



Date JAN 13 2021

CUSTOMS MEMORANDUM ORDER (CMO)
NO. 03-2021

**SUBJECT: COMPENDIUM OF PENALTIES, LIABILITIES OR OBLIGATIONS
UNDER THE CUSTOMS MODERNIZATION AND TARIFF ACT (CMTA)
AND ITS IMPLEMENTING RULES AND REGULATIONS**

Introduction. This CMO is a consolidation of the provisions of the Customs Modernization and Tariff Act (CMTA) and its implementing Customs Administrative Orders (CAOs) dealing specifically on the imposition of penalties and liabilities including the effects of failure on the part of the importer, exporter, third parties and other stakeholders to comply with the obligations provided for by laws and their implementing rules and regulation. This also includes other laws, and rules and regulations issued by other government agencies in relation to the importation or exportation of goods.

Section 1. Scope. This CMO covers all the penalties, liabilities or obligations imposed by the Bureau pursuant to the CMTA and its implementing rules and regulations, including other laws implemented by the Bureau.

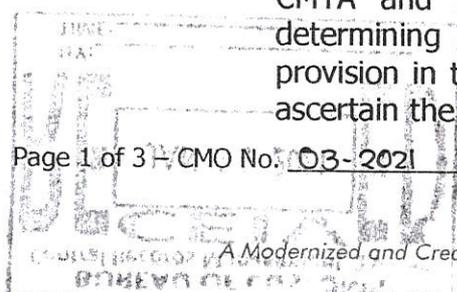
Section 2. Objectives.

- 2.1. To establish a regime of transparency on the different penalties, liabilities and obligations being imposed by the Bureau;
- 2.2. To ensure informed and diligent compliance with customs practices and procedures by stakeholders; and
- 2.3. To comply with the obligation of the Philippines, in general, and the Bureau, in particular, to the World Trade Organization (WTO) Agreement on Trade Facilitation.

Section 3. Basic Guide in the Imposition of Penalty.

- 3.1. This Compendium of Penalties, Liabilities and Obligations under the CMTA and Its Implementing Rules and Regulations (Compendium) does not supplement nor supplant the penalty provisions under the CMTA and its implementing rules and regulations. Thus, after determining the applicable penalty, reading the text of the actual provision in the CMTA or the particular CAO is highly encouraged to ascertain the context of the penalty being imposed.

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- 3.2.** In general, the specific provision of the CMTA or any other law shall be applied in the imposition of penalty. These self-executory provisions do not require the issuance of separate interpretative or implementing CAO.

However, if the penalty, liability or obligation is couched in general term, or if there is a value range in imposition thereof, the CAO implementing the same shall be applied considering that it already provides additional interpretative guidelines to the CMTA provision.

- 3.3.** Penalties, liabilities or obligations imposed pursuant to authority vested under the Commissioner, subject to the approval of the Secretary of Finance, to promulgate rules and regulations under Section 204 of the CMTA through an appropriated CAO shall be strictly implemented.
- 3.4.** Consistent with Section 1802 of the CMTA, the penalties, liabilities or obligations imposed pursuant to Presidential Decree No. 1464, otherwise known as the Tariff and Customs Code of the Philippines of 1978, as amended, not inconsistent with the provisions of the CMTA, shall remain valid unless repealed or amended accordingly.

Section 4. Manner of Presentation. The Compendium, attached as **Annex A** of this Order, is presented in a matrix format to make it easily searchable, together with a quick index. It is divided into two parts. The first part refers to the specific provisions on penalty under the CMTA while the second part dwells on the implementing CAOs promulgated by the Commissioner and approved by the Secretary of Finance.

Under the first part, the matrix is categorized as follows:

1. Description of the penalty or specific acts, omissions, or customs clearance process where a penalty, liability or obligation is imposed;
2. Basis or the specific Section number under the CMTA;
3. Penalty or the specific citation of the law is provided;
4. Related CAOs to which the said legal provision is being applied; and
5. Responsible Office

Under the second part, the matrix is categorized as follows:

1. CAO number or the specific reference to the implementing CAO number presented in accordance with its date of issuance;
2. Title or the subject matter of the CAO;



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3. Penalty or the specific section of the CAO dealing on penalty or imposition of liability for violation of the regulation;
4. CMTA Section or the specific provision of the CMTA which is used as legal basis in the issuance or promulgation of the CAO; and
5. Responsible Office

However, if the applicable CAO is presenting the penalty provisions in particular matrix, the original version is followed.

Section 5. Responsibility of Bureau Personnel. All indicated Offices responsible for the imposition and implementation of the penalties and sanctions as indicated herein are directed to strictly adhere to the same and ensure compliance with the procedures required in the CMTA and/or its implementing rules and regulations.

Section 6. Effectivity. This Order shall take effect on JAN 27 2021.

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Order.


REY LEONARDO B. GUERRERO
Commissioner
JAN 13 2021



BOC-02-04711

COMPENDIUM OF PENALTIES, LIABILITIES OR OTHER OBLIGATIONS

Part 1.

Penalties, Liabilities or Obligations Under the CMTA

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Legal Interest	SECTION 104 When Duty and Tax are Due on Imported Goods.	Unpaid duties, taxes and other charges, shall incur legal interest of twenty percent (20%) per annum computed from the date of final assessment under Section 429 ¹ of the CMTA, when payment becomes due and demandable. The legal interest shall likewise accrue on any fine or penalty imposed.	<p>CAO 1-2019 Post Clearance Audit and Prior Disclosure Program</p> <p>CAO 9-2020 Clearance Procedures for Goods Entered for Consumption under the Formal Entry Process</p> <p>CAO 13-2020 Imposition of Penalties, Surcharges, Interests and Other Charges for Lifting, Claiming, or Recovering Part of the Proceeds in the Sale of Impliedly Abandoned Goods</p>	<p>Post Clearance Audit Group (PCAG)</p> <p>Collection District</p> <p>Collection District</p> <p>Revenue Collection Monitoring Group (RCMG)</p> <p>Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Inadvertent Errors	SECTION 108 Penalties for Errors in Goods Declaration.	The Bureau shall not impose substantial penalties for errors when such errors are inadvertent and there was no fraudulent intent or gross negligence in the commission thereof: Provided, That in order to discourage repetition of such errors, a penalty may be imposed but shall not be excessive.	<p>CAO 1-2019 Post Clearance Audit and Prior Disclosure Program</p> <p>CAO 1-2020 Fines and Surcharges for Clerical Errors, Misdeclaration, Misclassification and Under- Invoicing or Under-Declaration of Value</p>	<p>PCAG</p> <p>Collection District</p>
Seizure and forfeiture arising from exercise of visitorial power	SECTION 224. Power to Inspect and Visit.	<p>The Commissioner or any customs officer who is authorized in writing by the Commissioner, may demand evidence of payment of duties and taxes on imported goods openly for sale or kept in storage. In the event that the interested party fails to produce such evidence within fifteen (15) days, the goods may be seized and subjected to forfeiture proceedings: Provided, That during the proceedings, the interested party shall be given the opportunity to prove or show the source of the goods and the payment of duties and taxes thereon: Provided, Further, That when the warrant of seizure has been issued but subsequent documents presented evidencing proper payment are found to be authentic and in order, the District Collector shall, within fifteen (15) days from the receipt of the motion to quash or recall the warrant, cause the immediate release of the goods seized, subject to clearance by the</p>	<p>CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process</p>	<p>Authorized or Deputized Officials by the Commissioner</p> <p>Collection District</p> <p>Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Lien against the imported goods while under customs custody	SECTION 405. Liability of Importer for Duties and Taxes.	<p>Commissioner: Provided, Finally, That the release thereof shall not be contrary to law.</p> <p>Unless relieved by laws or regulations, the liability for duties, taxes, fees, and other charges attached to importation constitutes a personal debt due and demandable against the importer in favor of the government and shall be discharged only upon payment of duties, taxes, fees and other charges. It also constitutes a lien on the imported goods which may be enforced while such goods are under customs' custody.</p>	CAO 9-2020 Clearance Procedures for Goods Entered for Consumption under the Formal Entry Process	Collection District
Abandonment of derelicts and all goods recovered from sea or from abandoned wrecks	SECTION 418. Derelicts and Goods from Abandoned Wrecks.	Derelicts and all goods recovered from sea or from abandoned wrecks shall be under the jurisdiction of the port where the goods arrive, and shall be retained in the custody of the Bureau. If not claimed by the owner, underwriter or salvor, the same shall be deemed as property of the government.	Self-executory	Collection District
Failure to perform duties to examine the imported goods	SECTION 421. Duties of Customs Officer Tasked to Examine the Imported Goods.	<p>In the examination, classification, and valuation of the goods, the customs officer shall:</p> <p>(a) Determine whether the packages for examination and their contents are in accordance with the goods declaration, invoice and other pertinent documents;</p> <p>(b) Take samples of the imported goods for examination or laboratory analysis when necessary;</p>	CAO 9-2020 Clearance Procedures for Goods Entered for Consumption under the Formal Entry Process	Collection District Intelligence Group (IG) RCMG Office of the Commissioner

