



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

JUN 23 1993

Date

CUSTOMS MEMORANDUM ORDER
NO. 23-93

To : All Collectors of Customs
Division/Section/Unit Chiefs
All Importers/Customs Brokers
All Others Concerned

SUBJECT : Treatment of Importations Entered at
Values Less Than US\$500.00 F.O.B.

Pursuant to Section 608 of the Tariff and Customs Code of the Philippines, as amended, the following rules to govern the filing/processing of import entries for shipments entered with a value of less than \$500.00 shall be strictly observed:

I. OBJECTIVES -

A. To prevent the circumvention of the Comprehensive Import Supervision Service (CISS) Program thru such mechanism as declaring value at less than \$500.00 or splitting shipments into less than \$500.00 each.

B. To provide the means by which shipments entered in circumvention of the CISS program can be properly examined,

appraised, and catalogued;

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C. To develop and maintain a relational database file of values of articles usually entered under formal entries with a declared value of less than US\$500.00.

II. CONCEPT OF OPERATIONS -

A. All shipments with a measurement in excess of one cubic meter (1.00cbm) as appearing in the inward foreign cargo manifest and not covered by a Clean Report of Findings (CRF) shall be subject to the provisions of this Order. For air cargo, shipments in excess of 100 kilograms and not covered by a CRF shall be subject of this order.

B. For such shipments, the one hundred percent (100%) examination provided for under CMD 39-92 shall be conducted and it shall be for the purpose of -

1. determining whether there is a misdeclaration as to the actual article(s) imported or as to its quantity, and discovering any other form of fraud committed against the government.
2. establishing the proper value of the articles contained in the shipment and utilizing values on file in the proper assessment of the duties and taxes due thereon on all similar future

shipments.

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3. systematically gathering shipment details and value information for cataloguing in a Valuation Library to be set up for the purpose.

III. ADMINISTRATIVE PROVISIONS -

1. The existing sections within the Formal Entry Division shall be responsible in processing formal entries covering shipments subject matter of this Order.
2. Informal entries shall continue to be processed by the Informal Entry Division or equivalent office.
3. To prevent shipments covered by this order from being entered under informal entries and circumventing the intent of the same, the Chief of the **Entry Processing Division** shall review all informal entries based on existing guidelines, and he shall recommend to the Deputy Collector for Assessment, the filing of formal entries for shipments found not qualified.
4. Informal entries covering shipments found during examination to be not qualified under the guidelines shall be returned to the EPD for the filing of the formal entry.
5. The COO III (examining/appraising official) shall be provided with a camera to be used in taking photographs

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of subject shipments. To identify the shipment in a photograph, the COO III shall prepare a board approximately 12" x 4" in size, wherein shall be clearly written the import entry number assigned to the shipment, which board shall be placed on a conspicuous part of the shipment prior to the taking of its photograph; Provided, however, that if the importer or his representative already submitted as part of the entry declaration photographs, printed brochures or similar reference materials showing how the commodity looks like, the picture-taking requirement under this paragraph shall be dispensed with. If taking of pictures is not practicable as in the case of bulk chemical shipment, samples shall be taken in lieu of the picture.

6. An Inspection Report (Annex "A" hereof) shall be accomplished to allow the description in more detail of the items contained in the shipment for transmittal to the Valuation Library. The Valuation Library shall accordingly take measures to establish the values of the articles for immediate publication and application on future shipments. Weekly report of values established should be provided to the Formal Entry Division or equivalent unit in the Ports and Subports.
7. The valuation relational database file shall be maintained by the Customs Valuation Library at the Valuation and Classification Division, Office of the

Commissioner, for all entries covered by this order, including the actions taken thereon.

IV. OPERATIONAL PROCEDURES -

A. Determination of Shipments to be Assessed under this Order.

1. The Document Examiner shall check the completeness and authenticity of the documents submitted. In case the cargo at the seaport has a measurement in excess of 1.00cbm (or its equivalent in other unit of measures) or the weight is in excess of 100 kilograms for air cargo, and the declared invoice value is lower than US\$500.00 and without CRF, he shall stamp the word "Subject to CMD 23-73" on the face of the entry declaration.
2. The Perforating Clerk shall perforate the entry number on the entry documents.
3. The Releasing Clerk shall record the details of the entry in a logbook kept for the purpose, after which he shall deliver the entry documents to the concerned section.

B. Examination and Appraisal of the Shipment under this Order.

1. The Receiving Clerk shall receive the entry documents and shall record the details thereof in

logbook kept for the purpose.

2. The Assistant Chief of the Section (PCE) shall assign the entry documents to a COO III.

3. The COO III shall perform the following activities:

a. Open packages, photograph shipments duly identified through tag/labels and attach the photoprints photographs or photo certifications to submit within two (2) working days, printed brochures or similar reference materials with the Inspection Report;

b. Conduct examination, classification and valuation of the goods, and indicate the findings and discrepancy (if any) on the entry documents;

c. Accomplish the Inspection Report in triplicate copies; and,

d. Forward the entry documents to the Chief of the Section.

