIZURE PROCEEDINGS FOR TAX DEFICIENT IMPORTED MOTOR VEHICLES OFFERED FOR VOLUNTARY PAYMENT.

1. OBJECTIVES

- 1.1. To collect the unpaid duties, taxes and fees due on imported motor vehicles;
- 1.2. To legalize the ownership/possession of motor vehicles with tax deficiencies and/or acquired under defective LTO registration titles; and
- 1.3. To encourage the owners to come out voluntarily and pay their tax deficiencies without any fine or penalty through the institution of constructive seizure proceedings which shall be summary in nature in accordance with Sections 608 and 2316 of the Tariff and Customs Code of the Philippines (TCCP).

2. COVERAGE

- 2.1. This Order shall cover all imported motor vehicles, including but not limited to motorcycles and scooters, with year model 2002 and below and which arrived on or before 31 December 2002, whether registered with the Land Transportation Office (LTO) or not, which have not paid proper duties and taxes, and when the owner/possessor thereof voluntarily offers to pay the said duties and taxes;
- 2.2. This Order shall likewise be applicable to vehicles originally imported by tax-exempted persons/entities under various tax exemption laws and subsequently sold/transferred/conveyed to a non-tax exemption persons/entities without the payment of proper duties, taxes and fees; and
- 2.3. This Order shall similarly cover motor vehicles that were locally assembled or re-assembled using untaxed imported vehicle component parts.

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3. ADMINISTRATIVE PROVISIONS

- 3.1. The motor vehicle shall be constructively seized and a Warrant of Seizure and Detention (WSD) shall be issued under Section 2301 of the TCCP, as amended, and a compromise is deemed instituted pursuant to Section 2316 of the same Code; and
- 3.2. The seizure proceedings shall be summary in nature and shall not require full blown hearings as in regular seizure/forfeiture proceedings; Provided, however, that the owners of these vehicles shall comply with the provisions herein and pay the deficiency duties, duties and fees assessed pursuant hereto; Provided, finally, that the District Collector concerned shall, after review of the findings made by the duly assigned examiner/appraiser, sign the Decision/Order recommending the acceptance of the Offer of Compromise

4. SUMMARY PROCEEDINGS

- 4.1. The owner/applicant shall file with the District/Port Collector, a sworn written application (Annex A) offering to pay the deficiency duties, taxes and fees,
- 4.2. Upon receipt of the written application from the owner/applicant, the District/Port Collector shall forthwith issue a WSD (Annex B) against the subject motor vehicle;
- 4.3. Upon receipt by the owner/applicant of the WSD, he shall file an informal entry with the Port's appropriate unit;
- 4.4. Upon the filing of the informal entry, the District/Port Collector shall assign an examiner/appraiser to examine/appraise the vehicle, take the stencil of the chassis and engine numbers and assess the proper duties, taxes and fees in accordance with the following:
 - 4.4.1. Appraisal of the vehicle shall be in compliance with the pertinent provisions of the TCCP, as amended, and other relevant rules and regulations; and,
 - 4.4.2. The rate of exchange, duty, ad valorem and Value-added Tax (VAT) shall be assessed and computed in accordance with applicable rules and regulations.
- 4.5. The assigned Principal Appraiser shall review the findings and assessment made and shall thereafter forward the same to the District/Port Collector who shall submit his recommendation to the Office of the Commissioner through the Vehicle Importation Compliance Monitoring Unit (VICMU). If the recommendation is favorable, the District/Port Collector shall sign the Decision/Order (Annex C) recommending the acceptance of the Offer of Settlement and the lifting of the WSD over the vehicle.



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- 4.6. The VICMU shall review the findings and recommendation in accordance with Customs Memorandum Order No. 15-2003. After its review, the VICMU shall then forward the application, together with its recommendation, to the Commissioner for approval;
- 4.7. Upon approval by the Commissioner, the applicant shall pay the proper duties, taxes and fees, but without any fine or penalty which is deemed waived; and
- 4.8. After payment of the duties, taxes and fees, a Certificate of Payment (CP) shall be issued by the Cashier and copy thereof transmitted to the LTO through the VICMU.

5. REPEALING CLAUSE

All issuances inconsistent with this Order are hereby deemed repealed or modified accordingly.

6. EFFECTIVITY CLAUSE

This Order shall take effect immediately and up to the close of office hours on 30 November 2003.

After the expiration of this Order, tax deficient imported motor vehicles will be subjected to the usual seizure/forfeiture proceedings.


ANTONIO M. BERNARDO
Commissioner

Approved:


JOSE SIDRO N. CAMACHIO
Secretary

RE-PROCEED
CAO 5-2603

4.

Annex "A"

APPLICATION FORM

(For Summary Seizure Proceedings Under CAO No. _____)

(Date)

The District/Port Collector
Port of _____
Bureau of Customs

Thru: The Chief, Vehicle Importation and Compliance Monitoring Unit

Sir:

Pursuant to CAO No. _____, I, under oath, have the honor to offer to compromise my obligations to the government arising from the vehicle described hereunder and to apply for the payment of duties, taxes and other charges due thereon, without any fine or penalty, to wit:

MANUFACTURER : _____
SERIES : _____
(Corolla/Landcruiser/Lancer/E-Class/Starex, etc.)
ENGINE NO.: _____
CLASS/TYPE : _____
(Sedan/van/pick-up/truck/motorcycle, etc./2 x 4 or 4 x 4)
SER/CHASSIS NO. : _____
YEAR/MODEL : _____
ENGINE DISPLACEMENT: _____

I hereby also state as follows that:

1. I am a resident of _____
and (check applicable information)

 the owner/importer;
 the owner/innocent purchaser for value
of the above-described vehicle.