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>(c) Issue a receipt for a sample taken and retained during examination; and</p> <p>(d) Report whether the goods have been correctly declared as to value, quantity, measurement, weight, tariff classification and not imported contrary to law.</p> <p>Failure on the part of the customs officer to perform the above duties shall be penalized according to Section 1431² of Title XIV of the CMTA.</p>		
<p>Customs expenses during examination, handling and storage of goods</p>	<p>SECTION 422. Customs Expenses Constituting Charges on Goods.</p>	<p>The cost of examination shall be for the account of the importer or exporter, subject to proper accounting and documentation. All expenses incurred by the Bureau for the handling or storage of goods and other necessary operations shall be chargeable against the goods, and shall constitute a lien thereon.</p>	<p>CAO 9-2020 Clearance Procedures for Goods Entered for Consumption under the Formal Entry Process</p>	<p>Collection District</p>
<p>Failure to comply with obligations imposed on customs transit</p>	<p>SECTION 600. Customs Transit in the Customs Territory.</p>	<p>A transit permit is required for goods transported under customs transit. However, transfer of goods in customs transit from one means of transport to another shall be allowed; Provided, That any customs seal or fastening is not broken or tampered. The party responsible for the compliance of the obligations imposed on customs transit shall ensure that the goods are presented intact and in due course at the customs office of destination. Failure to comply with the aforementioned obligations or likewise failure to follow a prescribed itinerary or period for</p>	<p>CAO 15-2019 Rules and Regulations for Customs Transit in the Customs Territory</p>	<p>Enforcement Group (EG) Collection District RCMG</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
General transportation security	SECTION 602. Carrier's Security.	<p>delivery of the goods may immediately subject the goods to the corresponding duties, taxes and other applicable fines, penalties, and surcharges.</p> <p>Carriers that transport imported goods that shall be placed under customs transit from a port of entry to other ports, shall post a general transportation security amounting to at least fifty thousand pesos (₱50,000.00). Such security shall ensure the complete and immediate delivery of goods to the customs officer at the port of destination and the payment of pertinent customs charges and expenses and other transfer costs. The amount of the security may be adjusted by the Commissioner, upon approval of the Secretary of Finance.</p>	CAO 15-2019 Rules and Regulations for Customs Transit in the Customs Territory	Collection District Collection Service, RCMG
Security for goods entered for immediate reexportation	SECTION 604. Goods Entered for Immediate Reexportation.	<p>Where an intent of reexportation of the goods is shown by the bill of lading, invoice, manifest, or other satisfactory evidence, the whole or a part of a bill comprising not less than one package may be entered for immediate reexportation under security. The District Collector shall designate the vessel or aircraft in which the goods are loaded constructively as a warehouse to facilitate the direct transfer of the goods to the exporting vessel or aircraft.</p> <p>Unless it shall appear in the bill of lading, airway bill, invoice, manifest, or other satisfactory evidence, that goods arriving in</p>	CAO 08-2020 Export Cargo Clearance Formalities and Issuance of Certificate of Origin and Proof of Origin	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>the Philippines are destined for transshipment, no exportation thereof will be permitted except under entry for immediate reexportation under sufficient security in an amount equal to the ascertained duties, taxes and other charges.</p> <p>Upon the reexportation of the goods, and the production of proof of landing beyond the limits of the Philippines, the security shall be released.</p>		
Fine for failure to mark	SECTION 710. Marking of Imported Goods and Containers.	(C) fine for Failure to Mark. — If, at the time of importation any good or its container, as provided in subsection (B) hereof, is not marked in accordance with the requirements of this section, there shall be levied, collected, and paid upon such good a marking duty of five percent (5%) of dutiable value, which shall be deemed to have accrued at the time of importation.	CAO 2-2019 Marking of Imported Goods and Containers	Collection District
Abandonment for failure or refusal to mark	SECTION 710. Marking of Imported Goods and Containers.	(E) The failure or refusal of the owner or importer to mark the goods as herein required within a period of thirty (30) days after due notice shall constitute as an act of abandonment of said goods and their disposition shall be governed by the provisions of the CMTA relative to abandonment of imported goods.	CAO 2-2019 Marking of Imported Goods and Containers	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Use of conditionally-tax and/or duty-free goods for purposes other than what they were intended for</p>	<p>SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.</p>	<p>The following goods shall be exempt from the payment of import duties upon compliance with the formalities prescribed in the regulations which shall be promulgated by the Commissioner with the approval of the Secretary of Finance: Provided, That goods sold, bartered, hired or used for purposes other than what they were intended for and without prior payment of the duty, tax or other charges which would have been due and payable at the time of entry if the goods had been entered without the benefit of this section, shall be subject to forfeiture and the importation shall constitute a fraudulent practice against customs laws:</p> <p>Provided, However, That a sale pursuant to a judicial order or in liquidation of the estate of a deceased person shall not be subject to the preceding proviso, without prejudice to the payment of duties, taxes and other charges; Provided, Further, That the President may, upon the recommendation of the Secretary of Finance, suspend, disallow or completely withdraw, in whole or in part, any conditionally free importation under this section:</p>	<p>CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)</p>	<p>Collection District RCMG</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Posting of security	SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.	(b) Equipment for use in the salvage of vessels or aircrafts, not available locally, upon identification and the giving of a security in an amount equal to one hundred percent (100%) of the ascertained duties, taxes and other charges thereon, conditioned for the exportation thereof or payment of corresponding duties, taxes and other charges within six (6) months from the date of acceptance of the goods declaration; Provided, That the Bureau may extend the time for exportation or payment of duties, taxes and other charges for a term not exceeding six (6) months from the expiration of the original period;	CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)	Collection District
Posting of security	SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.	(d) Goods brought into the Philippines for repair, processing or reconditioning to be reexported upon completion of the repair, processing or reconditioning: Provided, That the Bureau shall require security equal to one hundred percent (100%) of the duties, taxes and other charges thereon, conditioned for the exportation thereof or payment of the corresponding duties, taxes and other charges within six (6) months from the date of acceptance of the goods declaration;	CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Posting of security	SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.	<p>(h) Wearing apparel, goods of personal adornment, toilet goods, portable tools and instruments, theatrical costumes and similar effects accompanying travelers, or tourists, or arriving within a reasonable time before or after their arrival in the Philippines, which are necessary and appropriate for the wear and use of such persons according to the nature of the journey, their comfort and convenience; Provided, That this exemption shall not apply to goods intended for other persons or for barter, sale or hire: Provided, However, That the Bureau may require either a written commitment or a security in an amount equal to one hundred percent (100%) of the ascertained duties, taxes and other charges thereon, conditioned for the exportation thereof or payment of the corresponding duties, taxes and other charges within three (3) months from the date of acceptance of the goods declaration: Provided, Further, That the Bureau may extend the time for exportation or payment of duties, taxes and other charges for a term not exceeding three (3) months from the expiration of the original period.</p> <p>Personal and household effects and vehicles belonging to foreign consultants and experts hired by, or rendering service to, the government, and their staff or personnel and families accompanying them or arriving within a reasonable time before or after their arrival in the Philippines, in quantities and of the kind necessary and suitable to the profession, rank</p>	CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>or position of the person importing said items, for their own use and not for barter, sale or hire: Provided, That the Bureau may require either a written commitment or a security in an amount equal to one hundred percent (100%) of the ascertained duties, taxes and other charges thereon, upon the goods classified under this subsection; conditioned for the exportation thereof or payment of the corresponding duties, taxes and other charges within three (3) months after the expiration of their term or contract; Provided, However, That the Bureau may extend the time for exportation or payment of duties, taxes and other charges for a term not exceeding three (3) months from the expiration of the original period;</p>		
Posting of security	SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.	(j) Goods used exclusively for public entertainment, and for display in public exhibitions, or for exhibition or competition for prizes, and devices for projecting pictures and parts and appurtenances thereof, upon identification, examination, and appraisal and the giving of a security in an amount equal to one hundred percent (100%) of the ascertained duties, taxes and other charges thereon, conditioned for exportation thereof or payment of the corresponding duties, taxes and other charges within three (3) months from the date of acceptance of the goods declaration: Provided, That the Bureau may extend the time for exportation or payment of duties, taxes and other charges for a term not	CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Posting of security	SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.	<p>exceeding three (3) months from the expiration of the original period; and technical and scientific films when imported by technical, cultural and scientific institutions, and not to be exhibited for profit: Provided, Further, That if any of the films is exhibited for profit, the proceeds therefrom, shall be subject to confiscation, in addition to the penalty provided under the CMTA;</p> <p>(k) Goods brought by foreign film producers directly and exclusively used for making or recording motion picture films on location in the Philippines, upon their identification, examination and appraisal and the giving of a security in an amount equal to one hundred percent (100%) of the ascertained duties, taxes and other charges thereon, conditioned for exportation thereof or payment of the corresponding duties, taxes and other charges within three (3) months from the date of acceptance of the goods declaration, unless extended by the District Collector for another three (3) months; photographic and cinematographic films, underdeveloped, exposed outside the Philippines by resident Filipino citizens or by producing companies of Philippine registry where the principal actors and artists employed for the production are Filipinos, upon affidavit by the importer and identification that such exposed films are the same films previously exported from the Philippines. As used in this paragraph, the terms "actors" and "artists" include the persons</p>	CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Posting of security	SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.	(n) Containers, holders and other similar receptacles of any material including kraft paper bags for locally manufactured cement for export, including corrugated boxes for bananas, mangoes, pineapples and other fresh fruits for export, except other containers made of paper, paperboard and textile fabrics, which are of such character as to be readily identifiable and/or reusable for shipment or transportation of goods shall be delivered to the importer thereof upon identification, examination and appraisal and the giving of a security in an amount equal to one hundred percent (100%) of the ascertained duties, taxes and other charges thereon, within six (6) months from the date of acceptance of the goods declaration;	CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)	Collection District
Posting of security	SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.	(r) Samples of the kind, in such quantity and of such dimension or construction as to render them unsaleable or of no commercial value; models not adapted for practical use; and samples of medicines, properly marked "sample-sale punishable by law", for the purpose of introducing new goods in the Philippine market and imported only once in a quantity sufficient for such purpose by a person duly registered and identified to be engaged in that trade: Provided, That importations under this subsection shall be	CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>previously authorized by the Secretary of Finance: Provided, However, That importation of sample medicines shall have been previously authorized by the Secretary of Health, and that such samples are new medicines not available in the Philippines: Provided, Further, That samples not previously authorized or properly marked in accordance with this section shall be levied the corresponding tariff duty.</p> <p>Commercial samples, except those that are not readily and easily identifiable as in the case of precious and semi-precious stones, cut or uncut, and jewelry set with precious or semi-precious stones, the value of any single importation of which does not exceed FCA value of fifty thousand pesos (P50,000.00) upon the giving of a security in an amount equal to the ascertained duties, taxes and other charges thereon, conditioned for the exportation of said samples within three (3) months from the date of the acceptance of the goods declaration or in default thereof, the payment of the corresponding duties, taxes and other charges: Provided, That if the FCA value of any single consignment of such commercial samples exceeds fifty thousand pesos (P50,000.00), the importer thereof may select any portion of the same not exceeding the FCA value of fifty thousand pesos (P50,000,00) for entry under the provision of this subsection, and the excess of the consignment may be entered in bond, or for consumption, as the importer may elect:</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOS	Responsible Office/s
Posting of security	SECTION 800. Conditionally Tax and/or Duty-Exempt Importation.	<p>Provided, Further, That every three (3) years after the effectivity of the CMTA, the Secretary of Finance shall adjust the amount herein stated to its present value using the CPI as published by the PSA.</p> <p>(z) Trailer chassis when imported by shipping companies for their exclusive use in handling containerized cargo, upon posting a security in an amount equal to one hundred percent (100%) of the ascertained duties, taxes and other charges due thereon, to cover a period of one (1) year from the date of acceptance of the entry, which period, for meritorious reasons, may be extended by the Commissioner from year to year, subject to the following conditions:</p> <p>(1) That they shall be properly identified and registered with the Land Transportation Office (LTO);</p> <p>(2) That they shall be subject to customs supervision fee to be fixed by the District Collector and subject to the approval of the Commissioner;</p> <p>(3) That they shall be deposited in the customs territory when not in use; and</p> <p>(4) That upon the expiration of the period prescribed above, duties and taxes shall be paid unless otherwise reexported.</p>	CAO 6-2020 Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA Excluding Subsections (F) and (G)	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Posting of security	SECTION 801. Establishment and Supervision of Customs Bonded Warehouses.	<p>Goods manufactured in whole or in part of imported materials, and intended for exportation, may be made and manufactured in a bonded manufacturing warehouse subject to the following conditions;</p> <p>The manufacturer shall file sufficient security for the faithful observance of all laws, rules and regulations applicable thereto;</p>	<p>CAO 9-2019 Establishment, Maintenance and Operations of Customs Facilities and Warehouses</p> <p>CAO 13-2019 Customs Bonded Warehouses (CBW)</p>	Collection District
Liability in case of loss of goods stored in CBW or CFW	SECTION 805. Responsibility of Operators.	<p>The operator of a CBW or CFW shall comply with the customs requirements on establishment, security, suitability and management, including stock-keeping and accounting of the goods, of the CBW or CFW. Upon lawful demand, the operator of a CBW or CFW shall allow authorized representatives of the Bureau access to the premises at a reasonable time, and to all documents, books and records of accounts pertaining to the operations of the CBW or CFW.</p> <p>In case of loss of the goods stored in a CBW or CFW due to operator's gross negligence or willful misconduct, the operator shall be liable for the payment of duties and taxes due thereof. The government assumes no legal responsibility over the safekeeping of goods stored in any customs warehouse, yard or premises.</p>	<p>CAO 9-2019 Establishment, Maintenance and Operations of Customs Facilities and Warehouses</p> <p>CAO 13-2019 Customs Bonded Warehouses (CBW)</p>	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Liability to pay duties and taxes on dutiable goods in the CFW or CBW in case of discontinuance</p>	<p>SECTION 807. Discontinuance of CBW and CFW.</p>	<p>The use of any CBW and CFW may be discontinued by the District Collector when conditions so warrant, or upon receipt of a written request from the operator thereof: Provided, That all the requirements of the laws and regulations have been complied with by said operator. Where dutiable goods are stored in such premises, the same must be removed at the risk and expense of the operator: Provided, However, That the premises shall not be relinquished, and its use shall discontinued until after a careful examination of the account of the warehouse shall have been made. Discontinuance of the use of any warehouse shall be effective upon approval thereof by the District Collector who shall, within ten (10) days, inform the Commissioner of such action in writing.</p> <p>Notice of discontinuance made by the operator shall not result in the discharge from any duties, taxes, fees and other charges imposed on dutiable goods in said warehouse.</p>	<p>CAO 9-2019 Establishment, Maintenance and Operations of Customs Facilities and Warehouses</p> <p>CAO 13-2019 Customs Bonded Warehouses (CBW)</p>	<p>Collection District</p> <p>Collection District</p>
<p>Posting of security</p>	<p>SECTION 808. Warehousing Security on Goods Stored in CBWs.</p>	<p>For goods declared in the entry for warehousing in CBWs, the District Collector shall require the importer to post a sufficient security equivalent to the computed duties, taxes and other charges, conditioned upon the withdrawal of the goods within the period prescribed by Section 81.1 of the CMTA or the payment of duties, taxes and other charges and compliance with all importation requirements.</p>	<p>CAO 13-2019 Customs Bonded Warehouses (CBW)</p>	<p>Collection District</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Abandonment for failure to withdraw goods from CBW	SECTION 811. Period of Storage in CBWs.	<p>Goods entered for warehousing may remain in a CBW for a maximum period of one (1) year from the time of its arrival thereat. For perishable goods, the storage period shall be three (3) months from the date of arrival, extendible for valid reasons, and upon written request, to another three (3) months. Goods not withdrawn after the expiration of the prescribed period shall be deemed as abandoned, as provided under Section 1129³ of the CMTA.</p> <p>The Commissioner shall, in consultation with the Secretary of Trade and Industry, establish a reasonable storage period limit beyond one (1) year for bonded goods for manufacturing and intended for export, the processing into finished products of which requires a longer period based on industry standard and practice, subject to the approval of the Secretary of Finance.</p>	CAO 13-2019 Customs Bonded Warehouses (CBW)	Collection District
Penalty for falsification or perjury for issuance of certification in support of an application for abatement or refund of duty on missing package	SECTION 906. Abatement or Refund of Duty on Missing Package.	When any package appearing on the manifest or bill of lading or airway bill is missing, an abatement or refund of the duty shall be made if it is certified by the importer or consignee, under pain of penalty for falsification or perjury, and upon production of proof satisfactory to the Collector concerned, that the package in question has not been unlawfully imported into the Philippines.	CAO 4-2019 Duty Drawback, Refund and Abatement	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Penalty for falsification or perjury for issuance of certification in support of an application for abatement or refund of duty on deficiency in contents of packages</p>	<p>SECTION 907. Abatement or Refund for Deficiency in Contents of Packages.</p>	<p>If, upon opening of any package, a deficiency in the quantity of the goods is found to exist based upon the invoice, such deficiency shall be certified, under pain of penalty for falsification or perjury, by the customs officers concerned and upon the production of proof showing that the shortage occurred before the arrival of the goods in the Philippines. Upon sufficient proof thereof, the proper abatement or refund of the duty shall be made.</p>	<p>CAO 4-2019 Duty Drawback, Refund and Abatement</p>	<p>Collection District</p>
<p>Penalty for falsification or perjury for issuance of certification in support of an application for abatement of duty on dead or injured animals</p>	<p>SECTION 910. Abatement of Duty on Dead or Injured Animals.</p>	<p>Where it is certified, under pain of penalty for falsification or perjury, and upon production of proof satisfactory to the Bureau that an animal subject of importation dies or suffers injury before arrival, or while in customs custody, the duty due thereon shall be abated provided that its carcass on board or in customs custody is removed in the manner required by the Bureau and at the expense of the importer.</p>	<p>CAO 4-2019 Duty Drawback, Refund and Abatement</p>	<p>Collection District</p>
<p>Penalty for falsification or perjury for issuance of certification in support of an application for refund arising from correction of manifest clerical errors</p>	<p>SECTION 912. Refund Arising from Correction of Errors.</p>	<p>Manifest clerical errors made on an invoice or entry, errors in return of weight, measure and gauge, when duly certified under penalties of falsification or perjury by the surveyor or examining officer when there are such officers at the port, and errors in the distribution of charges on invoices not involving any question of law and certified under penalties of falsification or perjury by the examining customs officer, may be corrected in the computation of duties, if such errors are discovered before the payments of duties, or if</p>	<p>CAO 4-2019 Duty Drawback, Refund and Abatement</p>	<p>Collection District</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Criminal and administrative sanction for contumacious refusal to give full and free access to premises and records	SECTION 1002. Access to Records.	<p>discovered within one (1) year after release from customs custody of imported goods upon written request and notice of error from the importer, or upon statement of error certified by the District Collector, For the purpose of correcting errors specified in the next preceding paragraph, the Bureau is authorized to make refunds within the statutory time limit.</p> <p>Any authorized officer of the Bureau shall be given by the importer and customs broker full and free access to the premises where the records are kept, to conduct audit examination, inspection, verification, and investigation of those records relevant to such investigation or inquiry.</p> <p>A copy of any document certified by or on behalf of the importer is admissible in evidence in all courts as if it were the original copy.</p> <p>A customs officer is not entitled to enter the premises under this section unless, before so doing, the officer produces to the person occupying or apparently in charge of the premises written evidence of the fact of being duly authorized. The person occupying or apparently in charge of the premises entered by an officer shall provide the officer with all reasonable facilities and assistance for the effective exercise of the officer's authority under this section.</p> <p>Unless otherwise provided herein or in other provisions of law, the Bureau may, in case of</p>	<p>CAO 1-2019 Post Clearance Audit and Prior Disclosure Program</p> <p>CAO 5-2019 Rules and Regulations Governing the Registration of Customs Brokers Transacting with the Bureau of Customs and for Other Purposes.</p>	<p>PCAG</p> <p>IG</p> <p>RCMG</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>disobedience, invoke the aid of the proper regional trial court within whose jurisdiction the matter falls. The court may punish contumacy or refusal as contempt. In addition, the fact that the importer or customs broker denies the authorized customs officer full and free access to importation records during the conduct of a post clearance audit shall create a presumption of inaccuracy in the transaction value declared for their imported goods and constitute grounds for the Bureau to conduct a reassessment of such goods.</p> <p>In addition, the imposition of the appropriate criminal sanctions provided under the CMTA and other administrative sanctions may be concurrently invoked against contumacious importers, including the suspension of the delivery or release of their imported goods.</p>		
<p>Failure to pay correct duties and taxes as found after post clearance audit and examination</p>	<p>SECTION 1005. Failure to Pay Correct Duties and Taxes on Imported Goods.</p>	<p>Any person who, after being subjected to post clearance audit and examination as provided in Section 1000⁴ of the CMTA, is found to have incurred deficiencies in duties and taxes paid for imported goods, shall be penalized according to two (2) degrees of culpability subject to any mitigating, aggravating, or extraordinary factors that are clearly established by available evidence as described hereunder:</p> <p>(a) Negligence.— When a deficiency results from an offender's failure, through an act or acts of omission or commission, to exercise</p>	<p>CAO 1-2019 Post Clearance Audit and Prior Disclosure Program</p>	<p>PCAG</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>reasonable care and competence in ensuring that a statement made is correct, the offender shall be charged for committing negligence, and, if found guilty shall be penalized with a fine equivalent to one hundred twenty-five percent (125%) of the revenue loss; Provided, That subject to Section 108⁵ of the CMTA, no substantial penalty shall be imposed on an inadvertent error amounting to simple negligence, as defined by rules promulgated by the Secretary of Finance, upon recommendation of the Commissioner;</p> <p>(b) Fraud.— When the material false statement or act in connection with the transaction was committed or omitted knowingly, voluntarily and intentionally, as established by clear and convincing evidence, the offender who is charged for committing fraud and is found guilty thereof, shall be penalized with a fine equivalent to six (6) times of the revenue loss and/or imprisonment of not less than two (2) years, but not more than eight (8) years. The decision of the Commissioner, upon proper hearing, to impose penalties as prescribed in this section may be appealed in accordance with Section 1104⁶ of the CMTA.</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Seizure of goods	SECTION 1111. Alert Orders.	Alert orders are written orders issued by customs officers as authorized by the Commissioner on the basis of derogatory information regarding possible noncompliance with the CMTA. An alert order will result in the suspension of the processing of the goods declaration and the conduct of physical or nonintrusive inspection of the goods within forty-eight (48) hours from issuance of the order. Within forty-eight (48) hours or, in the case of perishable goods, within twenty-four (24) hours from inspection, the alerting officer shall recommend the continuance of processing of goods in case of a negative finding, or issuance of a warrant of seizure and detention if a discrepancy between the declaration and actual goods is found. The Bureau's information system shall immediately reflect the imposition or lifting of an alert order.	CAO 7-2019 Pre-Lodgement Control Order and Alert Order CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process	Collection District IG EG Office of the Commissioner Collection District RCMG Office of the Commissioner
Seizure and forfeiture of goods	SECTION 1113. Property Subject to Seizure and Forfeiture.	Property that shall be subject to seizure and forfeiture include: (a) Any vehicle, vessel or aircraft, including cargo, which shall be used unlawfully in the importation or exportation of goods or in conveying or transporting smuggled goods in commercial quantities into or from any Philippine port or place. The mere carrying or holding on board of smuggled goods in commercial quantities shall subject such vehicle, vessel, aircraft, or any other craft to forfeiture: Provided, That the vehicle, vessel, aircraft or any other craft is not used as a	CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>common carrier which has been chartered or leased for purposes of conveying or transporting persons or cargo;</p> <p>(b) Any vessel engaging in the coastwise trade which shall have on board goods of foreign growth, produce, or manufacture in excess of the amount necessary for sea stores, without such goods having been properly entered or legally imported;</p> <p>(c) Any vessel or aircraft into which shall be transferred cargo unloaded contrary to law prior to the arrival of the importing vessel or aircraft at the port of destination;</p> <p>(d) Any part of the cargo, stores, or supplies of a vessel or aircraft arriving from a foreign port which is unloaded before arrival at the vessel's or aircraft's port of destination and without authority from the customs officer; but such cargo, ship, or aircraft stores and supplies shall not be forfeited if such unloading was due to accident, stress of weather, or other necessity and is subsequently approved by the District Collector;</p> <p>(e) Goods which are fraudulently concealed in or removed contrary to law from any public or private warehouse, container yard, or container freight station under customs supervision;</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>(f) Goods, the importation or exportation of which are effected or attempted contrary to law, or any goods of prohibited importation or exportation, and all other goods which, in the opinion of the District Collector, have been used, are or were entered to be used as instruments in the importation or the exportation of the former;</p> <p>(g) Unmanifested goods found on any vessel or aircraft if manifest therefor is required;</p> <p>(h) Sea stores or aircraft stores adjudged by the District Collector to be excessive, when the duties and taxes assessed by the District Collector thereon are not paid or secured forthwith upon assessment of the same;</p> <p>(i) Any package of imported goods which is found upon examination to contain goods not specified in the invoice or goods declaration including all other packages purportedly containing imported goods similar to those declared in the invoice or goods declaration to be the contents of the misdeclared package;</p> <p>(j) Boxes, cases, trunks, envelopes, and other containers of whatever character used as receptacle or as device to conceal goods which are subject to forfeiture under the CMTA or which are so designed as to conceal the character of such goods;</p> <p>(k) Any conveyance actually used for the transport of goods subject to forfeiture under</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>the CMTA, with its equipage or trappings, and any vehicle similarly used, together with its equipment and appurtenances. The mere conveyance of smuggled goods by such transport vehicle shall be sufficient cause for the outright seizure and confiscation of such transport vehicle but the forfeiture shall not be effected if it is established that the owner of the means of conveyance used as aforesaid, is engaged as common carrier and not chartered or leased, or that the agent in charge thereof at the time, has no knowledge of the unlawful act; and</p> <p>(1) Goods sought to be imported or exported: (1) Without going through a customs office, whether the act was consummated, frustrated, or attempted; (2) Found in the baggage of a person arriving from abroad and undecleared by such person; (3) Through a false declaration or affidavit executed by the owner, importer, exporter, or consignee concerning the importation of such goods; (4) On the strength of a false invoice or other document executed by the owner, importer, exporter, or consignee concerning the importation or exportation of such goods; or (5) Through any other practice or device contrary to law by means of which such goods entered through a customs office to the prejudice of the government.</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Conditions Affecting Forfeiture of Goods</p>	<p>SECTION 1115. Conditions Affecting Forfeiture of Goods.</p>	<p>The forfeiture shall be effected only when and while the goods are in the custody or within the jurisdiction of customs officers, or in the possession or custody of or subject to the control of the importer, exporter, original owner, consignee, agent of another person effecting the importation, entry or exportation in question, or in the possession or custody of or subject to the control of persons who shall receive, conceal, buy, sell, or transport the same, or aid in any of such acts, with knowledge that the goods were imported, or were the subject of an attempt at importation or exportation contrary to law.</p>	<p>CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process</p>	<p>Collection District</p>
<p>Seizure or Release of Goods</p>	<p>SECTION 1116. Seizure or Release of Goods.</p>	<p>The District Collector shall issue an order of release or a warrant of seizure within five (5) days, or two (2) days in case of perishable goods, upon the recommendation of the alerting officer or any other customs officer. The District Collector shall immediately make a report of such seizure or release to the Commissioner.</p>	<p>CAO 7-2019 Pre-Lodgement Control Order and Alert Order CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process</p>	<p>Collection District Collection District</p>
<p>Warrant of Seizure or Order of Release</p>	<p>SECTION 1117. Warrant of Seizure or Order of Release.</p>	<p>The District Collector shall have the authority to issue a warrant of seizure of the goods upon determination of the existence of probable cause and in case of nonexistence thereof, the issuance of order of release. In case the District Collector issued an order of release, the District Collector shall immediately transmit all the records to the Commissioner who shall automatically review within forty-eight (48) hours, or within twenty-four (24) hours in case</p>	<p>CAO 7-2019 Pre-Lodgement Control Order and Alert Order CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process</p>	<p>Collection District Collection District Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>of perishable goods. When no decision is made by the Commissioner within the prescribed period, the imported goods shall be deemed released.</p> <p>The lifting of the alert order shall be issued by the District Collector only upon the affirmation of the decision of the District Collector by the Commissioner, or after the lapse of the period of review by the Commissioner, whichever is earlier.</p>		
<p>Ipsa facto forfeiture of seized goods belonging to unknown parties</p>	<p>SECTION 1121. Proceedings in Case of Property Belonging to Unknown Parties.</p>	<p>If, within fifteen (15) days after service of warrant, no owner or agent can be found or appears before the District Collector, the seized goods shall be forfeited ipso facto in favor of the government to be disposed of in accordance with the CMTA.</p>	<p>CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process</p>	<p>Collection District</p>
<p>Seizure of Vessel or Aircraft for Delinquency of Owner or Officer.</p>	<p>SECTION 1122. Seizure of Vessel or Aircraft for Delinquency of Owner or Officer.</p>	<p>When the owner, agent, master, pilot in command or other responsible officer of any vessel or aircraft becomes liable for any violation of the CMTA, the vessel or aircraft may be seized and be subjected to forfeiture proceedings for the settlement of any fine or penalty for which such person is liable. In determining whether or not to seize a vessel or aircraft, the Bureau shall take into account the amount of fine or penalty in relation to the commercial impact that be caused to international trade by the seizure or detention as well as the value of the vessel or aircraft.</p>	<p>CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process</p>	<p>Collection District</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Fine or redemption for settlement of seizure case</p>	<p>SECTION 1124. Settlement of Pending Seizure Case by Payment of Fine or Redemption of Forfeited Goods.</p>	<p>Subject to the approval of the Commissioner, the District Collector may allow the settlement by payment of fine or the redemption of forfeited goods, during the course of the forfeiture proceeding. However, the Commissioner may accept the settlement by redemption of any forfeiture case on appeal. No settlement by payment of fine shall be allowed when there is fraud or when the discrepancy in duties and taxes to be paid between what is determined and what is declared amounts to more than thirty percent (30%).</p> <p>In case of settlement by payment of fine, the owner, importer, exporter, or consignee or agent shall offer to pay a fine equivalent to thirty percent (30%) of the landed cost of the seized goods. In case of settlement by redemption, the owner, importer, exporter, or consignee or agent shall offer to pay the redeemed value equivalent to one hundred percent (100%) of the landed cost. Upon payment of the fine or payment of the redeemed value, the goods shall be released and all liabilities which may attach to the goods shall be discharged without prejudice to the filing of administrative or criminal case.</p> <p>Settlement of any seizure case by payment of the fine or redemption of forfeited goods shall not be allowed when there is fraud, or where the importation is prohibited or the release of the goods is contrary to law.</p>	<p>CAO 10-2020 Seizure and Forfeiture Proceedings and Appeals Process</p>	<p>Collection District RCMG Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Abandonment of goods	SECTION 1129. Abandonment, Kinds and Effects of.	<p>Imported goods are deemed abandoned under any of the following circumstances;</p> <p>(a) When the owner, importer, or consignee of the imported goods expressly signifies in writing to the District Collector the intention to abandon the same; or</p> <p>(b) When the owner, importer, consignee, or interested party after due notice, fails to file the goods declaration within the prescribed period in Section 4077 of the CMTA; Provided, That the term goods declaration shall include provisional or incomplete goods declaration deemed valid by the Bureau as provided in Section 4038 of the CMTA. For this purpose, it is the duty of the District Collector to post a list of all packages discharged and their consignees, whether electronically or physically in the District Office, or send a notice to the consignee within five (5) days from the date of discharge; or</p> <p>(c) Having filed such goods declaration, the owner, importer, consignee or interested party after due notice, fails to pay the assessed duties, taxes and other charges thereon, or, if the regulated goods failed to comply with Section 1179 of the CMTA, within fifteen (15) days from the date of final assessment: Provided, That if such regulated goods are subject of an alert order and the assessed duties, taxes and other charges thereof are not paid within fifteen (15) days from notification</p>	CAO 17-2019 Abandonment: Kinds, Effects and Treatment	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>by the Bureau of the resolution of the alert order, the same shall also be deemed abandoned; or</p> <p>(d) Having paid the assessed duties, taxes and other charges, the owner, importer or consignee or interested party after due notice, fails to claim the goods within thirty (30) days from payment. For this purpose, the arrastre or warehouse operator shall report the unclaimed goods to the District Collector for disposition pursuant to the provisions of the CMTA; or</p> <p>(e) When the owner or importer fails to claim goods in customs bonded warehouses within the prescribed period.</p> <p>The due notice requirement under this section may be provided by the Bureau through electronic notice or personal service; Provided, That for non-regular importers, notification shall be by registered mail or personal service. For this purpose, the accreditation of importers, exporters, and other third parties shall include provision for mandatory receipt of electronic notices.</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Distraint of goods and levy upon real property, and civil or criminal action</p>	<p>SECTION 1132. Remedies for the Collection of Duties, Taxes, Fines, Surcharges, Interests, and Other Charges.</p>	<p>The civil remedies for the collection of import duties, taxes, fees, or charges resulting from the conduct of a post clearance audit shall be obtained by:</p> <p>(a) Distraint of goods, chattels, or effects, and other personal property of whatever character, including stocks and other securities, debts, credits, bank accounts, and interest in and rights to personal property, and by levy upon real property and interest in rights to real property; and</p> <p>(b) Civil or criminal action.</p> <p>Either or both of these remedies may be pursued at the discretion of the Bureau; Provided, That the remedies of distraint and levy shall not be allowed when the amount of duties and taxes involved is not more than ten thousand pesos (₱10,000.00).</p> <p>The Bureau shall advance the amounts needed to defray costs of collection by means of civil or criminal action, including the preservation or transportation of personal property distrainted and the advertisement and sale thereof as well as of real property and improvements thereon.</p>	<p>CAO 1-2019 Post Clearance Audit and Prior Disclosure Program</p>	<p>PCAG</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Constructive Distraint of the Property</p>	<p>SECTION 1133. Constructive Distraint of the Property.</p>	<p>To safeguard the interest of the government, the Commissioner may place under constructive distraint the property of a delinquent importer who, in the opinion of the Commissioner, is retiring from any business subject to duty and tax, or is intending to leave the Philippines, or to remove the property therefrom, or to hide or conceal the property, or to perform any act tending to obstruct the proceedings for collecting the duty and tax due, or which may be due.</p> <p>The constructive distraint of personal property shall be effected by requiring the importer or any person in possession or control of such property to sign a receipt covering the property, to obligate to preserve the distrainted property on the state and condition at the time of the government's seizure of the same, and not to dispose of the same in any manner whatsoever, without the express authority of the Commissioner.</p> <p>In case the importer or the person in possession and control of the property sought to be placed under constructive distraint refuses or fails to sign the receipt herein referred to, the customs officer effecting the constructive distraint shall proceed to prepare a list of such property and, in the presence of two (2) witnesses, leave a copy thereof in the premises where the property distrainted is located, after which the said property shall be</p>	<p>CAO 1-2019 Post Clearance Audit and Prior Disclosure Program</p>	<p>PCAG RCMG Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Summary Remedies	SECTION 1134. Summary Remedies	<p>deemed to have been placed under constructive distraint.</p> <p>(A) Distraint of Personal Property.— Upon failure of the person owing any delinquent duty, tax and other charges to pay at the time required, the Commissioner shall seize and distraint the goods, chattels or effects, and the personal property, including stocks and other securities, debts, credits, bank accounts, and interests in and rights to personal property of such persons, in sufficient quantity to satisfy the duty, tax or other charge and the expenses of the distraint and the cost of the subsequent sale.</p> <p>The officer serving the warrant of distraint shall make or cause to be made an account of the goods, chattels, effects, or other personal property distrainted, a copy of which, signed by the said officer, shall be left either with the owner or person from whose possession such goods, chattels, or effects or other personal property were taken, or at the dwelling or other place of business of such person and with someone of suitable age and discretion, to which list shall be added a statement of the sum demanded and note of the time and place of sale.</p> <p>Stocks and other securities shall be distrainted by serving a copy of the warrant of distraint upon the importer and upon the president, manager, treasurer, or other responsible</p>	CAO 1-2019 Post Clearance Audit and Prior Disclosure Program	PCAG RCMG Office of the Commissioner

