



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**  
MANILA

Customs Memorandum Order  
Number 33-96

OCT 17 1996

To: The District Collectors of Customs  
The Chiefs, Collection Division  
POM, NAIA and MICP  
All Importers/Brokers  
All Authorized Agent Banks  
All Others Concerned

Subject: Procedures to be Followed in the Issuance and  
Utilization of Certificates of Balance (COB)

**I. OBJECTIVES:**

- 1.1 To secure the advance deposit collection system of the Bureau.
- 1.2 To insure an efficient and systematic issuance of Certificates of Balance.
- 1.3 To monitor and secure the utilization of Certificates of Balance.

**II. SCOPE:**

This Order shall apply only to ports covered by CAO 2-95 on the mandatory payment of Customs duties and taxes through authorized agent banks.

**III. GENERAL PROVISIONS:**

3.1. Marking of Entries Entitled to COB

It shall be the responsibility of the importers/brokers to call the attention of the Bureau that the advance deposit in the IED shall have a balance after application of the duties and taxes payable on the shipment at hand. To do this, the word "SUBJECT TO ISSUANCE OF COB" shall be marked on the empty space at the bottom of the IEIRD.

3.2. Segregation of Marked Entries at the Collection Division

The OLRS operator shall segregate all entries marked as in 3.1 above after the lifting of duty stop and forward the same to the Chief of Collection Division for issuance of COB.

3.3. Issuance of Certificates of Balance

- 3.3.1 Issuing Authority. - It shall be the responsibility of the Chief of the Collection Division of the port where the IED was first presented for application, to issue/indorse COB on all succeeding shipments covering the same L/C whether they shall be utilized on the same port or to the other ports. It shall also be his/her responsibility to maintain the computer file of all records of utilization of the particular advance deposit in the IED as well

as to secure all original copies of COB and IED until it has been fully utilized.

3.3.2 Automated Certificate of Balance System (ACOBS). - The Chief, Collection Division shall utilize this computer system in issuing COB as well as for validating applications of COB and generation of indorsement.

IV. OPERATIONAL PROVISIONS:

- 4.1 The Receiving Clerk shall forward the entry documents to the AMPP Clerk for the processing of entry for first partial application (original copy of IED attached to the entry) or to the Chief, Collection Division for succeeding applications (COB attached to the entry).
- 4.2 The AMPP clerk shall process the entry for the first partial application utilizing the Collection Division's AMPP System.
- 4.3 The PVS clerk shall process the entry for succeeding applications utilizing the Payment Verification System after verification from ACOBS by the Chief, Collection Division.
- 4.4 The OLRs Unit, after lifting of the duty stop must forward entries to the Chief, Collection Division marked as in 3.2 above for the issuance of COB utilizing ACOBS. The original copy of the COB shall be given to the importer while the duplicate copy shall be kept in suspense file together with the original and triplicate copies of the IED until its full utilization.
- 4.5 For succeeding applications, the importer/broker shall proceed to the Chief, Collection Division who issued the COB and present the original copy of the COB for validation and issuance of indorsement.
- 4.6 Machine Validation of IEIRD
  - 4.6.1 When an IEIRD is presented to the Chief, Collection Division by the importer/broker for application of COB, the entry must be machine validated with the following information on the Free Disposal Portion of the IEIRD after verification from ACOBS:

COB Reference Number  
 Date of COB  
 Amount being applied

- 4.6.2 The Chief, Collection Division must then sign on top of his/her printed name below the machine validated amount.
- 4.7 Presentation of COB to AAB when the amount in the COB is less than the total duties and taxes payable per IEIRD
  - 4.7.1 The original copy of the COB issued to the importer/broker in 4.5 above shall be attached to the IEIRD upon its presentation to the Authorized Agent Bank where the L/C was opened for final payment of duties and

taxes. The AAB shall only collect the difference between the machine validated amount/COB and the total d/t payable. In this case, the Free Disposal Portion of the IEIRD shall now contain two machine validated amounts, the machine validated COB amount (by the Chief, Collection Division) and the amount representing payment of final duties and taxes (by the AABs).

4.8 The indorsement generated from ACOBS shall be officially transmitted to the next port (if different from the issuing port) in sealed envelopes bearing the signature of the Chief, Collection Division of the issuing port on the envelope's flap. If however, the COB shall be utilized on the same port, the indorsement shall be forwarded to the concerned PVS clerk.

4.9 Utilization of COB

4.9.1 When applied to the issuing port

The Chief, Collection Division must verify from ACOBS if the machine validated/COB amount matches the amount found in the computer file using the COB number as reference key. If it matches, the entry documents must be forwarded to the PVS clerk who shall retrieve the indorsement forwarded to him/her in 4.8 above and proceed in the matching process in the manner prescribed by the Commissioner for Payment Verification System.

4.9.2 When applied to a different port

The Chief, Collection Division of the next port must match the amount in the indorsement officially transmitted to him/her in 4.8 above and the machine validated/COB amount. If it matches, the entry documents must be forwarded to the PVS clerk who shall proceed in the matching process in the manner prescribed by the Commissioner for Payment Verification System.

4.10 The original and triplicate copies of the IED shall be kept in suspense file together with the COB and indorsements by the Chief, Collection Division of the port where the IED was first presented until it has been fully/maximally utilized. Once it has been fully utilized, the triplicate copy of the IED shall be given to the importer/broker while the original copy shall be kept in permanent file by the Chief, Collection Division for future reference in case of disputes and claims for tax refund for over/excess payment and for audit purposes by the National Accounting Office.

V. EFFECTIVITY:

This Order shall take effect on OCT 24 1996

  
GUILLERMO L. FARAYNO Jr.  
Commissioner



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**  
MANILA

02 April 1998

CUSTOMS MEMORANDUM ORDER  
NUMBER 33-96A

To: The District Collector of Customs, Port of Cebu  
The Chief, Collection Division, Port of Cebu  
All Importers/Brokers  
All Authorized Agent Banks  
All Others Concerned

Subject: Supplement to CMO 33-96

Be informed that on 15 April 1998, CMO 33-96 with subject "Procedures to be Followed in the Issuance and Utilization of Certificates of Balance (COB)" shall come into effect at the Port of Cebu. The following features are hereby highlighted for the guidance of all concerned:

1. In consonance with CMO 21-96, the advance duties paid upon L/C opening must be applied in full for the payment of duties and taxes even if the arrival constitutes only a partial shipment. For succeeding shipments, a Certificate of Balance must be presented to indicate the amount being applied and the remaining balance in the advance deposit per IED.
2. The entries must be properly marked with the words "*SUBJECT TO ISSUANCE OF COB*" by the importer/broker to indicate that the advance deposit in the Import Entry Declaration (IED) shall still have a balance after application of the duties and taxes payable on the shipment at hand.
3. The procedures for the issuance and verification as to the authenticity of the COB must be done utilizing ACOBS following the guidelines prescribed in CMO 33-96.
3. Whenever in CMO 33-96 reference is made to AMPP clerks and AMPP System, it shall be interpreted to mean, the equivalent Collection Division clerk in the port and ACOS respectively. For the first partial application, the entry documents need not be forwarded to the Collection Division clerk since the the computer will automatically match the payment details with the assessed amount.