



BUREAU OF CUSTOMS

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MEMORANDUM

TO : ALL DEPUTY COMMISSIONERS
 ALL DISTRICT AND SUB-PORT COLLECTORS
 ALL FORMAL ENTRY DIVISION PERSONNEL
 ALL OTHERS CONCERNED

FROM : REY LEONARDO B. GUERRERO
 Commissioner

SUBJECT : DISPUTE SETTLEMENT ARISING FROM VALUATION

DATE : 27 May 2020

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BOC-02-02070

MAY 28 2020

In order to effectively implement the directives under Customs Administrative Order (CAO) No. 02-2020 on the right to administrative remedies of an aggrieved importer pertaining to dispute settlement arising from **customs valuation**, the following shall be observed:

1. This Memorandum shall cover dispute settlement arising from customs valuation, when upon lodgment of the goods declaration and before assessment has become final, the customs officer concerned challenged the declaration of the importer as to the dutiable value of goods pursuant to Section 707 of the CMTA.¹
2. When such customs valuation issue arises, the Customs Officer shall indicate the reasons thereof and a recommendation as to the correct Method of Valuation² to be used and the resulting customs value to be adopted vice the customs value declared. If the importer does not agree with the findings and recommendation of the Customs Officer, he may elevate the matter to the principal appraiser and thereafter to the Chief, Formal Entry Division or equivalent unit, then to the Deputy Collector for Assessment and finally to the District Collector.³ If the District Collector adopts the findings of the Customs Officer, Section 6.3 of CAO 02-2020 shall apply.
3. If the District Collector does not readily adopt the findings of the Customs Officer, the procedure under Section 6.2 of CAO No. 02-2020 shall be followed. The District Collector shall resolve in writing the valuation dispute

¹ "Nothing in this section shall be construed as restricting or calling into question the right of the Bureau to ascertain the truth or accuracy of any statement, document or declaration presented for customs valuation purposes. xxx"

² CMTA, Title VII, Chapter 1, Section 701-706

³ cf. Section 6.1 CAO No. 02-2020

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within fifteen (15) days from receipt of all position papers and any evidence submitted by the parties involved.⁴

4. Pending resolution of the correct customs value, the District Collector may, upon the request of the importer, allow the release under tentative assessment of the goods upon payment of the duties and taxes as declared in the goods declaration and posting of sufficient security to cover the difference between the amount of duties and taxes as recommended by the Customs Officer and the duties and taxes computed based on the customs value declaration.⁵
5. In case the decision of the District Collector is adverse to the government, it shall be elevated to the Commissioner for automatic review pursuant to Section 1128 of the CMTA.⁶
6. In case the decision of the District Collector is adverse to the importer, the importer shall be liable to pay the additional duties and taxes as adjudged or if the goods are released under tentative assessment, any posted security shall be made to answer for the deficiency in duties and taxes resulting from the decision.⁷
7. The aggrieved importer may file a written appeal by way of protest to the Commissioner, within fifteen (15) days from receipt of the adverse ruling of the District Collector or, when payment is made as a result of the adverse decision, within fifteen (15) days from such payment.⁸ Otherwise, the action of the District Collector shall be final and conclusive.⁹
8. There must be a prior payment of the disputed assessment as well as payment of protest fees, before any appeal by way of protest may prosper.
9. All Ports should advise stakeholders that appeal by way of protest is to be filed with the Office of the Commissioner, in view of the rules under CAO No. 2-2020 which implements the new provisions of the CMTA.
10. Further, Ports must refrain from resolving protest cases filed before their Offices, and immediately forward the same to the Office of the Commissioner which has jurisdiction over appeals by way of protest.
11. Lastly, the Ports are hereby directed to submit within five (5) days from receipt hereof to the Office of the Commissioner the status report containing all disputed assessments from January 2020 to Present.

For compliance.

⁴ cf. Section 6.2.5. CAO No. 02-2020

⁵ cf. Section 6.2.4. CAO No. 02-2020

⁶ CMTA, Title XI, Chapter 5, Section 1128

⁷ cf. Section 6.4. CAO No. 02-2020

⁸ cf. Section 10.1 CAO No. 02-2020

⁹ *Ibid.*

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