



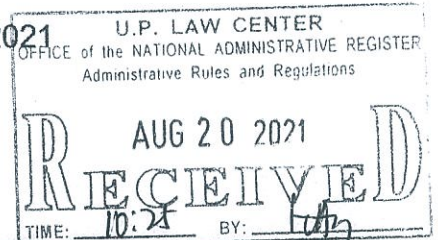
BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM INTEGRITY ACCOUNTABILITY

18 August 2021



CUSTOMS MEMORANDUM ORDER (CMO)
NO. 28-2021

SUBJECT: DAO NO. 21-04 – “IN THE MATTER OF THE APPLICATION FOR GENERAL SAFEGUARD MEASURES ON THE IMPORTATION OF MOTOR VEHICLES (PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES) FROM VARIOUS COUNTRIES (AHTN 2017 HEADINGS 87.03 AND 87.04)”

As provided under Department of Trade and Industry (DTI) Administrative Order No. 21-04, series of 2021, dated 06 August 2021 (Annex “A”), and pursuant to the directive dated 16 August 2021 from the Secretary of Finance (Annex “B”), all concerned are hereby informed regarding DTI’s Decision dismissing the petition for general safeguard measures on the shipments of motor vehicles (passenger cars and light commercial vehicles) falling under AHTN 2017 Headings 87.03 and 87.04.

The Tariff Commission terminated its formal investigation and recommended not to impose definitive general safeguard measures on the products subject of the investigation considering that there was no increase in imports of CBU passenger cars and CBU light commercial vehicles (whether absolute or relative to domestic production) during the Period of Investigation.

Thus, all cash bonds that have been imposed and previously collected as provisional safeguard measure on the shipments of motor vehicles (passenger cars and light commercial vehicles) which entered or were withdrawn from warehouses in the Philippines for consumption from 01 February 2021, the date of effectivity of CMO No. 06-2021, should be immediately returned to the concerned importer/s upon compliance with the applicable customs laws, rules, and regulations.

For uniformity and ease of processing of the refund, once the Ports order or recommend the return of the cash bonds, the same should be transmitted to the Office of the Commissioner for review and confirmation along with the following documents:

- a. Statement of Refund duly signed by the District Collector
- b. SAD/IEIRD
- c. Proof of Payment
- d. BCOR Processing Fee
- e. Certificate of No Outstanding Obligation
- f. Recommendation/Order from the Port
- g. Endorsement to Financial Management Office (FMO)
- h. Certification from the FMO that the cash bond was deposited to a Trust Fund or to the Account of the Bureau, whichever is applicable, and the details pertinent thereto.

Bureau of Customs
CENTRAL RECORDS MGT. DIVISION

CERTIFIED TRUE COPY

OF THE ORIGINAL

Margaret G. Manalaysay
MARGARET G. MANALAYSAY
Administrative Officer V

A Modernized and Credible Customs Administration That is Among the World's Best

South Harbor, Gate 3, Port Area, Manila 1099
8527-4537, 8527-1935 | www.customs.gov.ph | boc.cares@customs.gov.ph

CMO No. 28-2021 p. 2

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All District and Sub-Port Collectors, and all others concerned are hereby directed to confirm the dissemination of this Order throughout their offices within five (5) days from receipt thereof for records purposes.

This Order shall take effect immediately.



REY LEONARDO B. GUERRERO
Commissioner *A* **AUG 18 2021**



BOC-02-07027

Bureau of Customs
CENTRAL RECORDS MGT. DIVISION

**CERTIFIED TRUE COPY
OF THE ORIGINAL**

Margaret G. Manalaysay
MARGARET G. MANALAYSAY
Administrative Officer V

LOPEZ
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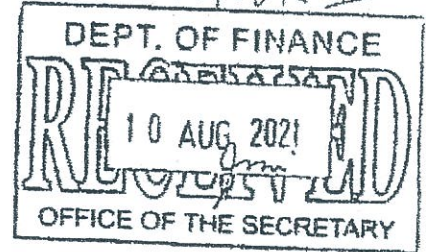
06 August 2021

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TRADE AND

CONSUMER

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SECRETARY CARLOS G. DOMINGUEZ
Department of Finance
DOF Building, BSP Complex
Roxas Blvd., Manila

Dear Secretary Dominguez:

I am furnishing you a copy of DTI's Order dismissing the petition for general safeguard measures on motor vehicles (passenger cars and light commercial vehicles). The Tariff Commission (TC) found that CBU passenger cars and CBU light commercial vehicles subject of the investigation were not imported in increased quantities (whether absolute or relative to domestic production) during the period of investigation. Hence, the TC terminated its formal investigation and recommended that no definitive general safeguard measure be imposed on such vehicles.

