



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA

December 19, 1996

**Customs Memorandum Order**

No. 35-96

All District Collectors  
Chiefs, Collection Division  
Formal Entry Division  
All Others Concerned

Subject: Qualification of Motor Vehicle Importations of Participants of the Motor Vehicle Development Program (MVDP) in the Green Lane Processing

Further to CMO No. 32-96 dated September 27, 1996, providing for a Selectivity System in the Clearance Process of Imports and in order to remove the obstacles so as to qualify subject shipments for Green Lane processing, the following directives are hereby promulgated:

**1. OBJECTIVES:**

- 1.1 To qualify all motor vehicle importations of MVDP Participants for Green Lane processing under the conditions herein provided in this order;
- 1.2 To further simplify the clearance procedures for motor vehicle importations by MVDP Participants;
- 1.3 To facilitate the preparation and issuance of the Certificates of Payment (CPs) covering said importations for purposes of registration with the Land Transportation Office (LTO).

**2. SCOPE:**

This memorandum order shall cover the importations of Completely Built Units (CBUs), Semi-Knocked Downs (SKDs) and Completely Knocked-Downs (CKDs) by participants of the government Car Development Program (CDP) and Commercial Vehicle Development Program (CVDP). This Order shall not apply to the processing of the importation of Personally Owned Vehicles (POVs).

**3. GENERAL PROVISIONS:**

To remove the impediments that keep shipments subject matter of this order capable of being processed only under the Yellow or Red Lanes, the following amendments to existing orders are hereby issued:

3.1 In lieu of the stencilling in port of the engine and chassis numbers of motor vehicles being imported, the packing list duly issued by the supplier showing the engine and chassis numbers of said motor vehicles, which is hereby made a mandatory supporting document to the entry, shall be the basis for the issuance of Certificates of Payment (CPs).

3.2 Instead of the submission per entry of the Authority To Release Imported Goods (ATRIG) not subjecting the motor vehicle to ad valorem tax (AVT), a Customs Memorandum Circular (CMC) which shall henceforth be issued and regularly updated listing all motor vehicle models under the MVDP that are not subject to AVT, shall be made the reference and basis in not imposing the AVT to a motor vehicle under consideration. MVDP participants shall officially transmit a list of all motor vehicle models assembled or imported by them that are not subject to AVT, attaching thereto the authority previously issued by the Bureau of Internal Revenue (BIR). The CMC shall be issued and regularly updated on a quarterly basis by the Tax Exempt Industries Division, Office of the Commissioner.

3.3 The provision in 3.2 above shall be effective upon the approval by the BIR of the list of motor vehicles that are not subject to AVT and its subsequently publication under a CMC as herein above provided. Pending the approval by the BIR of the said list and the corresponding issuance of the CMC, the existing procedures which allow the release of motor vehicles without being imposed the AVT but whose CPs are not transmitted to LTO until the presentation of the ATRIGs, shall be observed,

3.4 For covered shipments selected for Green Lane processing, the documentary requirements under 3.1 and 3.2 above shall be verified by the Entry Processing Unit (EPU) of the Collection Division.

#### 4. OPERATIONAL PROVISIONS

Except as herein provided, all provisions of CMO 32-96 shall apply.

4.1 Entries selected for Green Lane processing shall be directly forwarded by the Entry Encoding Center (EEC) to the Collection Division for continuance of processing:

4.2 In addition to its functions and responsibilities under CMO 32-96, the EPU of the Collection Division with respect to motor vehicle importations, shall check and verify the following:

4.2.1 Packing list if it enumerates the engine and chassis numbers of CBUs and SKDs being imported.

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4.2.2 If the importations are included in the list of motor vehicles not subject to AVT as approved by the BIR and published in the CMC;

4.2.3 If the SKD or CKD importations are covered by the BOI authority to import to qualify the same the grant of 3% duty rate.

4.3 If the verification turns negative on any of 4.2 above, the the EPU of the Collection Division shall forward the entry to the Formal Entry Division (FED) for Yellow or Red Lane processing of such shipment.

4.4 The Collection Division shall issue the Certificate of Payment (CPs) on CBUs and SKDs enumerating the engine and chassis numbers based on the packing list and on CKD based on the entry declarations and supporting documents without these identifying numbers as CKDs do not bear pre-numbered marks.

4.5 Subject to the provision of 3.3 above, the Collection Division shall release the original of the Certificates of Payment (CPs) to the LTO only after the Formal Entry Division had completed the post assessment on the shipment.

5. REPEALING CLAUSE:

All rules and regulations inconsistent with this Order are hereby deemed repealed, superseded or modified accordingly

6. EFFECTIVITY:

This Order shall take effect 06 January 1997.

  
GUILLERMO L. PARAYNO, JR.  
Commissioner