4. The Section Chief, FED, shall review the assessment indicated in both the entry document and the Inspection Report, and may either approve or disapprove the same. In case of the former, he

shall forward the entry documents to the Chief, FED; in case of disapproval, he shall take such steps as are appropriate under the circumstances with the view of immediately resolving the matter.

5. The Chief, FED, shall review the recommendation of the Section Chief for final approval after which he shall forward the entry documents to the releasing clerk for segregation and distribution to the offices concerned.

6. The Releasing Clerk shall segregate and distribute the copies of the Inspection Report as follows:

Original (with photoprints/ = VCD, Customs
certification/
brochure) Valuation Library

Duplicate = FED Filing Clerk

Triplicate = Attached to the
Working Copy of
entry

The Releasing Clerk shall then forward the entry documents to the Collection Division for the payment of the assessed duty and tax.

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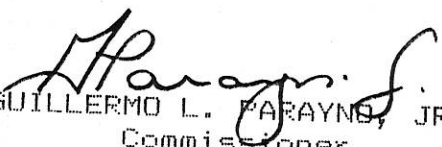
7. The Filing Clerk shall file the Inspection Report Sheet by Tariff heading, and shall prepare a Weekly Assessment Report (Annex "B"), and submit the same to the Commissioner of Customs through the Chief, FED.

V. REPEALING CLAUSE -

All orders, memoranda, circulars, or other customs issuances inconsistent with this Order are hereby deemed repealed, modified, or amended accordingly.

VI. EFFECTIVITY -

This Order shall take effect immediately.


GUILLERMO L. PARAYNS, JR.
Commissioner

06/23/93

Annex "A"
 QMO - 23.93

BUREAU OF CUSTOMS
 PORT/SUBPORT OF _____
INSPECTION REPORT

ENTRY NO. _____
 Country of Exportation _____
 Date of Inspection _____

REFERENCE DOCUMENT: Packing List Invoice Brochures Pictures Others

DESCRIPTION OF GOODS SEEN: YES NO

Matches reference document YES NO

ITEM	DESCRIPTION	Model No./Brand	Dimension	No. of units/package	Distinguishing Features	Other Distinguishing Features	Declared value/unit	Appraised value/unit
1								
2								
3								
4								
5								

USE SEPERATE SHEET AS NECESSARY

CERTIFICATION

This is to certify that I inspected and personally took the photograph/s of the subject of the report.

NAME _____ OFFICE _____

ATTACHED: CATALOGUE SPECIFICATIONS Photographs Samples Drawings Test Certificates Mill Certificates Others Specify _____

APPROVED/DISAPPROVED: _____

COO V: _____ CHIEF, FED:



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

CMO-23-93

July 20, 1993

MEMORANDUM to -

All Collectors of Customs
Division/Section/Unit Chiefs
All Importers/Customs Brokers
All Others Concerned

Subject: Supplementary Guidelines to CMO 23-93
relative to the photograph requirement
and the submission of the Inspection
Report

In relation to Section III, Part 5 of CMO 23-93,
supplementary guidelines are as follows:

1. In addition to brochures or technical materials being acceptable submission in place of picture taking, samples may also be submitted instead to the Valuation Library.
2. COO III need not wait for pictures to be developed nor the inspection reports completed before processing the import entry and forwarding same to the next station. Accomplishment of the inspection report should be done immediately after processing of the entry and therewith transmitted to Valuation Library.

Please be guided accordingly.

Guillermo L. Tarayno, Jr.
GUILLERMO L. TARAYNO, JR.
Commissioner

JUL 08 1993

CUSTOMS MEMORANDUM ORDER
NO. 23 - 93 - A

TO : All Collectors of Customs
Division/Section/Unit Chiefs
All Importers/Customs Brokers
All Others Concerned

SUBJECT : Amendment to CMD 23 - 93

Pursuant to Section 608 of the Tariff and Customs Code of the Philippines, as amended and to clarify the coverage of CMD 23 - 93, the following amendments to the Order are hereby prescribed.

SECTION 1 : The subject of the CMD shall be "Treatment of Importations with Invoice Values Less Than US\$500.00 F.O.B."

SECTION 2 : Part I, sub-paragraph A shall read:

"A. To prevent the circumvention of the Comprehensive Import Supervision such mechanisms as splitting shipments into consignments with invoice values less than \$500 each or by simply invoicing a shipment at less than \$500 whether or not accompanied by an upgrading of the invoice value in the entry declaration."

SECTION 3 : Part I, sub-paragraph C shall read:

"C. To develop and maintain a relational database file of values of articles with invoice value entered at less than \$500."

SECTION 4 : All Orders, memoranda, circulars, or other customs issuances inconsistent with this Order are hereby deemed repealed, modified, or amended accordingly.

This Order shall take effect immediately.


GUILLERMO L. FARAYNO, JR.
Commissioner



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Please be guided accordingly.


GUILLERMO L. HARAYNS, JR.
Commissioner