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>officer of the corporation, company or association, which issued the said stocks or securities.</p> <p>Debts and credits shall be distrained by leaving with the person owing the debts or having in his/her possession or under his/her control such credits, or with his/her agent, a copy of the warrant of distraint. The warrant of distraint shall be sufficient authority to the person owing the debts or having in his possession or under his control any credits belonging to the importer to pay to the Commissioner the amount of such debts of credits.</p> <p>Bank accounts shall be garnished by serving a warrant of garnishment upon the importer and upon the president, manager, treasurer, or other responsible officer of the bank Upon the receipt of the warrant of garnishment, the bank shall turn over to the Commissioner so much of the bank accounts as may be sufficient to satisfy the claim of the government.</p> <p>A report on the distraint shall, within ten (10) days from receipt of the warrant, be submitted by the Commissioner to the Secretary of Finance: Provided, That the Commissioner shall have the power to lift such order of distraint subject to the rules and regulations promulgated pursuant to the CMTA.</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>(B) Levy on Real Property.— After the expiration of the period within which to pay the duty, tax and other charges as prescribed in this section, real property may be levied upon, before, simultaneously, or after the distraint of personal property belonging to the importer. To this end, the Commissioner or the duly authorized representative shall prepare a duly authenticated certificate showing the name of the importer and the amounts of the duty and tax and penalty due. The certificate shall operate with the force of a legal execution throughout the Philippines.</p> <p>The levy shall be effected by writing upon the certificate a description of the property on which levy is made. At the same time, written notice of the levy shall be mailed to or served upon the register of deeds of the province or city where the property is located and upon the importer, or if the latter is not in the Philippines, upon the agent or the manager of the business from which the liability arose, or if there be none, to the occupant of the property in question.</p> <p>In case the warrant of levy on real property is not issued before or simultaneously with the warrant of distraint on personal property, and the personal property of the importer is not sufficient to satisfy the duty and tax due, the Commissioner or a duly authorized representative shall, within thirty (30) days</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Goods Subject to Disposition	SECTION 1139. Goods Subject to Disposition.	<p>after execution of the distraint, proceed with the levy on the real property of the importer. Within ten (10) days after receipt of the warrant, a report on any levy shall be submitted by the levying officer to the Commissioner; Provided, That the Commissioner may lift such warrants of levy issued, subject to the rules and regulations promulgated pursuant to the CMTA.</p>	CAO 3-2020 Disposition of Seized, Abandoned and Forfeited Goods in Customs Custody	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Boarding and leaving of incoming vessel without permission; Going alongside incoming vessel without permission;</p>	<p>SECTION 1202. Control of Customs Officer Over Boarding or Leaving of Incoming Vessel and Over Other Vessel Approaching the Former.</p>	<p>Upon the arrival in port of any vessel engaged in foreign trade, it shall be unlawful for any person, except the pilot, consul, quarantine officers, customs officers, or other duly authorized persons, to board or leave the vessel without permission of the customs officer concerned. It shall likewise be unlawful for any tugboat, rowboat, or other craft to go alongside such vessel and for any person so authorized to board the vessel to take any unauthorized person to board the same, or allow loitering near or alongside such vessel. Unauthorized tugboats and other vessels shall keep away from such vessel engaged in foreign trade at a distance of not less than fifty (50) meters.</p>	<p>CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p>	<p>Collection District</p>
<p>Arrest of Vessel or Aircraft Departing Before Entry Made</p>	<p>SECTION 1209. Arrest of Vessel or Aircraft Departing Before Entry Made.</p>	<p>When a vessel or aircraft arriving within the limits of a Customs District from a foreign port departs or attempts to depart before entry shall have been made, not being thereunto compelled by stress of weather, duress of enemies, or other necessity, the District Collector of the port may cause the arrest and bring back such vessel or aircraft to the most convenient port with the assistance of other concerned agencies.</p>	<p>CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p>	<p>Collection District</p>
<p>Time of Unloading Cargo</p>	<p>SECTION 1211. Time of Unloading Cargo.</p>	<p>Unloading of cargo from a vessel or aircraft from a foreign port during official nonworking hours shall be allowed subject to payment of service fees by shipping lines, airlines, or other interested parties at rates prescribed by the Commissioner.</p>	<p>CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p>	<p>Collection District</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Unloading of Vessel in Port from Necessity	SECTION 1213. Unloading of Vessel in Port from Necessity.	<p>If a situation arises where the unloading of the vessel is required pending sojourn in port, the District Collector shall, upon sufficient proof of the necessity, grant a permit therefore, and the goods shall be unloaded and stored under the supervision of customs officers.</p> <p>At the request of the master of the vessel or the owner thereof, the District Collector may grant permission to enter the port and pay duties, taxes and other charges on, and dispose of, such part of the cargo as may be perishable in nature or as may be necessary to defray the expenses attending the vessel.</p> <p>Upon departure, the cargo, or a part thereof, may be reloaded on board the vessel, and the vessel may proceed with the same to its destination, subject only to the charge for storing and safekeeping of the goods and the fees for entrance and clearance. No port charges shall be collected on vessels entering through stress of weather, duress or other urgent necessities.</p>	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Detention of Warlike Vessel Containing Arms and Munitions</p>	<p>SECTION 1216. Detention of Warlike Vessel Containing Arms and Munitions.</p>	<p>District Collectors shall report to the proper authorities or detain any vessel of commercial registry manifestly built for warlike purposes and about to depart from the Philippines with a cargo consisting principally of arms and munitions of war, when the number of men shipped on board or other circumstances render it probable that such vessel is intended to be employed by the owner or owners to cruise or commit hostilities upon the subjects, citizens, or property of any foreign principality or state, or of any colony, district, or people with whom the Philippines is at peace, until the decision of the President of the Philippines is rendered thereon, or until the owner or owners shall give a security, in double the value of the vessel and cargo, that it will not be so employed, if in the discretion of the District Collector such security will prevent the violation of the provisions of this section.</p>	<p>CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p>	<p>Collection District</p>
<p>Landing at International Airport of Entry</p>	<p>SECTION 1220. Landing at International Airport of Entry.</p>	<p>Except in case of emergency or forced landings, aircraft arriving in the Philippines from any foreign port or place shall make the first landing at an international airport of entry, unless permission to land elsewhere other than at an international airport of entry is first obtained from the Commissioner. In such cases, the owner, operator, or person in charge of the aircraft shall pay the expenses incurred in inspecting the aircraft, goods, passengers, and baggage carried thereon, and such aircraft shall be subject to the authority</p>	<p>CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p>	<p>Collection District</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Report of Arrival and Entry of Aircraft	SECTION 1221. Report of Arrival and Entry of Aircraft.	<p>of the District Collector at the airport while within its jurisdiction.</p> <p>Should an emergency or forced landing be made by an aircraft coming into the Philippines at a place outside the jurisdiction of the latter, the pilot-in-command shall not allow goods, baggage, passenger, or crew member to be removed or to depart from the landing place without permission of a customs officer, unless such removal or departure is necessary for purposes of safety, communication with customs officers, or preservation of life, health, or property. As soon as practicable, the pilot-in-command, or a member of the crew-in-charge, or the owner of the aircraft, shall communicate with the customs officer at the intended place of first landing or at the nearest international airport or other customs port of entry in the area and make a full report of the circumstances of the flight and of the emergency or forced landing.</p>	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Supervision and Regulation of Third Parties	SECTION 1226. Supervision and Regulation of Third Parties.	<p>permission of the customs officer. The pilot-in-command or any other authorized agent of the owner or operator of the aircraft shall make the necessary entry. No such aircraft shall, without previous permission from the District Collector, depart from the place of first landing or discharge goods, passengers, or baggage.</p> <p>Third parties transacting with the Bureau on behalf of importers and consignees shall be treated equally as true importers or consignees.</p> <p>Third parties transacting with the Bureau shall be liable for acts committed in violation of the CMTA and related laws.</p> <p>Upon the recommendation of the Commissioner, the Secretary of Finance shall issue rules and regulations to govern and regulate the conduct of all third parties dealing directly with the Bureau in relation to the importation, exportation, movement, storage and clearance of goods for and on behalf of another person. The rules and regulations shall provide for specific conditions when third parties may or may not directly transact with the Bureau and shall provide a written notice in case such third parties are, for valid reasons, barred from transacting with the Bureau. Third party is defined under Section 102(uu)¹¹ of the CMTA. For purposes of this section, third parties may also refer to logistics providers, importers, exporters, carriers,</p>	CAO 6-2019 Registration of other Third Parties	IG EG

