



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

31 August 2000

CUSTOMS MEMORANDUM ORDER

No. 10-2000

Deputy Commissioners, Service Directors, District Collectors,
Division Chiefs, COO V, COO III, and All Others Concerned

SUBJECT: Detailed Procedures to Further Implement CMO 3-2000

Pursuant to Section 608, Tariff and Customs Code of the Philippines (TCCP), as amended, the following rules and regulations are hereby promulgated to complement/further implement CMO 3-2000:

I. OBJECTIVES

1. To determine the import entry declaration that will be subject to the Valuation and Classification Review Committee (VCRC) established in CMO 3-2000, prescribing the more detailed procedures therefor;
2. To further enhance the application of the WTO Valuation System in the import clearance processes of shipments, facilitating the clearance of legitimate commerce while protecting government revenues.

II. SCOPE

This Order shall apply to all importation in all ports except those covered by the Super Green Lane facility.

III. ADMINISTRATIVE PROVISIONS

1. Except as herein otherwise provided, the VCRC which shall be organized in every District Port shall be composed of the following:
 - a. District Collector - Chairman
 - b. Deputy Collector for Assessment - Vice Chairman
 - c. Chief, Formal Entry Division or Equivalent Unit - Member

2. At the Port of Manila, Manila International Container Port and the NAIA Customhouse, other Customs officials may be designated to the VCRC as Chairman, Vice-Chairman or member, upon the recommendation of the concerned District Collector and approval of the Commissioner of Customs. Provided that the Chairman and Vice-Chairman shall have the rank not lower than a Collector of Customs IV/COC while the member, not lower than a COAC.
3. The concerned COO V and COO III of the Formal Entry Division or equivalent units shall act as resource persons to the VCRC.
4. The VCRC Secretariat established in Paragraph III.10.1 of CMO 3-2000 shall be renamed as the VCRC Technical Support Team (VCRC-TST) and shall be headed by the Vice-Chairman, unless the concerned District Collector assigns other qualified Customs official.
5. At the NAIA Customs, a VCRC Technical Support Team shall be established in each of the Customs Clearing Warehouse and shall be headed by the respective Special Deputy Collector, unless the District Collector assigns other qualified Customs official.

IV. PROCEDURES

Upon the selectivity processing of import entry declaration, the following procedures apply:

AT THE CONCERNED SECTION, FORMAL ENTRY DIVISION

1. COO V opens selectivity module to verify whether the clearance channel assigned to the shipment is Yellow or Red.
2. COO V clicks criteria screen to check whether the shipment is hit by the valuation screen, among others.
3. If the shipment is selected Yellow or Red, and hit by the Valuation Screen, or there is an appraiser-initiated valuation/classification issue(s), the COO V shall perform the following:
 - a. Stamp the word "VALUATION" on the free space between boxes 58 and 59 of the Entry, and on the Temporary Assessment Notice (TAN); and,

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- b. Indicate in writing whether the selection is Yellow (Y) or Red (R) and if the shipment is regulated, the reason(s) or basis. In case of multiple item declaration, the said remarks shall be indicated for each item.
4. COO V assigns entry to COO III who shall undertake any of the following:

Case A: If selected Yellow and hit by Valuation Screen

Conducts documentary examination. If physical examination were deemed necessary for the shipment, the same may only be undertaken upon the written approval of the District Collector of Customs, or in case of air shipments, the Special Deputy Collector of the concerned Customs Clearing Warehouse, stating the reasons therefor.

Case B: If selected Red and hit by Valuation Screen

Conducts documentary examination. A physical examination shall also be performed on the shipment as a matter of course.

Case C: Not hit by the Valuation Screen but the Appraiser contests the declared value

Indicates in the Request for VCRC Review (VCRC Form No. 1), Annex 1 herein, that the request for VCRC review is appraiser-initiated by checking the appropriate box, including the reason(s) for such action. No physical examination shall be conducted on the shipment.