Section 13 provides, "In the event of a negative final determination, x x x, the Secretary shall immediately issue, through the Secretary of Finance, a written instruction to the Commissioner of Customs, authorizing the return of the cash bond or the remainder thereof, as the case may be, previously collected as provisional general safeguard measure within ten (10) days from the date a final decision has been made x x x"

In view of TC's recommendations, I issued the attached Order which shall take effect upon issuance by the Bureau of Customs of the relevant Customs Memorandum Order.

I am requesting the Secretary to direct the Commissioner of Customs to issue the relevant Customs Memorandum Order for the immediate return of the cash bond to importers.



Thank you.

Very truly yours,

RAMON M. LOPEZ
Secretary *or*

cc: Commissioner Rey Leonardo Guerrero
Bureau of Customs

OFFICE OF THE SECRETARY

Department Administrative Order No. 21-04
Series of 2021

**IN THE MATTER OF THE APPLICATION FOR
GENERAL SAFEGUARD MEASURES ON THE
IMPORTATION OF MOTOR VEHICLES
(PASSENGER CARS AND LIGHT
COMMERCIAL VEHICLES) FROM VARIOUS
COUNTRIES**

(AHTN 2017 Headings 87.03 and 87.04)

x-----x

ORDER

On 22 July 2021, the Department of Trade and Industry (DTI) received the Tariff Commission's (TC) Formal Investigation Report on the general safeguard measure on the importation of motor vehicles (passenger cars and light commercial vehicles) classified under AHTN 2017 Headings 87.03 and 87.04. The period covered by the investigation (POI) are the years 2014 to 2020.

The TC, in accordance with the Safeguard Measures Act (RA 8800), and its Implementing Rules and Regulations (JAO No. 03, Series of 2000), found:

1. The petitioner is a juridical person belonging to the motor vehicle industry pursuant to Section 6 and Rule 6.4(d) of RA No. 8800.
2. There are six identified domestic producers/assemblers of passenger cars and light commercial vehicles during the POI (2014-2020) and their collective output meets the domestic industry requirement under Section 4(f) of RA No. 8800.
3. The imported products under consideration consist of new CBU passenger cars and new CBU light commercial vehicles. Excluded from the investigation are CKD units, SKD units, special purpose vehicles, and "luxury" vehicles. The products under consideration are classified under 56 AHTN 2017 Codes, with 54 tariff lines referring to imported CBU passenger cars and two tariff lines referring to imported CBU light commercial vehicles.
4. Locally produced passenger cars are considered "directly competitive" with imported CBU passenger cars classified under the 33 AHTN 2017 subheadings listed in Table 5.13 since they are substitutable to the latter in the marketplace by offering alternative products for satisfying customer needs and preferences.
5. Locally produced light commercial vehicles classified under AHTN 2017 subheading 8704.21.29 are considered "directly competitive" with imported light commercial

OFFICE OF THE SECRETARY

vehicles (classified under the same subheading) since they are substitutable to the latter in the marketplace by providing consumers with an alternative for satisfying their needs and tastes for the said product.

6. There was no increase in imports of CBU passenger cars and CBU light commercial vehicles, both in absolute terms and relative to domestic production, during the period of investigation (POI).
7. Since there was no increase in imports of CBU passenger cars and CBU light commercial vehicles (whether absolute or relative to domestic production) during the POI, the determination of serious injury or threat thereof, causation, and unforeseen developments has been rendered moot and academic.

In view of the aforementioned findings, TC terminated its formal investigation and recommended not to impose definitive general safeguard measures on the products subject of the investigation.

The non-confidential version of TC's final report can be accessed at <https://tinurl.com/85n7f2zr>.

IN VIEW THEREOF, the petition for general safeguard measures on the importation of motor vehicles (passenger cars and light commercial vehicles) falling under AHTN 2017 Headings 87.03 and 87.04 is hereby dismissed.

Accordingly, and pursuant to Section 13 of RA 8800, all cash bonds that have been imposed and previously collected on shipments of motor vehicles (passenger cars and light commercial vehicles) which entered or were withdrawn from warehouses in the Philippines for consumption from 01 February 2021, the date of the effectivity of CMO No. 6-2021, shall be immediately returned to the concerned importer/s.


A copy of this Order can be accessed at the DTI website: bit.ly/qsm-motor-vehicles

Let this Order be published in two (2) newspapers of general circulation and let individual notices be sent to all interested parties including the concerned WTO member economies.

This Order shall take effect upon the issuance of the relevant Customs Memorandum Order.

SO ORDERED.