2. I hereby manifest that the above-described vehicle is seizureable pursuant to Section 2301 of the TCCP, as amended, and relevant customs rules and regulations.

3. Seizure proceedings against the vehicle (check applicable).

You are required to be truthful and correct in all the information you give herein as you are under oath and you may be criminally prosecuted and other actions may be taken against you and the above-described vehicle if you give any false information in this application.

[Signature]

() had already been instituted at the Port of _____
under SI No. _____ dated _____
() Not yet instituted.

3. The above-described vehicle had already been registered with the
Land Transportation Office (LTO) as shown by the attached
Certificate of Registration duly certified by the same.

() Not yet registered with the LTO.

4. The above-described vehicle is presently located at

(please indicate complete address/location) and shall be brought to
any area within the Customs jurisdiction at any time required for
purposes of examination.

5. The said vehicle arrived at the Port of _____ on
_____.

6. I am submitting the following documents in support of this
application:

- () Deed of Sale covering the motor vehicle;
- () Certified true copy of the BIR Certificate of Payment;
- () BOC Certificate of Payment, if any;

Others : _____

8. I fully understand and agree that the above-described vehicle shall
be placed under constructive seizure by the Bureau of Customs in view of this
application; and, that I shall not alienate, cede or transfer the said vehicle
pending the results of this application. I also understand that any false statement
made herein or before any Customs official, or any willful non-disclosure of any
material information or any misrepresentation made by me and similar
acts/manifestations of bad faith on my part in connection with this application,
shall be sufficient grounds for the institution of forfeiture proceedings against the
subject vehicle and/or the appropriate administrative/criminal action against me.

(Signature over printed name)
Owner/Applicant

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of
_____, 2003 with affiant exhibiting to me his Comm. Tax Cert. No.
_____ issued on _____ at _____

Administering Officer *Abu*

RE-PRODUCED
CAO No. - 2023

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Annex "B"

REPUBLIC OF THE PHILIPPINES

-versus-

SI No. _____

MANUFACTURER : _____
 SERIES : _____
 (Corolla/Landcruiser/Lancer/E-Class/Starex, etc.)
 ENGINE NO.: _____
 CLASS/TYPE : _____
 (Sedan/van/pick-up/truck/motorcycle, etc./2 x 4 or 4 x 4)
 SER/CHASSIS NO. : _____
 YEAR/MODEL : _____
 ENGINE DISPLACEMENT: _____

Claimant.

x-----x

WARRANT OF CONSTRUCTIVE SEIZURE AND DETENTION
 (Under CAO No. _____)

TO : (Name of OWNER/ APPLICANT)
 GREETINGS :

WHILREAS, an application for compromise and settlement has been applied for the above-described vehicle pursuant to CAO No. _____ and under the Tariff and Customs Code of the Philippines, as amended.

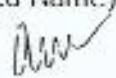
WHEREAS, the said vehicle is presently under the custody of the owner/applicant and is located at _____.

WHEREAS by virtue of the authority vested in me by law, and in compliance with pertinent Customs laws, rules and regulations, the said owner/applicant is hereby notified that the above-described vehicle is now placed under constructive seizure and detention by the Bureau of Customs in view of which said owner/ applicant has agreed to voluntarily deliver and submit the said vehicle for inspection by the Bureau at the designated time and place. Said owner/applicant also agrees NOT to alienate, cede or transfer the said vehicle until this warrant is lifted.

SO ORDERED.

Port of _____, Philippines.

(Signature Over Printed Name)
 District/Port Collector



ANNEX "C"

SUMMARY SEIZURE PROCEEDINGS UNDER CAO No. _____

REPUBLIC OF THE PHILIPPINES

-versus-

SI No. _____

Claimant

x-----x

DECISION/ORDER

This is a summary seizure proceeding pursuant to CAO No. _____ and involves the following vehicle more particularly described as follows:

MANUFACTURER : _____

SERIES : _____
(Corolla/Landcruiser/Lancer/E-Class/Starex, etc.)

ENGINE NO.: _____

CLASS/TYPE : _____
(Sedan/van/pick-up/truck/motorcycle, etc./2 x 4 or 4 x 4)

SER/CHASSIS NO. : _____

YEAR/MODEL : _____

ENGINE DISPLACEMENT: _____

The claimant have voluntarily offered to compromise his obligations to the government arising from the non-payment of the correct duties and taxes due on the above-described vehicle, and the government have accepted, as it hereby accepts, the said offer to compromise and the payment by the claimant of the settlement amount of P= _____,00. Said payment was made under BOC OR No. _____ dated _____.

In view of the foregoing, the WSD issued against the above-said vehicle is hereby LIFTED and the same is hereby released after proper identification and compliance with pertinent rules and regulations.

SO ORDERED.

(DATE)

(Signature over printed name)
District/Port Collector

APPROVED:

Commissioner of Customs