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Misdeclaration, Misclassification, Undervaluation in Goods Declaration</p>	<p>SECTION 1400. Misdeclaration, Misclassification, Undervaluation in Goods Declaration.</p>	<p>airlines, shipping lines, shipping agents, forwarders, consolidators, port and terminal operators, and warehouse operators, if such persons or entities transacted with the Bureau.</p> <p>Misdeclaration as to quantity, quality, description, weight, or measurement of the goods, or misclassification through insufficient or wrong description of the goods or use of wrong tariff heading resulting to a discrepancy in duty and tax to be paid between what is legally determined upon assessment and what is declared, shall be subject to a surcharge equivalent to two hundred fifty percent (250%) of the duty and tax due. No surcharge shall be imposed when the discrepancy in duty is less than ten percent (10%), or when the declared tariff heading is rejected in a formal customs dispute settlement process involving difficult or highly technical question of tariff classification, or when the tariff classification declaration relied on an official government ruling.</p> <p>There is undervaluation when: (a) the declared value fails to disclose in full the price actually paid or payable or any dutiable adjustment to the price actually paid or payable; or (b) when an incorrect valuation method is used or the valuation rules are not properly observed, resulting in a discrepancy in duty and tax to be paid between what is legally determined as the correct value against the declared value. When the undervaluation is established without the</p>	<p>CAO 1-2020 Fines and Surcharges for Clerical Errors, Misdeclaration, Misclassification and Under-Invoicing or Under-Declaration of Value</p>	<p>Collection District RCMG</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>need to go through the formal dispute settlement process provided for in the CMTA, a surcharge shall be imposed equivalent to two hundred fifty percent (250%) of the duty and tax due. No surcharge shall be imposed when the discrepancy in duty is less than ten percent (10%), or the declared value is rejected as a result of an official ruling or decision under the customs dispute settlement process involving difficult or highly technical question relating to the application of customs valuation rules.</p> <p>A discrepancy in duty and tax to be paid between what is legally determined and what is declared amounting to more than thirty percent (30%) shall constitute a prima facie evidence of fraud.</p> <p>When the misdeclaration, misclassification or undervaluation is intentional or fraudulent, such as when a false or altered document is submitted or when false statements or information are knowingly made, a surcharge shall be imposed equivalent to five hundred percent (500%) of the duty and tax due and that the goods shall be subject to seizure regardless of the amount of the discrepancy without prejudice to the application of fines or penalties provided under Section 1401 of the CMTA against the importer and other person or persons who willfully participated in the fraudulent act.</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Unlawful Importation or Exportation	SECTION 1401. Unlawful Importation or Exportation.	<p>Any person who shall fraudulently import or export or bring into or outside of the Philippines any goods, or assist in so doing, contrary to law, or shall receive, conceal, buy, sell, or in any manner facilitate the transportation, concealment, or sale of such goods after importation, or shall commit technical smuggling as defined in the CMTA shall be penalized by:</p> <p>(a) Imprisonment of not less than thirty (30) days and one (1) day but not more than six (6) months, or a fine of not less than twenty-five thousand pesos (₱25,000.00) but not more than seventy-five thousand pesos (₱75,000.00), or both, if the appraised value of the goods unlawfully imported, to be determined in the manner prescribed under the CMTA, including duties and taxes, of the goods unlawfully imported does not exceed two hundred fifty thousand pesos (₱250,000.00);</p> <p>(b) Imprisonment of not less than six (6) months and one (1) day but not more than one (1) year, or a fine of not less than seventy-five thousand pesos (₱75,000.00) but not more than one hundred fifty thousand pesos (₱150,000.00), or both, if the appraised value of the goods unlawfully imported, to be determined in the manner prescribed under the CMTA, including duties and taxes, exceeds two hundred fifty thousand pesos</p>	<p>CAO 1-2018 Amended Rules on Consolidated Shipment of "Balikbayan Boxes"</p> <p>CAO 5-2019 Rules and Regulation Governing the Registration of Customs Brokers Transacting with the Bureau of Customs and for Other Purposes</p> <p>CAO 12-2019 Transshipment of Cargoes</p> <p>CAO 13-2019 Customs Bonded Warehouses (CBW)</p> <p>CAO 1-2020 Fines and Surcharges for Clerical Errors, Misdeclaration, Misclassification and Under- Invoicing or</p>	<p>RCMG IG EG Office of the Commissioner</p> <p>IG RCMG Office of the Commissioner</p> <p>RCMG IG EG Office of the Commissioner</p> <p>RCMG IG EG Office of the Commissioner</p> <p>RCMG IG EG Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>(P250,000.00) but not more than five hundred thousand pesos (P500,000.00);</p> <p>(c) Imprisonment of not less than one (1) year and one (1) day but not more than three (3) years, or a fine of not less than one hundred fifty thousand pesos (P150,000.00) but not more than three hundred thousand pesos (P300,000.00) or both, if the appraised value of the goods unlawfully imported, to be determined in the manner prescribed under the CMTA, including duties and taxes, exceeds five hundred thousand pesos (P500,000.00) but not more than one million pesos (P1,000,000.00);</p> <p>(d) Imprisonment of not less than three (3) years and one (1) day but not more than six (6) years, or a fine of not less than three hundred thousand pesos (P300,000.00) but not more than one million five hundred thousand pesos (P1,500,000.00), or both, if the appraised value of the goods unlawfully imported, to be determined in the manner prescribed under the CMTA, including duties and taxes, exceeds one million pesos (P1,000,000.00) but not more than five million pesos (P5,000,000.00);</p> <p>(e) Imprisonment of not less than six (6) years and one (1) day but not more than twelve (12) years, or a fine of not less than one million five hundred thousand pesos (P1,500,000.00) but not more than fifteen million pesos</p>	<p>Under-Declaration of Value</p> <p>CAO 9-2020 Clearance Procedures for Goods Entered for Consumption under the Formal Entry Process</p>	<p>RCMG IG EG Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>(P15,000,000.00), or both, if the appraised value of the goods unlawfully imported, to be determined in the manner prescribed under the CMTA, including duties and taxes, exceeds five million pesos (P5,000,000.00) but not more than fifty million pesos (P50,000,000.00);</p> <p>(f) Imprisonment of not less than twelve (12) years and one (1) day but not more than twenty (20) years, or a fine of not less than fifteen million pesos (P15,000,000.00) but not more than fifty million pesos (P50,000,000.00), or both, if the appraised value of the goods unlawfully imported, to be determined in the manner prescribed under the CMTA, including duties and taxes, exceeds fifty million pesos (P50,000,000.00) but not more than two hundred million pesos (P200,000,000.00);</p> <p>(g) If the appraised value of the goods unlawfully imported to be determined in the manner prescribed under the CMTA, including duties and taxes, exceeds two hundred million pesos (P200,000,000.00) or if the aggregate amount of the appraised value of the goods which are the subject of unlawful importation committed in more than one instance, including duties and taxes, exceeds two hundred million pesos (P200,000,000.00), the same shall be deemed as a heinous crime and shall be punishable with a penalty of reclusion perpetua and a fine of not less than fifty million pesos (P50,000,000.00); and</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOS	Responsible Office/s
		<p>(h) The penalty of prison mayor shall be imposed when the crime of serious physical injuries shall have been committed, and the penalty of reclusion perpetua shall be imposed when the crime of homicide shall have been committed by reason or on the occasion of the unlawful importation.</p> <p>In applying the above scale of penalties, an offender who is a foreigner shall be deported without farther proceedings after serving the sentence. If the offender is a public officer or employee, the penalty which is the next higher in degree shall be imposed in addition to the penalty of perpetual disqualification from public office, and disqualification to vote and to participate in any public election. If the offender fails to pay the fine, subsidiary imprisonment shall be served.</p> <p>When, upon trial for violation of this section, the defendant is shown to have had possession of the goods in question, possession shall be deemed sufficient evidence to authorize conviction unless the defendant shall explain the possession to the satisfaction of the court: Provided, That each act of unlawful importation or exportation shall be deemed as a separate offense: Provided, However, That payment of the tax due after apprehension shall not constitute a valid defense in any prosecution under this section; Provided, Further, That outright smuggling shall also be punishable under this section; Provided,</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Failure or Refusal of Party to Give Evidence or Submit Documents for Assessment</p>	<p>SECTION 1402. Failure or Refusal of Party to Give Evidence or Submit Documents for Assessment.</p>	<p>Finally, That the rights and privileges provided in the CMTA for the importers, consignees, exporters, service providers, third parties and other third parties who committed this offense shall be revoked.</p> <p>When the owner, importer or consignee of any imported goods, or the agent of either, fails or refuses, upon lawful demand in writing by any customs officer to appear, lawfully depose, or submit to examination or to answer any material question or refuses to produce records, accounts or invoices in possession pertaining to the value, classification or disposition of the goods in question and deemed material in assessing the same, the District Collector shall assess a surcharge of twenty percent (20%) on the dutiable value of the goods which is the subject of the importation.</p>	<p>CAO 1-2019 Post Clearance Audit and Prior Disclosure Program</p>	<p>Collection District PCAG</p>
<p>Other Fraudulent Practices Against Customs Revenue</p>	<p>SECTION 1403. Other Fraudulent Practices Against Customs Revenue.</p>	<p>Any person who makes or attempts to make any entry of imported or exported goods by means of any false or fraudulent statement, document or practice or knowingly and willfully files any false or fraudulent claim for payment of drawback or refund of duties shall, for each act, be punished in accordance with the penalties prescribed in Section 1401¹² of the CMTA.</p>	<p>CAO 9-2020 Clearance Procedures for Goods Entered for Consumption under the Formal Entry Process</p>	<p>RCMG IG EG Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Failure to Declare Baggage	SECTION 1404. Failure to Declare Baggage.	Whenever dutiable goods are not declared by any person arriving within the Philippines, such goods shall be seized and the person may obtain release of such goods, if not imported contrary to any law, upon payment of a surcharge equivalent to thirty percent (30%) of the landed cost of such goods, in addition to all duties, taxes and other charges due. Nothing in this section shall preclude the filing of criminal action against the offender.	CAO 1-2017 Customs Clearance of Accompanied and Unaccompanied Baggage of Travelers and Crew	Collection District
Vessel, Seacraft, or Aircraft Departing Before Undergoing Customs Formalities	SECTION 1405. Vessel, Seacraft, or Aircraft Departing Before Undergoing Customs Formalities.	Any vessel, seacraft, or aircraft arriving within the limits of a Customs District from a foreign port which departs before undergoing customs formalities, without being compelled to do so by stress of weather, pursuit or duress of enemies, or other necessity, shall be liable for a fine of not less than one hundred thousand pesos (₱100,000.00) but not more than three hundred thousand pesos (₱300,000.00).	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District
Obstruction to Boarding Officer	SECTION 1406. Obstruction to Boarding Officer.	If the master or pilot-in-command or any member of the complement of any vessel or aircraft arriving at the Philippine port obstructs or hinders any officer from lawfully going on board such vessel or aircraft for the purpose of enforcing the CMTA, or intentionally causes any officer to be so obstructed or hindered, the vessel or aircraft shall be liable to a fine of not less than one hundred thousand pesos (₱100,000.00) but not more than three hundred thousand pesos (₱300,000.00).	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Unlawful Boarding or Leaving of Vessel or Aircraft	SECTION 1407. Unlawful Boarding or Leaving of Vessel or Aircraft.	If, upon arrival at the Philippine port, any master of a vessel or pilot-in-command of an aircraft engaged in a foreign trade permits any person to board or leave the vessel or aircraft without the permission of the customs officer-in-charge, the owner or operator of such vessel or aircraft shall be liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00).	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District
Unloading of Cargo Before Arrival at Port of Entry	SECTION 1408. Unloading of Cargo Before Arrival at Port of Entry.	If, upon the arrival within the hunts of any Customs District of the Philippines of any vessel or aircraft engaged in foreign trade, the master or pilot-in-command thereof permits any part of the cargo to be unloaded before arrival at the port of entry, and without authority from a proper customs officer, the owner, operator, or agent of such vessel or aircraft shall be liable for a fine of not less five hundred thousand pesos (P500,000.00) but not more than two million pesos (P2,000,000.00); Provided, That no fine shall accrue upon satisfactory proof to the proper District Collector that the unloading was rendered necessary by stress of weather, accident or other necessity: Provided, However, That the fine imposed herein shall be without prejudice to the application of fines or penalties provided under Section 1401 ¹³ of the CMTA.	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Unloading of Cargo at Improper Time or Place After Arrival</p>	<p>SECTION 1409. Unloading of Cargo at Improper Time or Place After Arrival.</p>	<p>The owner or operator of any vessel or aircraft from which cargo is discharged upon arrival in the Philippines at a time or place other than that designated by the District Collector, shall be fined not less one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00); Provided, That no fine shall accrue upon satisfactory proof to the proper District Collector that the unloading was rendered necessary by stress of weather, accident or other necessity.</p>	<p>CAO 12-2019 Transshipment of Cargoes CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p>	<p>Collection District Collection District</p>
<p>Failure to Exhibit or Deposit Documents</p>	<p>SECTION 1410. Failure to Exhibit or Deposit Documents.</p>	<p>When the master of a vessel or pilot-in-command of an aircraft engaged in foreign trade fails to submit to the District Collector at the time of entry of the vessel or aircraft the register or other documents in lieu thereof, together with the clearance and other documents granted by the customs officers to the vessel or aircraft at the last foreign port of departure, or fails to exhibit any certificate or other documents required to be then exhibited, the owner or operator of such vessel or aircraft shall be liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00).</p>	<p>CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p>	<p>Collection District</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Bringing of Unmanifested Arms, Explosives or War Equipment	SECTION 1411. Bringing of Unmanifested Arms, Explosives or War Equipment.	The owner, operator, or agent of a vessel or aircraft arriving at a port in the Philippines bearing cargo consisting of firearms, gunpowder, cartridges, dynamite or any other explosives, munitions or equipment of war not contained in the manifest of the vessel or aircraft, or which are concealed on board, shall be liable for a fine of not less than five hundred thousand pesos (P500,000.00) but not more than one million pesos (P1,000,000.00).	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District
Failure to Supply Advance and Requisite Manifests	SECTION 1412. Failure to Supply Advance and Requisite Manifests.	Failure to transmit the electronic manifest within the required time as may be prescribed by the Bureau, prior to arrival of the carrying vessel or aircraft at the port of entry shall make the owner, operator, or agent of the vessel or aircraft liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00). If the transit time from port of origin to port of entry is at least seventy-two (72) hours, the shipping or forwarding agent of the carrier or the vessel who fails to submit the manifest at least twenty-four (24) hours before entry shall likewise be liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00).	CAO 15-2020 Supervision and Control over Vessels and Aircrafts CAO 12-2019 Transshipment of Cargoes	Collection District Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Disappearance of Manifested Goods	SECTION 1413. Disappearance of Manifested Goods.	<p>When any package or goods mentioned in the manifest meant to be unloaded at the port of destination is not unloaded upon the arrival of the vessel or aircraft, its agent shall be liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00) unless the disappearance of the package or the goods in question was not due to the negligence of the master of the vessel or pilot-in-command of an aircraft, and is explained to the satisfaction of the District Collector.</p> <p>The owner, operator, or agent of a vessel or aircraft shall be liable for the payment of the same fine when a package or goods listed in the manifest does not tally materially in character or otherwise with the description thereof in the manifest.</p>	<p>CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p> <p>CAO 12-2019 Transshipment of Cargoes</p>	<p>Collection District</p> <p>Collection District</p>
Discrepancy Between Actual and Declared Weight of Manifested Goods	SECTION 1414. Discrepancy Between Actual and Declared Weight of Manifested Goods.	<p>If the gross weight of goods or package described in the manifest or bill of lading exceeds the declared weight by more than ten percent (10%), and such discrepancy was due to the negligence of the master or pilot-in-command, the owner, employee, operator or agent of the importing vessel or aircraft shall be liable for a fine of not more than twenty percent (20%) of the value of the package or goods in respect to which the deficiency exists.</p>	<p>CAO 15-2020 Supervision and Control over Vessels and Aircrafts</p>	<p>Collection District</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Discrepancy With the Master's or Pilot's-in-Command Report	SECTION 1415. Discrepancy With the Master's or Pilot's-in-Command Report.	When a vessel or aircraft arriving from a foreign port is compelled by necessity to unload in another port other than the port of entry and permission is granted by the District Collector for the unloading of the vessel or aircraft or the delivery of any part of the cargo and it shall be found that there is discrepancy between the cargo unloaded and the report of the master or the pilot-in-command and such discrepancy is not satisfactorily explained, the owner, operator or agent of the vessel or aircraft shall be liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00).	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District
Failure to Report Fraud	SECTION 1416. Failure to Report Fraud.	A master, pilot-in-command or other officer, owner or agent of any vessel or aircraft trading with or within the Philippines who has knowledge of the commission of fraud that shall result in the loss or diminution of customs revenue but fails to report all information relative thereto to the District Collector shall be penalized with imprisonment of not less than six (6) months and one (1) day but not more than one (1) year and shall be liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00). If the offender is a foreigner, the offender shall be deported after serving the sentence. If the offender is a public officer or employee, the offender shall suffer additional penalty of perpetual disqualification to hold public office,	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District IG EG RCMG Office of the Commissioner

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
False Statement of Vessel's or Aircraft's Destination	SECTION 1417. False Statement of Vessel's or Aircraft's Destination.	<p>to vote and to participate in any election. All the benefits due from service in the government, including the separation and retirement benefits, shall be forfeited.</p> <p>When the master or pilot-in-command of a vessel or aircraft loaded with goods shall make a false statement as to the next destination of such vessel or aircraft when that information is required by a customs officer, the owner or operator of such vessel or aircraft shall be liable for a fine of not less than one hundred thousand pesos (₱100,000.00) but not more than three hundred thousand pesos (₱300,000.00). The arrival of a vessel or aircraft at a different port other than the one it had been originally authorized and cleared for without having been impelled to do so by necessity, shall be prima facie proof that the original statement of the actual destination of the vessel or aircraft was false.</p>	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District
Affixing Seals	SECTION 1418. Affixing Seals.	<p>Any person who, without authority, affixes or attaches a customs seal, fastening, or any mark, or fastening purporting to be a customs seal, to any vessel, aircraft, vehicle, warehouse, or package, shall be penalized with imprisonment of not less than six (6) months and one (1) day but not more than one (1) year, and shall be liable for a fine of not less than one hundred thousand pesos (₱100,000.00) but not more than three hundred thousand pesos (₱300,000.00). If the offender is a foreigner, the offender shall be</p>	Self-Executory	Collection District IG EG RCMG Office of the Commissioner