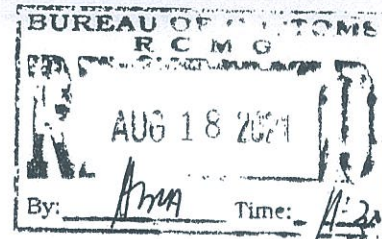
06 August 2021


RAMON M. LOPEZ
Secretary

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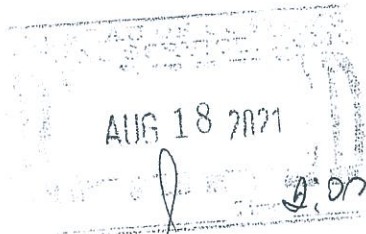


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Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo Sr. Street
Manila 1004



HON. REY LEONARDO B. GUERRERO

Commissioner
Bureau of Customs
Port Area
Manila



SUBJECT : Issuance of Relevant Customs Memorandum Order for Immediate Release of Cash Bonds Pursuant to DTI DAO 21-04

Dear Commissioner Guerrero:

We write to you in relation to Department of Trade and Industry (DTI) Administrative Order (DAO) No. 21-04, issued last 06 August 2020, dismissing the application for general safeguard measures on the importation of motor vehicles (passenger cars and light commercial vehicles) from various countries.

The Tariff Commission (Commission), in their Formal Investigation Report sent to the DTI, concluded that:

- a. Locally produced passenger cars are considered "directly competitive" with imported CBU passenger cars classified under 33 AHTN 2017 subheadings since they are substitutable to the latter in the marketplace by offering alternative products for satisfying customer needs and preferences;
- b. Locally produced light commercial vehicles classified under AHTN 2017 subheading 8704.21.29 are considered "directly competitive" with imported light commercial vehicles (classified under the same subheading) since they are substitutable to the latter in the marketplace by providing consumers with an alternative for satisfying their needs and tastes for the said product;



- c. There was no increase in imports of CBU passenger cars and CBU light commercial vehicles, both in absolute terms and relative to domestic production, during the period of investigation; and
- d. Since there was no increase in imports of CBU passenger cars and CBU light commercial vehicles (whether absolute or relative to domestic production) during the period of investigation, the determination of serious injury or threat thereof, causation, and unforeseen developments has been rendered moot and academic.

Hence, the Commission terminated its formal investigation and recommended not to impose definitive general safeguard measures on the products of the subject investigation.

Consequently, the DTI ruled that:

IN VIEW THEREOF, the petition for general safeguard measures on the importation of motor vehicles (passenger cars and light commercial vehicles) falling under AHTN 2017 Headings 87.03 and 87.04 is hereby dismissed.

As a result, all cash bonds that have been imposed and previously collected on shipments of motor vehicles (passenger cars and light commercial vehicles) which entered or were withdrawn from warehouses in the Philippines for consumption from 01 February 2021, the date of the effectivity of Customs Memorandum Order (CMO) No. 6-2021, shall be immediately returned to the concerned importer/s.

Section 13 of R.A. 8800, otherwise known as the "*Safeguard Measures Act*", mandates the DTI Secretary, in the event of a negative final determination, to immediately issue, through the Secretary of Finance, a written instruction to the Commissioner of Customs, authorizing the return of the cash bond or the remainder thereof, as the case may be, previously collected as provisional general safeguard measure within ten (10) days from the date a final decision has been made.



CMO No. 28-2021 p.7a

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Hence, pursuant to the clear mandate of the law, the Commissioner of Customs is hereby directed to issue a Customs Memorandum Order (CMO) for the immediate release of the cash bond to the importers in relation to the present case.

Please note that the Order of the DTI shall take effect upon the issuance of the CMO by the Bureau of Customs.

Thank you.

Very truly yours,


CARLOS G. DOMINGUEZ
Secretary of Finance
AUG 16 2021



CC: SECRETARY RAMON M. LOPEZ
Department of Trade and Industry



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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INTERNAL ADMINISTRATION GROUP
CENTRAL RECORDS MANAGEMENT DIVISION

August 19, 2021

The Director

Office of the National Administrative Register (ONAR)
UP Law Center Diliman, Quezon City

Sir/Ma'am:

Transmitted are three certified true copies of the following Customs Memorandum Order to wit:

CMO 28-2020: DAO No. 21-04- "In the Matter of the Application for General Safeguard Measures on the Importation of Motor Vehicles "(Passenger Cars and Light Commercial Vehicles) from various countries (AHN 2017 Headings 87.03 and 87.04)"

Very truly yours,

for: Ingrid Cabugawan
GLADYS C. CABUGAWAN
Chief, CRMD

