



Republic of the Philippines  
Department of Finance  
**Bureau of Customs**  
1099 Manila

26 JUN 2007

**CUSTOMS MEMORANDUM ORDER**

No. 15-2007

**SUBJECT: GUIDELINES IMPLEMENTING THE MOA AMONG THE DTI, LTO AND BOC PURSUANT TO THE DTI-DAO NO. 8, SERIES OF 2003 ON THE MANDATORY ACCREDITATION OF REBUILDING CENTERS**

**SECTION 1. SCOPE**

This Order shall apply to importations of used trucks/buses entered in disassembled form and/or used parts/components for rebuilding trucks and buses falling under categories M3, N1, N2 and N3 of the Philippine National Standard (PNS) 1891:2000 (Road Vehicles Classification).

Importations of used parts/components by participants of the Motor Vehicles Development Program (MVDP) are not covered by this Order.

**SECTION 2. DEFINITION OF TERMS**

- a) Category M3: Vehicles used for the carriage of passengers and comprising of more than eight seats in addition to the driver's seat and having a minimum weight exceeding 5 metric tons.
- b) Category N1: Vehicles used for the carriage of goods and having a maximum weight not exceeding 3.5 metric tons.
- c) Category N2: Vehicles used for the carriage of goods and having a maximum weight exceeding 3.5 but not exceeding 12 metric tons.
- d) Category N3: Vehicles used for the carriage of goods and having a maximum weight exceeding 12 metric tons.
- e) REBUILDING: Process of restoring a whole unit to its design capacity and efficiency using directly-imported or locally-acquired used parts/components.

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- f) REBUILDER: Any sole proprietorship, partnership, corporation or cooperative duly accredited by the DTI and LTO to engage in truck/bus rebuilding.
- g) REBUILT TRUCK/BUS: A locally-assembled/rebuilt truck/bus using directly-imported or locally-sourced imported used major parts/components or a combination of new and used major parts/components, i.e., engine, chassis, body, cabin/cowl
- h) CBU: Completely-Built Unit
- i) BIS: Bureau of Import Services
- j) LTO: Land Transportation Office

SECTION 3. QUALIFIED IMPORTER/S. – Only a DTI accredited truck/bus rebuilder may import used parts/components for rebuilding purposes.

SECTION 4. REQUIREMENT OF BIS CERTIFICATE OF AUTHORITY TO IMPORT (CAI). – Importations of used truck/bus entered in disassembled form and used components/parts for rebuilding shall be covered by a BIS Certificate to Import (CAI) containing the following information:

- a) classification code of the unit/s
- b) quantity
- c) brand and model
- d) chassis and engine models/numbers
- e) unit price
- f) total amount
- g) rated gross vehicle weight
- h) year model
- i) number of wheels

SECTION 5. VALIDITY PERIOD OF THE CAI. – The CAI shall be valid for a non-extendible period of sixty (60) days for importations under the L/C Mode of Payment and one hundred twenty (120) days for importations under the non-L/C Mode of Payment (i.e., self-funded, Document Against Payments, etc.) reckoned from date of issuance.

SECTION 6. AMENDMENTS ON THE CAI. – Any amendment on the CAI shall require prior clearance/authority from the BIS

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SECTION 7. IMPORTATIONS WITHOUT CAI OR EXPIRED CAI – Importations covered by this Order without the required prior BIS CAI or those with expired CAI shall be subject to seizure proceedings.

SECTION 8. ASSESSMENT – Any importation covered by this Order shall be appraised based on existing valuation system for a completely-built unit (CBU) following the "essential character principle" under the Rules of Classification prescribed under Sec. 103 of the TCCP, as amended. For purposes of this Order, stenciling of the chassis and engine numbers shall not be required for assessment purposes.

SECTION 9. VRIS-OCOM CLEARANCE. – The import entry and the working documents shall be forwarded to the VRIS-OCOM per CSO No. 3-2007 for clearance prior to the release of the importation.

SECTION 10. ISSUANCE OF THE CERTIFICATE OF PAYMENT. – The District Collector of the Port concerned shall issue the Certificate of Payment (CP) upon submission of the stencils of the chassis and engine numbers by the examiner/appraiser who shall affix his initials on the CP.

SECTION 11. TRANSMITTAL OF THE CERTIFICATE OF PAYMENT TO THE LTO. – The VICMU shall transmit the Certificate of Payment to the Land Transportation Office, Diliman, Quezon City for registration purposes.

SECTION 12. IMPORTATIONS OF USED CHASSIS AND ENGINES NOT DECLARED FOR REBUILDING PURPOSES. – In no case shall the Bureau of Customs issue a Certificate of Payment for importations of used chassis and engine not declared for rebuilding purposes. For this purpose, in lieu of the CP, an Official Receipt (OR) shall be issued by the cashier of the Port concerned evidencing payment of duties and taxes.

SECTION 13. REBUILT TRUCKS/BUSES FOR REGISTRATION WITH THE LTO. – THE LTO shall not register any rebuilt truck/bus with used imported parts/components either directly-imported or locally-acquired without the corresponding DTI endorsement and the Certificate of Payment issued by the Bureau of Customs. For this purpose, the LTO shall endorse the same to the BOC VRIS-OCOM per CSO No. 3-2007 for re-assessment of duties and taxes. Upon payment of the appropriate duties and taxes at the Port of Manila, the VRIS-OCOM per CSO No. 3-2007, shall issue the CP which shall be transmitted by the VICMU to the LTO for registration purposes.

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SECTION 14. SEPARABILITY CLAUSE. – The provisions of this Order are hereby declared separable and in case any of the provisions hereof is declared invalid, the other provisions, which are not affected thereby, shall remain in full force and effect.

SECTION 15. REPEALING CLAUSE. – All rules and regulations or parts thereof inconsistent with this Order are hereby deemed repealed, amended or modified accordingly.

SECTION 16. EFFECTIVITY. – This Order shall take effect fifteen (15) days after its complete publication in a newspaper of general circulation.

NAPOLEON L. MORALES  
Commissioner