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Breaking of Seal Placed by Customs Officers	SECTION 1419. Breaking of Seal Placed by Customs Officers.	<p>deported after serving the sentence. If the offender is a public officer or employee, the offender shall suffer an additional penalty of perpetual disqualification to hold public office and disqualification from exercising the right to vote and to participate in any election.</p> <p>If any seal placed by a customs officer upon any vessel or aircraft or compartment thereof, or upon any box, trunk or other package of goods on board is broken, the owner, operator, or agent of the vessel or aircraft shall be liable for a fine of not less than one hundred thousand pesos (₱100,000.00) but not more than three hundred thousand pesos (₱300,000.00) for each broken or destroyed seal.</p>	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District IG EG
Breaking of Lock or Fastening Placed by Customs Officers	SECTION 1420. Breaking of Lock or Fastening Placed by Customs Officers.	<p>If any lock or other fastening device placed, by a customs officer upon any hatch door, or other means of communication in the hold of a vessel or aircraft, or other part thereof for the security of the same during the night time, is unlawfully opened, broken or removed, or if any of the goods contained in the hold or in the other compartments so secured is clandestinely abstracted and landed, the owner, operator, or agent of the vessel or aircraft shall be liable for a fine of not less than one hundred thousand pesos (₱100,000.00) but not more than three hundred thousand pesos (₱300,000.00).</p>	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District IG EG

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Removal, Breakage, and Alteration of Marks	SECTION 1421. Removal, Breakage, and Alteration of Marks.	Any person who, without authority, willfully removes, breaks, injures, defaces or alters any customs seal or other fastening or mark placed upon any vessel, vehicle, on land, sea or air, warehouse or package containing merchandise or baggage in bond or in customs custody, shall be punished with the penalty prescribed in Section 1420 hereof.	CAO 15-2020 Supervision and Control over Vessels and Aircrafts	Collection District IG EG
Unauthorized Withdrawal of Imported Goods from Bonded Warehouse	SECTION 1422. Unauthorized Withdrawal of Imported Goods from Bonded Warehouse.	Any person who causes the unauthorized withdrawal of imported goods stored from a CBW shall be liable for payment of a surcharge of fifty percent (50%) of duties, taxes, customs fees, and charges, found to be due and unpaid. The amount of surcharge shall be added to the duties, taxes and charges due on the goods withdrawn. If the delinquency lasts for more than one (1) year, the surcharge shall be increased by twenty-five percent (25%) of the unpaid duties and taxes annually; Provided, That where the withdrawal is attended with fraud, such as when a fake or altered withdrawal permit is submitted, the warehouse operator shall be held liable under the pertinent provisions of the CMTA, without prejudice to the suspension or revocation of the warehousing privileges granted by the Bureau pursuant to the CMTA.	CAO 13-2019 Customs Bonded Warehouses (CBW)	Collection District

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
<p>Removing or Repacking Goods in Warehouse</p>	<p>SECTION 1423. Removing or Repacking Goods in Warehouse.</p>	<p>Any person who fraudulently conceals, removes, or repacks merchandise in any warehouse or fraudulently alters, defaces, or obliterates any mark or numbers placed upon packages deposited in such warehouse, or shall aid or abet any such acts, shall be punished with the penalties prescribed in Section 1418¹⁴ hereof.</p> <p>Merchandise so concealed, removed, or repacked, or packages upon which marks, numbers or the values thereof have been so altered, defaced, or obliterated shall be forfeited in favor of the government.</p>	<p>CAO 13-2019 Customs Bonded Warehouses (CBW)</p>	<p>Collection District IG EG RCMG Office of the Commissioner</p>
<p>Removing Goods from Customs Custody</p>	<p>SECTION 1424. Removing Goods from Customs Custody.</p>	<p>Any person who enters any warehouse, or any vehicle loaded with or containing merchandise with intent to unlawfully remove therefrom any merchandise or baggage in such vessel, vehicle or warehouse or otherwise in customs custody or control, or any person who receives or transports any merchandise or baggage unlawfully removed from any such vessel, vehicle or warehouse, or shall aid or abet such removal, shall suffer the penalties provided in Section 1401¹⁵ hereof.</p>	<p>CAO 13-2019 Customs Bonded Warehouses (CBW)</p>	<p>Collection District IG EG RCMG Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Failure to Pay Duties, Taxes and Other Charges	SECTION 1425. Failure to Pay Duties, Taxes and Other Charges.	For failure to pay the duties, taxes and other charges of an assessment within fifteen (15) days from the date of final assessment, a surcharge of ten percent (10%) of the total assessed amount or balance thereon shall be added and collected, which surcharge shall be increased to twenty-five percent (25%) if the delinquency lasts for more than one (1) year.	CAO 13-2020 Imposition of Penalties, Surcharges, Interests and other Charges for Lifting, Claiming, or Recovering Part of the Proceeds in the Sale of Impliedly Abandoned Goods	Collection District
Breach of Security	SECTION 1426. Breach of Security.	Upon breach of security required to be filed under the CMTA, the District Collector, subject to the approval of the Commissioner, may accept in satisfaction thereof a smaller sum than that mentioned in the penalty clause of the security, but in no case less than the amount necessary to indemnify the government for the damage occasioned by such breach.	Self-executory	Collection District Office of the Commissioner
Failure to Keep Importation Records and Full Access to Customs Officers	SECTION 1427. Failure to Keep Importation Records and Full Access to Customs Officers.	Any person who fails to keep all the records of importations or books of accounts, business and computer systems and all customs commercial data in the manner prescribed under the CMTA, shall be punished with imprisonment of not less than three (3) years and one (1) day but not more than six (6) years and/or a fine of one million pesos (P1,000,000.00). This penalty shall likewise be imposed against importers and brokers who deny an authorized customs officer full and free access to such records, books of accounts, business and computer systems, and all customs commercial data including payment	CAO 1-2019 Post Clearance Audit and Prior Disclosure Program CAO 5-2019 Rules and Regulations Governing the Registration of Customs Brokers	PCAG Collection District IG EG RCMG Office of the Commissioner IG EG RCMG Office of the Commissioner

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Concealment or Destruction of Evidence of Fraud	SECTION 1428. Concealment or Destruction of Evidence of Fraud.	<p>records, without prejudice to the imposition of the administrative sanctions by the Bureau against contumacious importers, including the authority to hold delivery or release of their imported goods.</p> <p>Any person who willfully conceals or destroys any invoice, book, or document relating to any goods liable to duty after an inspection thereof has been demanded by the District Collector or at any time conceals or destroys any such invoice, book, or document for the purpose of suppressing any evidence of fraud therein contained, shall be penalized with imprisonment of not less than three (3) years and one (1) day but not more than six (6) years and shall be liable for a fine of not less than three hundred thousand pesos (P300,000.00) but not more than one million pesos (P1,000,000.00).</p>	Transacting with the Bureau of Customs and for Other Purposes. Self-Executory	IG EG RCMG Office of the Commissioner
Other Offenses	SECTION 1429. Other Offenses.	<p>The owner or operator of a vessel, aircraft or train shall be liable for a fine for the following acts:</p> <p>(a) For anchoring at any dock, pier, wharf, quay, or bulkhead other than a port of entry, a fine of not less than five hundred thousand pesos (P500,000.00) but not more than one million pesos (P1,000,000.00) for overseas vessels;</p> <p>(b) For dumping of garbage or slops over the sides of the vessel within three (3) miles from</p>	Self-Executory	Collection District IG EG RCMG Office of the Commissioner

Description	Basis	Penalty/Liability/Obligation	Related CAOs	
		<p>the nearest coastline, a fine of not less than one million pesos (P1,000,000.00) but not more than ten million pesos (P10,000,000.00);</p> <p>(c) For dumping or causing to spread crude oil, kerosene, or gasoline in the bay or at the piers within three (3) miles from the nearest coastline, a fine of not less than one million pesos (P1,000,000.00) but not more than ten million pesos (P10,000,000.00) for each, offense;</p> <p>(d) For loading gasoline or any other petroleum products at a place other than that designated by the regulations, a fine of not less than five hundred thousand pesos (P500,000.00) but not more than one million pesos (P1,000,000.00) for each offense;</p> <p>(e) For causing the emission and spread of harmful gas, fumes and chemicals, a fine of not less than one million pesos (P1,000,000.00) but not more than ten million pesos (P10,000,000.00) for each offense; and</p> <p>(f) For transporting hazardous waste, radioactive waste and other toxic substances as provided under the Basel Convention and Republic Act No. 6969, otherwise known as the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990", the penalty shall be forfeiture of the vessel in favor of the government.</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Violations of the CMTA and Rules and Regulations in General	SECTION 1430. Violations of the CMTA and Rules and Regulations in General.	<p>The fines imposed herein shall be without prejudice to the application of fines or penalties provided under special laws and regulations.</p> <p>Any person who violates any other provision of the CMTA or the rules and regulations issued pursuant thereto, shall be penalized with imprisonment of not less than thirty (30) days and one (1) day but not more than one (1) year, or be liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00), or both. If the offender is a foreigner, the offender shall be deported after serving the sentence. If the offender is a public officer or employee, the offender shall be disqualified from holding public office, from exercising the right to vote and to participate in any public election for ten (10) years.</p>	CAO 12-2019 Transshipment of Cargoes	IG EG RCMG Office of the Commissioner
Statutory Offenses of Officers and Employees	SECTION 1431. Statutory Offenses of Officers and Employees.	Every officer, agent, or employee of the Bureau or of any other agency of the government charged with the enforcement of the provisions of the CMTA, who shall be found guilty of any delinquency as described below shall be penalized with imprisonment of not less than six (6) years and one (1) day but not more than twelve (12) years, and perpetual disqualification to hold public office, from exercising the right to vote and to participate in any public election and a fine of not less than five hundred thousand pesos	Self-Executory	IG EG RCMG Office of the Commissioner

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>(P500,000.00); but not more than one million pesos (P1,000,000.00);</p> <p>(a) Extortion or willful oppression under color of law;</p> <p>(b) Knowingly demanding other or greater sums that are authorized by law or receive any fee, compensation, or reward except as by law prescribed, for the performance of any duty;</p> <p>(c) Willfully neglecting to give receipts, as required by law, for any sum collected in the performance of duty, or who willfully neglect to perform any of the duties enjoined by law;</p> <p>(d) Conspiring or colluding with another or others to defraud the customs revenue or otherwise violate the law;</p> <p>(e) Providing an opportunity for any person to defraud the government of customs revenue or failing to do any act with the intent to enable any person to defraud the government of customs revenue;</p> <p>(f) Negligently or designedly permitting the violation of the law by any other person;</p> <p>(g) Making or signing for any false entry or entries in any book, making or signing any false certificate or return in any case where the law requires the making by them of such entry certificate or return;</p> <p>(h) Failing to report knowledge or information to their superior officer about an act or acts of fraud committed in revenue collection as required by law;</p> <p>(i) Demanding or accepting or attempting, without authority, to collect directly or</p>		

Description	Basis	Penalty/ Liability/Obligation	Related CAOs	Responsible Office/s
		<p>indirectly as payment or otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law;</p> <p>(j) Unlawfully disclosing confidential information gained during any investigation or audit, or using such information for personal gain or to the detriment of the government, the Bureau, or third parties.</p> <p>All the benefits due from service in the government, including separation and retirement benefits, of an officer, agent, or employee of the Bureau or of any other agency of the government charged with the enforcement of the provisions of the CMTA found guilty of the foregoing violations shall be forfeited.</p>		
<p>Failure to Report Fraud</p>	<p>SECTION 1432. Failure to Report Fraud.</p>	<p>Any employee of the Bureau who has knowledge of any fraud committed against the government pertaining to customs revenue, and who fails to report all information relative thereto to the District Collector, shall be penalized with imprisonment of not less than six (6) years and one (1) day but not more than twelve (12) years and a fine of not less than five hundred thousand pesos (P500,000.00) but not more than one million pesos (P1,000,000.00). The offender shall suffer the additional penalty of perpetual disqualification to hold public office, to vote and to participate in any election. All the benefits of the offender due from service in the</p>		<p>Collection District IG EG RCMG Office of the Commissioner</p>

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
Liability for Other Offenses	SECTION 1433. Liability for Other Offenses.	<p>government, including separation and retirement benefits, shall be forfeited.</p> <p>The fines and penalties imposed in this chapter shall be without prejudice to the application of fines or penalties provided under Chapter 1 of this title and special laws and regulations.</p>		<p>IG EG RCMG Office of the Commissioner</p>
General Security	SECTION 1506. General Security.	<p>In cases where securities are required to be given under the provisions of the CMTA and related customs laws, the District Collector, instead of requiring separate special security where transactions of a particular party are numerous, may accept general security extending over such periods of time and covering such transactions of the party in question as may be satisfactory to the District Collector.</p>		Collection District
Security	SECTION 1507. Security.	<p>The Bureau shall prescribe the forms and amount of security required to guarantee the payment of duties and taxes and other obligations provided for in the CMTA. Any party required to provide security shall have the option to choose from any form of security prescribed by the Bureau. The Bureau may not require security if satisfied that an obligation to the Bureau will be fulfilled, but shall require and accept a general security from declarants who regularly declare goods at different offices in customs territory under such terms and conditions as maybe determined by the Commissioner.</p>		

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
		<p>The required amount of security shall be the lowest possible and shall not exceed the amount of imposable duties, taxes and other charges.</p> <p>When the obligation under which the security was required has been satisfied, the security shall be discharged immediately.</p>		
Customs Service Fees	SECTION 1508. Customs Service Fees.	<p>Customs personnel may be assigned by a District Collector to render overtime work and other customs services and shall be paid for such services by the Bureau according to service fees fixed by the Commissioner and approved by the Secretary of Finance. The Bureau may charge additional customs service fees when applicable, subject to the rates prescribed under existing rules and regulations.</p>		
Interest Prohibited to be Held by Customs Employees	SECTION 1511. Interest Prohibited to be Held by Customs Employees.	<p>Any person employed under the authority of the government in the assessment of duties, taxes, fees and other charges in connection with, imports or exports, shall not own, either in whole or in part, any vessel or aircraft or act as attorney, agent or consignee for the owner of any vessel or aircraft or of any cargo loaded on board the vessel or aircraft; and shall not import or be involved, directly or indirectly, in the importation of any goods for sale into the Philippines.</p>		

Part 2.

**Penalties, Liabilities or Obligations Pursuant to Implementing
Customs Administrative Orders**

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CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 1-2017	Customs Clearance of Accompanied and Unaccompanied Baggage of Travelers and Crew	Section 4.13 Dutiable goods that are not declared by any person arriving within the Philippines, if not imported contrary to law shall be seized and the traveler may obtain release of such goods, upon payment of a surcharge equivalent to thirty percent (30%) of the landed cost of such goods, in addition to all duties, taxes and other charges due. Nothing in this section shall preclude the filing of criminal action against the offender.	SECTION 1404. <i>Failure to Declare Baggage</i>	Collection District
CAO 2-2017	Anti-Agricultural Smuggling Act of 2016	<p>Section 5.1. The penalty of life imprisonment and a fine of twice the Fair Value of the smuggled agricultural product and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on any person who commits any of the acts enumerated under Section 4.1. of this CAO</p> <p>5.2. The penalty of imprisonment of not less than seventeen (17) years but not more than twenty (20) years, and a fine of twice the Fair Value of the smuggled agricultural product and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on the officers of dummy corporations, nongovernment organizations, associations, cooperatives, or single proprietorships who knowingly sell, lend, lease, assign, consent or allow the unauthorized use of their Import Permits for purposes of smuggling.</p> <p>5.3. The penalty of imprisonment of not less than twelve (12) years but not more than fourteen (14) years and a fine equal to</p>	R.A. No. 10845, also known as the <i>Anti-Agricultural Smuggling Act of 2016, pursuant to Section 6 thereof</i>	Collection District IG EG RCMG Office of the Commissioner

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>the Fair Value of the smuggled agricultural product subject to economic sabotage and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on the following:</p> <p>5.3.1. The registered owner and its lessee or charterer, in case of lease; of a chartered boat, motorized commercial vessel of three (3) gross tonnage or less, who knowingly transports the agricultural product subject to economic sabotage, regardless of quantity;</p> <p>5.3.2. The registered owner and its lessee, in case of lease, of less than six (6) wheeler trucks, vans and other means of transportation, who knowingly transports the agricultural product subject to economic sabotage, regardless of quantity.</p> <p>5.3.3. The registered owner and lessee of a warehouse, or any property, who knowingly stores the smuggled agricultural product subject to economic sabotage; or</p> <p>5.3.4. The registered owner, lessee, president or chief executive officer of the private port, fish port, fish landing sites, resort, and airports who knowingly allows the agricultural product to be smuggled into the country.</p> <p>5.4. The Penalty of Imprisonment of not less than twelve (12) years but not more than fourteen (14) years and a fine equal to the Fair Value of the smuggled agricultural product subject to economic sabotage and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on the following:</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>5.4.1. The registered owner and its lessee or chartered boat, motorized commercial vessel of three (3) gross tonnage or less, who knowingly transports the agricultural product subject to economic sabotage, regardless of quantity; or</p> <p>5.4.2. The registered owner and its lessee, in case of lease, of less than six (6) wheeler trucks, vans and other means of transportation, who knowingly transports the agricultural product subject to economic sabotage, regardless of quantity.</p> <p>5.7. If the offender is a government official or employee the penalty shall be the maximum as hereinabove prescribed and the offender shall suffer an additional penalty of perpetual disqualification from public office, to vote and to participate in any public election.</p>		
CAO 1-2018	Amended Rules on Consolidated Shipment of "Balikbayan Boxes"	<p>Sec. 6.1. The Deconsolidator and all other participants who use the Balikbayan Box duty and tax-exempt privilege as conduit for smuggling or other fraud against customs:</p> <p>6.1.1. Imposition of fines as provided under Section 1401 of the CMTA;</p> <p>6.1.2. Criminal prosecution under Title XIV of the CMTA; and</p> <p>6.1.3. Cancellation of registration as Deconsolidator or Freight Forwarder acting as Deconsolidator, as may be applicable.</p> <p>The imposition of the above penalties shall be on a per HBL or HAWB basis and without prejudice to the action of the Fair Trade Enforcement Bureau of the Department of Trade and Industry (FTEB-DTI) and Civil Aeronautics Board (CAB) to</p>	SECTION 800. <i>Conditionally Tax and/or Duty-Exempt Importation (G)</i>	Collection District IG EG RCMG Office of the Commissioner

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 1-2019	Post Clearance Audit and Prior Disclosure Program	<p>blacklist the erring Deconsolidator pursuant to its own rules and regulations.</p> <p>Section 7. Interest on Deficiency Duties, Taxes and Other Charges Plus Fine or Penalty. An interest of twenty percent (20%) per annum, counted from the date of final assessment as provided under Section 429 of the CMTA shall be imposed on:</p> <p>7.1. Prior Disclosure Program availment;</p> <p>7.2. Deficiency duties, taxes and other charges; and</p> <p>7.3. Fine or penalty, if any.</p> <p>10.1. Failure to Keep Records. The following penalties are imposed to those fail to keep and maintain the prescribed records:</p> <p>10.1.1. Suspension or cancellation of accreditation as Importer or Broker with the Bureau;</p> <p>10.1.2. Surcharge of twenty percent (20%) on the dutiable value of the goods which is the subject of the importation for which no records were kept and maintained;</p> <p>10.1.3. Hold delivery or release of subsequent imported articles to answer for the fine and any revised assessment;</p> <p>10.1.4. Criminal prosecution punishable with imprisonment of not less than three (3) years and one (1) day but not more than six (6) years, and/or a fine of One Million Pesos (PhP1,000,000.00); and</p>	SECTION 1000-1006 <i>Post Clearance Audit</i>	PCAG RCMG Office of the Commissioner

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>10.1.5. Waiver of the right to contest the results of the audit based on records kept by the Bureau.</p> <p>10.3. Failure to Pay Correct Duties and Taxes on Imported Goods. Any person who, after being subjected to post clearance audit and examination, is found to have incurred deficiencies in duties and taxes paid for imported goods, shall be penalized according to two (2) degrees of culpability, subject to any mitigating, aggravating or extraordinary factors that are clearly established by available evidence as described hereunder:</p> <p>10.3.1. Negligence – When a deficiency results from an offender's failure, through an act or acts of omission or commission, to exercise reasonable care and competence in ensuring that a statement made is correct, the offender shall be charged for committing Negligence, and, if found guilty shall be penalized with a fine equivalent to one hundred twenty-five percent (125%) of the revenue loss.</p> <p>Provided, that subject to Section 108, Chapter 2, Title I of the CMTA, a penalty of twenty-five percent (25%) of the revenue loss shall be imposed on an Inadvertent Error amounting to simple Negligence.</p> <p>10.3.2. Fraud – When the material false statement or act in connection with the transaction was committed or omitted knowingly, voluntarily and intentionally, as established by clear and convincing evidence, the offender who is charged for committing Fraud and is found guilty thereof, shall be penalized with a fine equivalent to six (6) times of the revenue loss and/or imprisonment of not less than two (2) years but not more than eight (8) years.</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 2-2019	Marking of Imported Goods and Containers	Section 5.1. Fine for Failure to Mark. If at the Time of Importation, any goods of foreign origin or its container, as provided in Sections 4.1 and 7 of this Order is not marked, there shall be levied, collected, and paid upon such goods a marking duty of five percent (5%) of the Dutiable Value which shall be deemed to have accrued at the Time of Importation.	SECTION 710. <i>Marking of Imported Goods and Containers.</i>	Collection District
CAO 5-2019	Rules and Regulation Governing the Registration of Customs Brokers Transacting with the Bureau of Customs and for other Purposes	<p>Section 6.1. Grounds for Revocation of Registration. The grounds for revocation of registration as Customs Brokers in the Bureau shall include the following:</p> <p>Deliberate failure or refusal without justifiable reasons to comply with the duties and responsibilities of Customs Broker prescribed in this CAO.</p> <p>"Justifiable reason" as contemplated herein shall mean any and all acts the commission of which shall not render him/her liable either administrative or criminally under existing laws, rules or regulations.</p> <p>Violation of existing customs laws, rules and regulations. Provided, that no registered Customs Broker shall be delisted or suspended without notice and hearing and final decision before the appropriate office in the Bureau. The AMO or its equivalent office shall furnish the AIPO with the list of Customs Brokers with pending or resolved cases of revocation of registration in the Bureau.</p> <p>Section 8. Penalty Clause. Any person who violates this CAO, after due notice and hearing, shall be penalized with a fine of:</p> <p>8.1. 1st Offense – Severe warning for light offense;</p>	SECTION 1200. <i>Customs Brokers and Other Service Providers</i>	IG RCMG Office of the Commissioner

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 6-2019	Registration of Other Third Parties	<p>If grave offense - Suspension of six (6) months or Fine of One Hundred Thousand Pesos (Php100,000.00).</p> <p>8.2. 2nd Offense – Suspension of one (1) year for light offense; or Fine of Two Hundred Thousand Pesos (Php200,000.00) for grave offense; and</p> <p>8.3. 3rd Offense – Three Hundred Thousand Pesos (Php300,000.00) for light offense; or revocation of registration for grave offense.</p> <p>Imposition of these penalties are without prejudice to the penalties provided under Section 1401 of the CMTA, R.A. No. 11032 and other applicable laws.</p> <p>Section 5.9. Cancellation or Revocation of Registration.</p> <p>5.9.1. Grounds for Cancellation or Revocation. The registration of Third Parties may be cancelled or revoked on the following grounds:</p> <p>Deliberate failure or refusal without justifiable reasons to comply with the duties and responsibilities of Third Parties as prescribed in this CAO;</p> <p>“Justifiable reason” as contemplated herein shall mean any and all acts the commission of which shall not render the person liable either administratively or criminally under existing laws, rules, or regulations.</p> <p>Submission of false, spurious, and forged documents to support the approval of the registration.</p>	SECTION 1226. <i>Supervision and Regulation of Third Parties.</i>	IG RCMG Office of the Commissioner

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 8-2019	Rules and Regulations on the Admission, Movement and Withdrawal of Container Vans Deriving Revenue therefrom	<p>Violation of existing customs laws, rules, and regulations.</p> <p>Section 11. Penal Provision. A penalty of Three Hundred Thousand Pesos (Php. 300,000.00) shall be imposed against the shipping line, lessor, or shipper for every violation of any of the following:</p> <p>If a container is sold or donated and duties and taxes are not paid at the time of sale or donation.</p> <p>If a container is used other than its intended purpose of transporting goods without payment of duties and taxes.</p> <p>If after the lapse of fifteen (15) days from final assessment, no payment of duties and taxes plus interest has been made, unless a declaration to expressly abandon the container in favor of the government has been submitted to the Bureau.</p> <p>Allowing an overstaying container which is deemed abandoned or subject of a Warrant of Seizure and Detention to be used by exporters for their export cargoes, without prejudice to the filing of criminal case, if warranted.</p> <p>Any violation of this CAO not included in the above enumeration shall be meted with a penalty of One Hundred Thousand Pesos (Php. 100,000.00)</p>	1972 Customs Convention on Containers, Revised Kyoto Convention (RKC) and other international standards and customs best practices in relation to Section 1514 of the CMTA	Collection District IG EG RCMG Office of the Commissioner
CAO 9-2019	Establishment, Maintenance and Operations of Customs Facilities and Warehouses	<p>Section 5.19.1. Unauthorized Removal, Delivery or Repacking of Goods.</p> <p>First Offense – Suspension of Authority to Operate for one(1) year; and Second Offense – Closure</p>	SECTION 803. <i>Types of Customs Facilities and Warehouses (CFW/s)</i>	Collection District Office of the Commissioner

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>Merchandise so concealed, removed, or repacked, or package upon which marks, number or the values thereof have been so altered, defaced, or obliterated shall be forfeited in favor of the government.</p> <p>The suspension or closure shall be without prejudice to the penalties under Section 1418 of the CMTA and the forfeiture of bonds posted by the off-dock or off-terminal facility operators pursuant to Section 5.12 and Section 7.3 of this CAO.</p> <p>Sec. 5.19.2. Penalties for late submission of application for renewal required under Section 5.6 of this CAO shall be as follows:</p> <ul style="list-style-type: none"> a. 31-60 days before expiration of the validity period of Authority to Operate - Php100,000.00 b. 1-30 days before expiration of the validity period of Authority to Operate - Php150,000.00 and Prohibition on Transfer of Goods to Off-dock/Off-Terminal CFW until approval of application <p>Sec. 5.19.3. Failure to submit the documents within the period prescribed under Section 5.6 of this CAO shall result to the closure of the off-dock CFW/off-terminal CFW. However, the off-dock CFW/off-terminal CFW may still reapply as new applicant.</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 12-2019	Transshipment of Cargoes	<p>Section 4.3. Failure to Load. In case of failure to load within the period allowed, the Transshipment Goods shall be treated by the Bureau as regular importation. When the owner or interested party, after due notice, fails to file the goods declaration within the prescribed period under Section 407 of the CMTA, the goods shall be subjected to the provisions of Chapter 6 of the CMTA on abandonment.</p> <p>Sec. 7.1. Unloading of Goods for Transshipment before Arrival at Port of Entry. If, upon the arrival within the limits of any Customs District of the Philippines of any Carrier engaged in foreign trade, the Master of the vessel or Pilot-in-Command thereof permits any part of the Goods to be unloaded before arrival at the Port of Entry, and without authority from proper customs officer, the owner, operator, or agent of such Carrier shall be liable for the following fines:</p> <p>7.1.1. First Offense - Five Hundred Thousand Pesos (Php500,000.00) 7.1.2. Second Offense - One Million Pesos (Php1,000,000.00) 7.1.3. Third Offense - Two Million Pesos (Php2,000,000.00)</p> <p>Provided, that no fine shall accrue upon satisfactory proof to the proper District Collector that the unloading was rendered necessary by stress of weather, accident or other necessity, provided, however, that the fine imposed herein shall be without prejudice to the application of fines or penalties provided under Section 1401 of the CMTA.</p> <p>7.2. Unloading of Goods for Transshipment at Improper Time and Place after arrival. The owner or operator of any Carrier from which Transshipment Goods are discharged upon arrival in</p>	<p>SECTION 603. <i>Customs Transshipment</i></p> <p>SECTION 1409. <i>Unloading of Cargo at Improper Time or Place After Arrival</i></p> <p>SECTION 1412. <i>Failure to Supply Advance and Requisite Manifests</i></p> <p>SECTION 1413. <i>Disappearance of Manifested Goods</i></p> <p>SECTION 1417. <i>False Statement of Vessel's or Aircraft's Destination</i></p>	Collection District

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>the Philippines at a time or place other than that designated by the District Collector, shall be liable for the following fines:</p> <p>7.2.1. First Offense - One Hundred Thousand Pesos (Php100,000.00) 7.2.2. Second Offense - Two Hundred Thousand Pesos (Php200,000.00) 7.2.3. Third Offense - Three Hundred Thousand Pesos (Php300,000.00)</p> <p>Provided, that no fine shall accrue upon satisfactory proof to the proper District Collector that the unloading was rendered necessary by stress of weather, accident or other necessity.</p> <p>7.3. Failure to Supply Advance and Requisite Manifests.— Failure to transmit the electronic manifest within the required time as may be prescribed by the Bureau, prior to arrival of the carrying vessel or aircraft at the port of entry shall make the owner, operator, or agent of the vessel or aircraft liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00), If the transit time from port of origin to port of entry is at least seventy-two (72) hours, the shipping or forwarding agent of the carrier or the vessel who fails to submit the manifest at least twenty-four (24) hours before entry shall likewise be liable for a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos (P300,000.00).</p> <p>Failure to present the requisite manifest to the Bureau during boarding formalities shall likewise make the owner, operator, or agent of the vessel or aircraft liable for the fines above.</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>7.4. Disappearance of Manifested Goods for Transshipment. When any package or goods for transshipment mentioned in the manifest meant to be unloaded upon the arrival of the carrier is not unloaded or is missing or has disappeared, its agent shall be liable for the following fines unless the disappearance of the package or the goods in question was not due to the negligence of the Master of the vessel or Pilot-in-command of an aircraft and is explained to the satisfaction of the District Collector:</p> <p>7.4.1. First Offense - One Hundred Thousand Pesos (Php100,000.00)</p> <p>7.4.2. Second Offense - Two Hundred Thousand Pesos (Php200,000.00)</p> <p>7.4.3. Third Offense - Three Hundred Thousand Pesos (Php300,000.00)</p> <p>The owner, operator, or agent of a Carrier shall be liable for the payment of the same fine when a package or goods listed in the manifest do not tally materially in character or otherwise with the description thereof in the manifest.</p> <p>7.5. False statement of Port of Final Destination of Transshipment Goods. When the Master of a Vessel or the Pilot-in-Command of the aircraft loaded with goods shall make a false statement as to the final destination of Transshipment Goods loaded on-board such carrier, the owner or operator of such carrier shall be liable for the following fines:</p> <p>7.5.1. First Offense - One Hundred Thousand Pesos (Php100,000.00)</p> <p>7.5.2. Second Offense - Two Hundred Thousand Pesos (Php200,000.00)</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>7.5.3. Third Offense - Three Hundred Thousand Pesos (Php300,000.00)</p> <p>The arrival of a carrier at a different port other than the one it had been originally authorized and cleared for shall be enough to support the conclusion that the original statement as to the actual destination of the carrier was false, unless such arrival occurred due to necessity, e.g. arrival under stress, ship repairs, replenishment of stores, and other analogous circumstances.</p> <p>Sec. 7.6. In case of failure to load within the period allowed, the importing means of transport shall be liable for the following fines:</p> <p>7.6.1. For sea Goods, Five hundred Pesos (Php500.00) per TEU per day.</p> <p>7.6.2. For air Goods, One hundred Pesos (Php100.00) per kilogram per day.</p> <p>Sec. 7.7. Any person who violates any provision of this CAO or Customs Memorandum Order issued pursuant thereto, for which delinquency no specific penalty is provided, shall be liable for the following fines:</p> <p>7.7.1. First Offense - One Hundred Thousand Pesos (Php100,000.00)</p> <p>7.7.2. Second Offense - Two Hundred Thousand Pesos (Php200,000.00)</p> <p>7.7.3. Third Offense - Three Hundred Thousand Pesos (Php300,000.00)</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 13-2019	Customs Bonded Warehouses (CBW)	<p>Section 5.15. Suspension of the Authority to Operate and Closure of CBW.</p> <p>5.15.1. The District Collector shall, without prejudice to the imposition of administrative penalties and filing of criminal cases against the responsible person, initiate suspension or closure proceeding against any CBW in the following instances:</p> <ol style="list-style-type: none"> In case of discontinuance requested by the CBW operator or when the conditions warrant pursuant to Section 807, Chapter 2, Title VIII of the CMTA; Filing an application containing false information for establishment or renewal of CBW Authority to Operate; Failure to file application for renewal; Being inactive for a continuous period of at least one (1) year, i.e. no importation, or if there is one, no corresponding legal withdrawal of imported goods or exportation of finished products; When the operator or any responsible official shall knowingly allow the use of the warehouse for illegal activities; Unauthorized relocation or use of extension warehouse; and Violation of customs rules and regulations. <p>5.15.2. Upon the closure of the CBW, a careful examination of the account of the warehouse shall be made and the remaining dutiable goods shall be disposed by the District Collector in accordance with existing rules and regulations.</p> <p>5.15.3. Closure of the CBW shall be effective upon approval by the District Collector, who shall within ten (10) days, inform the Commissioner of such action in writing. The decision ordering the closure of a CBW may be appealed to the Commissioner.</p>	<p>SECTION 801. <i>Establishment and Supervision of Customs Bonded Warehouses.</i></p> <p>SECTION 802. <i>Types of Customs Bonded Warehouses (CBWs)</i></p> <p>SECTION 803. <i>Types of Customs Facilities and Warehouses (CFWs)</i></p>	<p>Collection District RCMG Office of the Commissioner</p>

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>5.15.4. Notice of discontinuance made by the operator shall not result in the discharge from any duties, taxes, fees and other charges imposed on dutiable goods in said warehouse.</p> <p>Sec. 5.19.3. Failure to submit the documents within the period prescribed under Section 5.6 of this CAO shall result to the closure of the off-dock CFW/off-terminal CFW. However, the off-dock CFW/off-terminal CFW may still reapply as new applicant.</p> <p>8.1. Diversion or Unauthorized Withdrawal or Repacking.</p> <p>a. First Offense — Duties, taxes and charges due on the goods withdrawn; and Surcharge of fifty percent (50%) of duties, taxes, customs fees, and charges, found to be due and unpaid;</p> <p>b. Second Offense — Suspension of warehousing privileges for six (6) months;</p> <p>c. Third Offense — Closure of the CBW; and</p> <p>d. Where the withdrawal is attended with fraud — Closure of the CBW.</p> <p>8.2. Unauthorized Relocation.</p> <p>a. First Offense — Duties, taxes and charges due on the goods withdrawn; and Surcharge of fifty percent (50%) of duties, taxes, customs fees, and charges, found to be due and unpaid;</p> <p>b. Second Offense — Suspension of warehousing privileges for six (6) months; and</p> <p>c. Third Offense — Closure.</p> <p>Any person who enters any CBW with intent to unlawfully remove any merchandise, or who shall aid or abet such</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>removal, shall suffer the penalties provided in Section 1401 of the CMTA.</p> <p>8.3. Penalties for late filing of application for renewal of the Authority to Operate a CBW shall be as follows:</p> <p>For members of CCBW and ICBW</p> <p>91-119 days before expiration of the validity period of Authority to Operate - Php100,000.00</p> <p>61-90 days before expiration of the validity period of Authority to Operate - Php150,000.00</p> <p>31-60 days before expiration of the validity period of Authority to Operate - Php200,000.00</p> <p>1-30 days before expiration of the validity period of Authority to Operate - Php250,000.00 and suspension of privilege as CBW operator.</p> <p>For other CBWs</p> <p>61-89 days before expiration of the validity period of Authority to Operate - Php150,000.00</p> <p>31-60 days before expiration of the validity period of Authority to Operate - Php200,000.00</p> <p>1-30 days before expiration of the validity period of Authority to Operate - Php250,000.00 and suspension of privilege as CBW operator.</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>Failure to submit the documents within the period prescribed under Section 5.6 of this CAO shall result to the closure of the CBW. However, the CBW operator may still reapply as new applicant.</p> <p>8.4. Late Re-Exportation under Section 5.14.3 of this CAO.</p> <p>a. Up to six (6) months — 2% per month of the collectible duties and taxes counted from the date of expiration of the bond to date of actual exportation.</p> <p>b. Beyond six (6) months — Penal amount of the bond in addition to the 2% per month of the collectible duties and taxes from the date of expiration of the bond to date of actual exportation.</p> <p>8.5. Late submission of documents such as proof of re-exportation or authority to cancel bonds issued by the Commissioner and such other documents required for reconciliation or liquidation of raw materials, liquidation of entries or cancellation of re-export or surety bonds.</p> <p>1-30 days from expiration of the bond - Php1,000.00</p> <p>31-60 days from expiration of the bond - Php2,000.00</p> <p>61-90 days from expiration of the bond - Php3,000.00</p> <p>91-120 days from expiration of the bond - Php4,000.00</p> <p>121-150 days from expiration of the bond - Php5,000.00</p> <p>151 to 180 days from expiration of the bond - Php6,000.00</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>Beyond six (6) months from expiration of the bond - Penal amount of the bond</p> <p>5.19.1. Unauthorized Removal, Delivery or Repacking of Goods. a. First Offense – Suspension of Authority to Operate for one (1) year; and b. Second Offense – Closure.</p> <p>Merchandise so concealed, removed, or repacked, or package upon which marks, number or the values thereof have been so altered, defaced, or obliterated shall be forfeited in favor of the government.</p> <p>The suspension or closure shall be without prejudice to the penalties under Section 1418 of the CMTA and the forfeiture of bonds posted by the off-dock or off-terminal facility operators pursuant to Section 5.12 and Section 7.3 of this CAO.</p>		
CAO 17-2019	Abandonment: Kinds, Effects and Treatment	<p>Section 4.2.1. Failure to Lodge/File the Goods Declaration. Goods Declaration must be lodged/filed within the prescribed period in Section 407 of the CMTA, otherwise, the same shall be deemed abandoned, subject to Section 1130 of the CMTA.</p> <p>In case where lodgement of Goods Declaration is not possible, the owner, importer, consignee, or interested party must file with the Office of the District Collector concerned the hard copy of the Goods Declaration and its supporting documents within the same period as stated in the above paragraph, otherwise, subject shipment shall likewise be deemed abandoned.</p> <p>The period to lodge the goods declaration may, upon written request, be extended on valid grounds for another fifteen (15)</p>	<p>SECTION 1129. <i>Abandonment, Kinds and Effects of.</i></p> <p>SECTION 1130. <i>Treatment and Disposition of Abandoned Goods.</i></p>	<p>Collection District RCMG Office of the Commissioner</p>

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>calendar days subject to the approval of the Collector of Customs, as may be authorized by the Commissioner. Provided, that the request is made before the expiration of the original period within which to lodge the goods declaration and is based on the following grounds:</p> <ul style="list-style-type: none"> a. Fraud committed against the owner, importer or consignee; b. Accident; c. Mistake d. Excusable negligence; e. Force Majeure; f. Technical issues as certified by the Management Information System Technology Group (MISTG); g. Other analogous circumstances. <p>Provided, however, that the foregoing grounds are not attributable to the fault of the owner, importer, or consignee of the imported goods.</p> <p>Request for extension shall be acted upon within seven (7) working days otherwise the request for extension shall be deemed approved. The 15-day extension period to lodge the goods declaration shall retroact to the day immediately after the expiration of the original period. No further extension shall be allowed.</p> <p>A Notice to Lodge or File Goods Declaration shall be issued by the District Collector to the owner, importer or consignee within five (5) calendar days from the date of Discharge of Last Package. For this purpose, it is the duty of the District Collector to post a list of all packages discharged and their consignees, whether electronically or physically, in the District Office, or send a notice to the consignee.</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>Imported goods with Goods Declaration already recorded and stored with the Value-Added Service Provider (VASP), but not successfully registered by reason of downtime, slowdown, no response, or any other technical issue on the last day of the prescribed period, shall not be deemed abandoned.</p> <p>Nonetheless, the Commissioner may adjust the period for Lodgement or Filing of the Goods Declaration, pursuant to Section 407 of the CMTA.</p> <p>4.2.2. Failure to Pay the Assessed Duties and Taxes.</p> <p>a. Final Assessment. Upon receipt of the Goods Declaration and its supporting documents, the customs personnel shall examine the Goods Declaration and issue an Assessment Notice. Notices and communications sent pursuant to Section 4.4 of this CAO, shall be deemed received, unless the non-delivery thereof is attributable to the Bureau or due to system error.</p> <p>The assessment shall be deemed final if undisputed after the lapse of fifteen (15) calendar days from receipt of Assessment Notice.</p> <p>The shipment shall be deemed abandoned if the owner, importer, or consignee fails to pay in full the assessed duties, taxes, fees, interests and other charges within fifteen (15) calendar days from final assessment.</p> <p>b. Upon receipt of the Order of Release and Lifting the Alert or Order Lifting the Alert. Duties and taxes of assessed alerted goods must be paid in full within fifteen (15) calendar days upon receipt of the Order of Release and/or Lifting the Alert or</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>Order Lifting the Alert, otherwise, subject shipment shall be deemed abandoned.</p> <p>The District Collector concerned shall issue an Assessment Notice or Order of Release and Lifting the Alert or Order Lifting the Alert to the owner, importer, consignee or interested party within five (5) calendar days: (a) upon assessment thereof; (b) affirmation by the Commissioner of the Order of Release and/or Lifting the Alert or Order Lifting the Alert; or (c) the lapse of the period to review by the Commissioner of the District Collector's Order of Release.</p> <p>4.2.3. Failure to Submit Required Permit. The importer, owner, or consignee of assessed regulated goods which are allowed by the regulating agency to submit clearances, licenses, and other requirements after arrival of the shipment shall submit the same within forty-five (45) calendar days from the date of lodgement or fifteen (15) calendar days from the date of final assessment, whichever comes first. Otherwise, subject shipment shall be deemed abandoned.</p> <p>The District Collector concerned shall issue a Notice to submit clearances, licenses and other requirements to the owner, importer, consignee or interested party within five (5) calendar days upon assessment thereof.</p> <p>4.2.4. Failure to Claim the Goods.</p> <p>a. The owner, importer, consignee or interested party shall claim the imported goods within thirty (30) calendar days from payment of the assessed duties, taxes, fees, interests and other charges. Otherwise, subject shipment shall be deemed abandoned, unless covered by a duly issued alert order.</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>For this purpose, the arrastre, terminal or warehouse operator shall submit a weekly report of overstaying, and unclaimed imported goods to the District Collector. Unclaimed imported goods are those still inside the port premises or warehouse thirty (30) calendar days after clearance by the BOC through its On-line Release System (OLRS) or similar system.</p> <p>The District Collector concerned shall issue a Notice to Claim imported goods to the owner, importer, consignee or interested party within five (5) calendar days upon full payment.</p> <p>b. Passenger's baggage or mail matter shall be claimed by the passenger or postal consignee within thirty (30) calendar days from arrival thereof. Otherwise, subject shipment shall be deemed abandoned.</p> <p>The District Collector concerned shall issue a Notice to Claim passenger's baggage or mail matter to the passenger or postal consignee within five (5) calendar days from arrival.</p> <p>4.2.5. Failure to Mark the Goods. The owner, consignee or importer shall appropriately mark the imported goods as required under Section 710 of the CMTA within thirty (30) calendar days after the receipt of Notice to Mark from the District Collector concerned, otherwise, the said goods shall be deemed abandoned.</p> <p>The District Collector concerned shall issue a Notice to Mark imported goods to the owner, consignee or importer within five (5) calendar days from examination.</p> <p>4.2.6. Abandonment of Imported goods in Customs Bonded Warehouse (CBW). Abandonment of bonded warehoused</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 1-2020	Fines and Surcharges for Clerical Errors, Misdeclaration, Misclassification and Under- Invoicing or Under-Declaration of Value	<p>imported goods shall be governed by the Customs Administrative Order on Customs Bonded Warehouse.</p> <p>4.1. Fine(s) for Clerical Error(s) in Goods Declaration. To discourage repetition, the concerned District Collector, through the Deputy Collector for Assessment, shall, in addition to the assessed duties, taxes, fees, fines or surcharges due, collect a fine of Five Thousand Pesos (Php5000.00) for every clerical error determined to have been committed in the covering Goods Declaration upon the Lodgement thereof.</p> <p>4.1.1. Errors may be clerical when the same is inadvertent which may include misspelling and/or incorrect input of data while drafting, copying or transposing a document such as consignee(s)' name, importing vessel or aircraft, port of departure, port of destination and date of arrival, the number and/or marks of packages, or the quantity, the nature and correct commodity description of the Goods contained therein, its value as set forth in a proper invoice, packing list and such other information as may be required by rules and regulations; provided, that it is not attendant with Fraud and not due to Gross Negligence.</p> <p>4.1.2. The Five Thousand Pesos (Php5000.00) fine as provided under Section 4.1. of this CAO shall be without prejudice to the imposition of additional fines or penalties for other Inadvertent Errors discovered in the Goods Declarations of shipments after release from Customs.</p> <p>4.2. Imposition of Two Hundred Fifty Percent (250%) Surcharge. In addition to the assessed duties, taxes, fees and other charges, the Bureau shall impose a surcharge equivalent to two hundred fifty percent (250%) of the duty and tax due on</p>	SECTION 1400. Misdeclaration, Misclassification, Undervaluation in Goods Declaration.	Collection District

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>the Goods where the resulting discrepancy in duties and taxes to be paid between what is legally determined upon assessment and what is declared arose from Misdeclaration, Misclassification or Undervaluation; Provided that, the discrepancy in duty and tax to be paid between what is legally determined upon assessment by the port and what is declared is ten percent (10%) or more.</p> <p>4.2.1. Instances for Imposition of Two Hundred Fifty Percent (250%) Surcharge. The surcharge equivalent to two hundred fifty percent (250%) of the duties and taxes due shall be imposed in the following instances:</p> <p>Misdeclaration as to Quantity of Goods; Misdeclaration as to Quality of Goods; Misdeclaration as to Description of Goods; Misdeclaration as to Weight of Goods; Misdeclaration as to Measurement of Goods; Undervaluation; and Misclassification.</p> <p>4.2.2. Documentary Requirements. The following commercial documents shall be considered in the determination of whether or not a shipment is misdeclared, misclassified or undervalued:</p> <ul style="list-style-type: none"> a. Commercial Invoice; b. Bill of Lading/Airway Bill; c. Packing List; d. Safety Data Sheet/Certificate of Analysis; e. Certificate of Origin/Origin Declaration; f. Survey Report of Accredited Surveyor; g. Import Permit/Clearance; and h. Other pertinent documents. 		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>4.2.3. Imposition of the Five Hundred Percent (500%) Surcharge. When the Misdeclaration, Misclassification or Undervaluation is intentional or fraudulent, in addition to the Seizure of subject shipment, a surcharge shall be imposed equivalent to five hundred percent (500%) of the duties and taxes due.</p> <p>Misdeclaration, Misclassification or Undervaluation is considered intentional or fraudulent when false or altered document is submitted, false statements or information are knowingly made or other similar instances.</p> <p>Misdeclared, misclassified and undervalued Goods shall be subject to Seizure regardless of the amount of the discrepancy pursuant to Section 1113 of the CMTA. The Seizure of the Goods shall be without prejudice to the application of fines or penalties provided under Section 1401 of CMTA against the importer and other persons who willfully participated in the fraudulent act.</p>		
CAO 3-2020	Disposition of Seized, Abandoned and Forfeited Goods in Customs Custody	<p>Section 5.13. Failure to Claim. When the winning bidder fails to claim the items or lots awarded to him within thirty (30) calendar days from the date of award, upon due notice, he shall be deemed to have abandoned said goods and to have renounced all his rights thereto including forfeiture of all payments made thereon, except upon justifiable reasons, as determined by the District Collector, upon recommendation of the Auction Committee.</p> <p>Once declared abandoned, the Order of Abandonment can no longer be appealed and the subject Goods shall be disposed of in any of the manner allowed in this Order.</p>	SECTION 1139 – SECTION 1151 <i>Disposition of property in customs custody</i>	Collection District

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 5-2020	Customs Clearance Procedures on Express Shipment	<p>Section 17. Sanctions for Violations. Expedited clearance and release procedures may be discontinued if an AECO violates or fails to comply with any of the provisions of this Order.</p> <p>In case of failure to supply advance and requisite manifests, the party failing to submit the required information within the period as prescribed under Section 5 herein shall be subject to the payment of the impossible fines as provided for under the CAO on Vessel and Aircraft Supervision and Control System.</p>	SECTION 439. <i>Express Shipment</i>	Collection District
CAO 10-2020	Seizure and Forfeiture Proceedings and Appeals Process	<p>Payment of Surcharge for Undeclared Baggage. Undeclared dutiable goods brought by any person arriving in the Philippines shall be seized through the issuance of a Held Baggage Receipt (HBR). However, the release of seized undeclared goods shall be allowed when:</p> <p>Importation is not contrary to law; and</p> <p>The surcharge of thirty percent (30%) of the Landed Cost in addition to all duties, taxes and other charges due shall be paid</p> <p>Settlement by Payment of Fine or Redemption of Forfeited Goods. Settlement by payment of fine or redemption of forfeited goods may be allowed under the following circumstances:</p> <p>When there is no Fraud attributable to the importer, consignee or owner;</p> <p>When the goods are not absolutely prohibited; and</p> <p>When the release of the goods is not contrary to law.</p>	SECTION 1113. <i>Property Subject to Seizure and Forfeiture.</i> SECTION 1124. <i>Settlement of Pending Seizure Case by Payment of Fine or Redemption of Forfeited Goods.</i>	Collection District RCMG Office of the Commissioner

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>Settlement by payment of fine shall not be allowed when the discrepancy in duties and taxes to be paid between what is determined and what is declared amounts to more than thirty percent (30%).</p> <p>In case of settlement by fine, the owner, importer, exporter, or consignee or agent shall pay the amount of fine equivalent to thirty percent (30%) of the Total Landed Cost.</p> <p>In case of settlement by redemption, the owner, importer, exporter, or consignee or agent shall pay the redeemed value equivalent to one hundred percent (100%) of the Total Landed Cost.</p>		
CAO 9-2020	Clearance Procedures for Goods Entered for Consumption under the Formal Entry Process	<p>8.6. Legal Interest for Unpaid Duties, Taxes and Other Charges. Unpaid duties, taxes and other charges, shall incur a legal interest of twenty per cent (20%) per annum computed from the date of final assessment under Section 7.3. of this CAO, when payment becomes due and demandable. The legal interest shall likewise accrue on any fine or penalty imposed.</p> <p>Upon payment of the duties, taxes and other charges, the Bureau shall issue the necessary receipt or document as proof of such payment.</p>	CHAPTER 1 GOODS DECLARATION SECTIONS 400-416	Collection District
CAO 10-2020	Seizure and Forfeiture Proceedings and Appeals Process	<p>14.2. Payment of Surcharge for Undeclared Baggage. Undeclared dutiable goods brought by any person arriving in the Philippines shall be seized through the issuance of a Held Baggage Receipt (HBR). However, the release of seized undeclared goods shall be allowed when:</p> <p>14.2.1. Importation is not contrary to law; and</p>	Sections 1113 to 1117, Sections 1119 to 1125, Chapter 4 and Sections 1126 to 1128	Collection District RCMG Office of the Commissioner

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
		<p>14.2.1. The surcharge of thirty percent (30%) of the Landed Cost in addition to all duties, taxes and other charges due shall be paid.</p> <p>14.4. Settlement by Payment of Fine or Redemption of Forfeited Goods. Settlement by payment of fine or redemption of forfeited goods may be allowed under the following circumstances:</p> <p>14.4.1. When there is no Fraud attributable to the importer, consignee or owner;</p> <p>14.4.2. When the goods are not absolutely prohibited; and</p> <p>14.4.3. When the release of the goods is not contrary to law. Settlement by payment of fine shall not be allowed when the discrepancy in duties and taxes to be paid between what is determined and what is declared amounts to more than thirty percent (30%).</p> <p>In case of settlement by fine, the owner, importer, exporter, or consignee or agent shall pay the amount of fine equivalent to thirty percent (30%) of the Total Landed Cost.</p> <p>In case of settlement by redemption, the owner, importer, exporter, or consignee or agent shall pay the redeemed value equivalent to one hundred percent (100%) of the Total Landed Cost.</p>		

CAO No.	Title	Penalty	CMTA Section	Responsible Office/s
CAO 14-2020	Accreditation and Regulation of Bureau of Customs Value Added Service Providers (VASP)	Section 15. Penalties. VASPs that are not able to meet their SLA targets for Service Availability, Incident Response Time, Incident Resolution Time, and Root Cause Analysis shall be subject to the penalties stated in the SLA, without prejudice to the right of the Bureau to exercise its right to revoke or pre-terminate the accreditation status of the said VASPs.	Section 109 <i>Application of Information and Communications Technology.</i>	Management Information Systems Technology Group (MISTG) RCMG Office of the Commissioner
CAO 13-2020	IMPOSITION OF PENALTIES, SURCHARGES, INTERESTS AND OTHER CHARGES FOR LIFTING, CLAIMING, OR RECOVERING PART OF THE PROCEEDS IN THE SALE OF IMPLIEDLY ABANDONED GOODS	<i>See table below</i>	Section 1129 <i>Abandonment, Kinds and Effects of</i> Section 1130 <i>Treatment and Disposition of Abandoned Goods.</i> Section 1300 <i>Customs Dues, Fees and Charges</i>	Collection District RCMG Office of the Commissioner

	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php With Decree of <u>Abandonment</u> Without Decree of Abandonment	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed	Docket and Request Charge in Php With Decree (<u>Docket Charge</u>) Without Decree (<u>Request Charge</u>)	Documentary Stamp Tax (DST) for the Order granting the request
1	Failure to Lodge/File the Goods Declaration after the lapse of the original fifteen (15) calendar days or as adjusted by the Commissioner, from discharge of the last package	20,000.00 10,000.00			1,000.00 500.00	30.00
2	Failure to Lodge/File the Goods Declaration after the lapse of the approved extension of fifteen (15) calendar days	25,000.00 15,000.00			2,000.00 1,000.00	30.00
3	Failure to pay the assessed duties and taxes fifteen (15) calendar days from Final Assessment	25,000.00 15,000.00	10% or 25% if more than 1 year	20% per annum	2,000.00 1,000.00	30.00

	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php With Decree of Abandonment Without Decree of Abandonment	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed	Docket and Request Charge in Php With Decree (Docket Charge) Without Decree (Request Charge)	Documentary Stamp Tax (DST) for the Order granting the request
4	Failure to pay the assessed duties and taxes in case of regulated goods which are subject of an alert order, within fifteen (15) calendar days from Final Assessment from receipt of the Order of Release and Lifting the Alert or Order Lifting the Alert	<u>30,000.00</u> 20,000.00	10% or 25% if more than 1 year	20% per annum	<u>5,000.00</u> 3,000.00	30.00
5	Failure to submit the required documents, or permits or clearances, or information in case of provisional Goods Declaration, within forty-five (45) calendar days from the date of Lodgement	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00
6	Failure to submit the required documents, or permits or clearances, or information in case of provisional Goods	<u>30,000.00</u> 20,000.00			<u>10,000.00</u> 5,000.00	30.00

	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php With Decree of <u>Abandonment</u> Without Decree of Abandonment	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed	Docket and Request Charge in Php With Decree (Docket Charge) Without Decree (Request Charge)	Documentary Stamp Tax (DST) for the Order granting the request
7	Declaration, after the lapse of the approved extension of forty-five (45) calendar days Failure to submit the required documents, permits or clearances, or information under Section 1.17 of the CMTA within fifteen (15) calendar days from Final Assessment	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00
8	Failure to claim the goods within thirty (30) calendar days from payment of the assessed duties, taxes, fees, interests and other charges	<u>20,000.00</u> 10,000.00			<u>1,000.00</u> 500.00	30.00
9	Failure to claim passenger's baggage within thirty (30) calendar days from arrival thereof or from payment of the assessed duties, taxes and other charges	<u>2,000.00</u> 1,000.00 plus 20% of the excess of de minimis value			<u>500.00</u> 300.00	30.00

	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php With Decree of Abandonment Without Decree of Abandonment	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed	Docket and Request Charge in Php With Decree (Docket Charge) Without Decree (Request Charge)	Documentary Stamp Tax (DST) for the Order granting the request
10	Failure to claim mail matter within thirty (30) calendar days from arrival	<u>2,000.00</u> 1,000.00 plus 20% of the excess of de minimis value			<u>500.00</u> 300.00	30.00
11	Failure to Mark the Goods within thirty (30) calendar days after the receipt of Notice to Mark from the District Collector concerned	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00
12	Failure to withdraw the imported raw materials or imported goods within one (1) year from the date of arrival at the customs bonded warehouse (CBW)	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00
13	Failure to withdraw Perishable Goods within three (3) months from the date of arrival at the CBW	<u>25,000.00</u> 15,000.00			5,000.00 3,000.00	30.00

	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php With Decree of <u>Abandonment</u> Without Decree of Abandonment	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed	Docket and Request Charge in Php With Decree (<u>Docket Charge</u>) Without Decree (Request Charge)	Documentary Stamp Tax (DST) for the Order granting the request
14	Failure to withdraw Perishable Goods after the lapse of the approved extension of three (3) months to withdraw the goods from the CBW	30,000.00 20,000.00			10,000.00 5,000.00	30.00
15	Request for proceeds from sale of an impliedly abandoned goods	30,000.00 or 20% whichever is higher			10,000.00 (Request Charge)	30.00

Description	Basis	Penalty/Liability/Obligation	Related CAOs	Responsible Office/s
CAO 15-2020	Supervision And Control Over Vessels And Aircrafts	<p>8.1. Vessel, Seacraft, or Aircraft Departing Before Undergoing Customs Formalities. Any Vessel, seacraft, or Aircraft arriving within the limits of a Customs District from a Foreign Port which departs before undergoing customs formalities, without being compelled to do so by stress of weather, pursuit or duress of enemies, or other necessity, shall be liable for the following fines:</p> <p>8.1.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p> <p>8.1.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p> <p>8.1.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>8.2. Obstruction to Boarding Officer. If the Master of the Vessel or Pilot-in-Command or any member of the complement of any Vessel or Aircraft arriving at the Philippine port obstructs or hinders any officer from lawfully going on board such Vessel or Aircraft for the purpose of enforcing this CAO, or intentionally causes any officer to be so obstructed or hindered, the Vessel or Aircraft shall be liable for the following fines:</p> <p>8.2.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p>	Sections 1201 to 1225 Sections 1405 to 1419	Collection District

		<p>8.2.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p> <p>8.2.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>8.3. Unlawful Boarding of or Disembarking from the Vessel or Aircraft. If, upon arrival at the Philippine port, any Master of the Vessel or Pilot-in-Command of an Aircraft engaged in a Foreign Trade permits any person to board or disembark from the Vessel or Aircraft without the permission of the customs officer-in-charge, the owner or operator of such Vessel or Aircraft shall be liable for the following fines:</p> <p>8.3.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p> <p>8.3.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p> <p>8.3.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>8.4. Unloading of Cargo Before Arrival at Port of Entry. If, upon the arrival within the limits of any Customs District of the Philippines of any Vessel or Aircraft engaged in Foreign Trade, the Master of the Vessel or Pilot-in-Command thereof permits any part of the cargo to be unloaded before arrival at the Port of Entry, and without authority from a proper authorized customs officer, the owner, operator, or agent of such Vessel or Aircraft shall be liable for the following fines:</p> <p>8.4.1. First Offense — Five Hundred Thousand Pesos (Php500,000.00)</p> <p>8.4.2. Second Offense — One Million Pesos (Php1,000,000.00)</p>		
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		<p>8.4.3. Third Offense — Two Million Pesos (Php2,000,000.00)</p> <p>Provided, however, that the fine imposed herein shall be without prejudice to the application of fine or penalties provided under Section 1401 of the CMTA.</p> <p>8.5. Unloading of Cargo at Improper Time or Place After Arrival. The owner or operator of any Vessel or Aircraft from which cargo is discharged upon arrival in the Philippines at a time or place other than that designated by the District Collector, shall be liable for the following fines:</p> <p>8.5.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p> <p>8.5.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p> <p>8.5.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>Provided, that no fine shall accrue upon satisfactory proof to the proper District Collector that the unloading was rendered necessary by stress of weather, accident or other necessity.</p> <p>8.6. Failure to Exhibit or Deposit Documents. When the Master of the Vessel or Pilot-in-Command of an Aircraft engaged in Foreign Trade fails to submit to the District Collector at the time of entry of the Vessel or Aircraft the register or other documents in lieu thereof, together with the clearance and other documents granted by the authorized customs officers to the Vessel or Aircraft at the last Foreign Port of departure, or fails to exhibit any certificate or other documents required to be then exhibited, the owner or operator of such Vessel or Aircraft shall be liable for the following fines:</p>	
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	<p>8.6.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p> <p>8.6.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p> <p>8.6.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>8.7. Bringing of Unmanifested Arms, Explosives, or War Equipment. The owner, operator, or agent of a Vessel or Aircraft arriving at a port in the Philippines bearing cargo consisting of firearms, gunpowder, cartridges, dynamite or any other explosives, munitions or equipment of war not contained in the manifest of the Vessel or Aircraft, or which are concealed on board, shall be liable for the following fines:</p> <p>8.7.1. First Offense — Five Hundred Thousand Pesos (Php500,000.00)</p> <p>8.7.2. Second Offense — Seven Hundred Fifty Thousand Pesos (Php750,000.00)</p> <p>8.7.3. Third Offense — One Million Pesos (Php1,000,000.00)</p> <p>8.8. Failure to Supply Advance and Requisite Manifests. Failure to transmit the electronic manifest within the required time prescribed by this CAO prior to arrival of the carrying Vessel or Aircraft at the Port of Entry shall make the owner, operator, or agent of the Vessel or Aircraft liable for the following fines:</p> <p>8.8.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p>		
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	<p>8.8.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p> <p>8.8.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>8.9. Breaking of the Seal Placed by Customs Officers. If any seal placed by a Customs Officer upon any Vessel, Aircraft or train or compartment thereof, or upon any box, trunk or other package of goods on board is broken, the owner, operator, or agent of the Vessel or Aircraft shall be liable with the following fines:</p> <p>8.9.1. First Offense — One Hundred Thousand Pesos (Php100,000.00) for each broken or destroyed seal</p> <p>8.9.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00) for each broken or destroyed seal</p> <p>8.9.3. Third Offense or more — Three Hundred Thousand Pesos (Php300,000.00) for each broken or destroyed seal</p> <p>8.10. Disappearance of Manifested Goods. When any package or goods mentioned in the manifest meant to be unloaded at the port of destination is not unloaded upon the arrival of the Vessel or Aircraft, its agent shall be liable for the following fines unless the disappearance of the package or the goods in question was not due to the negligence of the Master of the Vessel or Pilot-in-Command of an Aircraft, and is explained to the satisfaction of the District Collector.</p> <p>8.10.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p>		
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		<p>8.10.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p> <p>8.10.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>The owner, operator, or agent of a Vessel or Aircraft shall be liable for the payment of the same fine when a package or goods listed in the manifest does not tally materially in character or otherwise with the description thereof in the manifest.</p> <p>8.11. Discrepancy Between Actual and Declared Weight of Manifested Goods. If the actual weight of the goods or package exceeds the declared weight in the manifest or bill of lading by more than ten percent (10%), and such discrepancy was due to the negligence of the Master of the Vessel or Pilot-in-Command, the owner, employee, operator or agent of the importing Vessel or Aircraft shall be liable for a fine of not more than twenty percent (20%) of the value of the package or goods in respect to which the deficiency exists.</p> <p>8.12. Discrepancy with the Master's of the Vessel or Pilot's-in-Command Report. When a Vessel or Aircraft arriving from a Foreign Port is compelled by necessity to unload in another port other than the Port of Entry and permission is granted by the District Collector for the unloading of the Vessel or Aircraft or the delivery of any part of the cargo and it shall be found that there is discrepancy between the cargo unloaded and the report of the Master of the Vessel or the Pilot-in-Command and such discrepancy is not satisfactorily explained, the owner, operator or agent of the Vessel or Aircraft shall be liable for the following fines:</p>		
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	<p>8.12.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p> <p>8.12.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p> <p>8.12.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>8.13. False Statement of Vessel's or Aircraft's Destination. When the Master of the Vessel or Pilot-in-Command of a Vessel or Aircraft loaded with goods shall make a false statement as to the next destination of such Vessel or Aircraft when that information is required by a customs officer, the owner or operator of such Vessel or Aircraft shall be liable for the following fines:</p>	
	<p>8.13.1. First Offense — One Hundred Thousand Pesos (Php100,000.00)</p>	
	<p>8.13.2. Second Offense — Two Hundred Thousand Pesos (Php200,000.00)</p>	
	<p>8.13.3. Third Offense — Three Hundred Thousand Pesos (Php300,000.00)</p> <p>The arrival of a Vessel or Aircraft at a different port other than the one it had been originally authorized and cleared for without having been impelled to do so by necessity, shall be prima facie proof that the original statement of the actual destination of the Vessel or Aircraft was false.</p>	

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¹ CMTA, Section 429. *Final Assessment*. — Assessment shall be deemed final fifteen (15) days after receipt of the notice of assessment by the importer or consignee.

² See page 62.

³ See page 29.

⁴ CMTA, Section 1000. *Audit and Examination of Records*. — Within three (3) years from the date of final payment of duties and taxes or customs clearance, as the case may be, the Bureau may conduct an audit examination, inspection, verification, and investigation of records pertaining to any goods declaration, which shall include statements, declarations, documents, and electronically generated or machine readable data, for the purpose of ascertaining the correctness of the goods declaration and determining the liability of the importer for duties, taxes and other charges, including any fine or penalty, to ensure compliance with this Act.

⁵ See page 2.

⁶ CMTA, Section 1104. *Administrative and Judicial Appeals*. — An aggrieved party may, within thirty (30) days from receipt of an adverse ruling or decision, appeal the same to the CTA without prejudice to the authority of the Secretary of Finance to review decisions adverse to the government in accordance with Sections 1127 and 1128 of this Act, as the case may be.

SECTION 1127. Automatic Review in Forfeiture Cases.— The Commissioner shall automatically review any decision by the District Collector adverse to the government. The entire records of the case shall be elevated within five (5) days from the promulgation of the decision. The Commissioner shall decide on the automatic review within thirty (30) days, or within ten (10) days in the case of perishable goods, from receipt of the records. When no decision is rendered within the prescribed period or when a decision adverse to the government is rendered by the Commissioner involving goods with FOB or FCA value of ten million pesos (₱10,000,000.00) or more, the records of the decision of the Commissioner, or of the District Collector under review, as the case may be, shall be automatically elevated within five (5) days for review by the Secretary of Finance. The decision issued by the Secretary of Finance, whether or not a decision was rendered by the Commissioner within thirty (30) days, or within ten (10) days in the case of perishable goods, from receipt of the records, shall be final upon the Bureau.

SECTION 1128. Automatic Review by the Secretary of Finance in Other Cases. — In cases not involving protest or forfeiture, the Commissioner shall automatically review any decision by the District Collector that is adverse to the government. The records of the case shall be elevated to the Commissioner within five (5) days from the promulgation of the decision. The Commissioner shall decide on the automatic review within thirty (30) days from receipt of the records, or within ten (10) days in the case of perishable goods. When no decision is rendered within the prescribed period or when any decision rendered by the Commissioner is adverse to the government, the records of the case under review shall be automatically elevated within five (5) days for the review of the Secretary of Finance. The decision issued by the Secretary of Finance, whether or not a decision was rendered by the Commissioner within thirty (30) days from receipt of the records, or within ten (10) days in the case of perishable goods, shall be final upon the Bureau.

⁷ CMTA, Section 407. *Goods Declaration and Period of Filing*. — As far as practicable, the format of the goods declaration shall conform with international standards. The data required in the goods declaration shall be limited to such particulars that are deemed necessary for the assessment and collection of duties and taxes, the compilation of statistics and compliance with this Act. The Bureau shall require the electronic lodgement of the goods declaration.

The Bureau shall only require supporting documents necessary for customs control to ensure that all requirements of the law have been complied with. Translation of supporting documents shall not be required except when necessary.

Goods declaration must be lodged within fifteen (15) days from the date of discharge of the last package from the vessel or aircraft. The period to file the goods declaration may, upon request, be extended on valid grounds for another fifteen (15) days: *Provided*, That the request is made before the expiration of the original period within which to file the goods declaration: *Provided, However*, That the period of the lodgement of the goods declaration may be adjusted by the Commissioner.

⁸ CMTA, Section 403. *Provisional Goods Declaration.* — Where the declarant does not have all the information or supporting documents required to complete the goods declaration, the lodging of a provisional goods declaration may be allowed: *Provided*, That it substantially contains the necessary information required by the Bureau and the declarant undertakes to complete the information or submit the supporting documents within forty-five (45) days from the filing of the provisional goods declaration, which period may be extended by the Bureau for another forty-five (45) days for valid reasons.

If the Bureau accepts a provisional goods declaration, the duty treatment of the goods shall not be different from that of goods with complete declaration.

Goods under a provisional goods declaration may be released upon posting of any required security equivalent to the amount ascertained to be the applicable duties and taxes.

⁹ CMTA, Section 117. *Regulated Importation and Exportation.* — Goods which are subject to regulation shall be imported or exported only after securing the necessary goods declaration or export declaration, clearances, licenses, and any other requirements, prior to importation or exportation. In case of importation, submission of requirements after arrival of the goods but prior to release from customs custody shall be allowed but only in cases provided for by governing laws or regulations.

¹⁰ See page 17.

¹¹ CMTA, Section 102 (uu). Third Party refers to any person who deals directly with the Bureau, for and on behalf of another person, relating to the importation, exportation, movement or storage of goods.

¹² See page 44.

¹³ See page 44.

¹⁴ See page 55.

¹⁵ See page 44.



BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY

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1st Indorsement

13 January 2021

Respectfully transmitted to **MS. GLADYS C. CABUGAWAN**, Chief, Central Records Management Division the herein attached Customs Memorandum Order (CMO) on *Compendium of Penalties, Liabilities or Obligations under the Customs Modernization and Tariff Act (CMTA) and its Implementing Rules and Regulations* for numbering and dissemination.

For your information and appropriate action

ATTY. VENER S. BAQUIRAN
Deputy Commissioner, RCMG
Project Manager, CMTA-IRR PMO