Case D: Whether or not hit by the Valuation Screen but the Appraiser contests the classification

Indicates in VCRC Form No. 1 that the request for VCRC review is appraiser-initiated by checking the appropriate box, including the reason(s) for such action. No physical examination shall also be conducted on the shipment.

5. In any of the above cases, the COO III shall perform the following:
- a. Verifies the CDSS/GVSS/Current ROs for value/classification information;
 - b. Produce a print out of all the relevant information gathered from these sources;

- c. Prints and signs his name in every page of the print outs; and,
 - d. Attaches all the signed print outs to the Entry. If printouts consist of more than 10 pages, the printouts up to 10 pages may only be attached to the entry, in which case the COO III must indicate in writing the total number of pages the printouts to consist of.
6. COO III fills up the VCRC Form No. 1, attaches the duly filled up form to the Entry and forwards same with all the attachments/supporting documents to VCRC-TST.

AT THE VCRC TECHNICAL SUPPORT TEAM

7. Upon receipt of the concerned documents, the VCRC-TST receiving clerk assigns a docket number to the case, enters the same in the VCRC-TST logbook and forwards the case documents to the Head, VCRC-TST.
8. The Head, VCRC-TST, may decide the case and authorize the release of the concerned shipment if any of the following circumstances exists:
- a) Single-item entries whose f.o.b. value as per appraiser' findings are not more than \$500 for seaports, and \$100 for airports.
 - b) The importer manifests in writing to pay based on the highest comparative value on record per GVSS, CDSS, RO 99 or any later ROs, or latest rulings of the BOC-SGS Appeals Committee or VCRC.
 - c) The importer manifests in writing to pay based on the latest classification rulings by the DOE, the Commissioner of Customs, BOC-SGS Appeals Committee or VCRC.
9. In any of the above cases, the Head, VCRC-TST, fills up the VCRC Disposition Form (VCRC Form No. 2), Annex 2 herein, and refers it with the Entry to the concerned COO V for final assessment, which shall then be forwarded to the Collection Division for payment verification and/or collection of additional payment, if any.
10. Where the disposition however requires additional payment of duties and taxes by 10% or more of the original assessment, the COO V shall instead make a discrepancy report and forwards it with the Entry and all its attachments to the District Collector who shall:

- a. Impose the appropriate surcharge; or
 - b. In case of discrepancy by 30% or more, take such appropriate action in accordance with the TCCP.
11. Unless otherwise directed, the COO V shall make a final assessment based on the action of the District Collector, which shall then be forwarded to the Collection Division for the settlement of additional payment, including the surcharge(s).
 12. The Head, VCRC-TST shall submit a daily report of all his decisions and actions of such cases to the District Collector.
 13. The Head, VCRC-TST shall forward to the VCRC Chairman all other valuation/classification cases not resolved nor acted upon by the VCRC-TST, including those with a combination of value and classification issues as well as other issues specifically raised in writing by the COO V, for VCRC resolution.
 14. The Head, VCRC-TST, shall transmit all subject cases to the VCRC Chairman, recording in the logbook the docket numbers of such cases, their captions, among other relevant information, indicating the time and date such cases were referred to and received by said Office.
 15. On the basis of such transmittals, the Head, VCRC-TST, shall prepare a case digest for all the cases referred to the VCRC and the agenda to be deliberated by the VCRC.

AT THE VCRC

16. The VCRC Chairman shall convene the committee to deliberate the matters in the agenda every Thursdays and/or as often as necessary. All cases pending or not resolved in the last meeting are automatically calendared for the next meeting until the same is resolved, in addition to the new matters in the agenda.
17. Cases resolved by the VCRC shall continue to be listed in the agenda for final confirmation by the VCRC before these are finally taken out of the agenda.

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- 18. Those taken out of the agenda can no longer be reopened, except to correct manifest clerical error, or when the text of the resolution is different from what was decided upon during the deliberation as borne out by the records of the deliberations, or on account of a newly discovered evidence which was not available or could not be obtained during the deliberation of the case.
- 19. The VCRC-TST shall record the minutes of VCRC meetings and based on such records, prepare the VCRC decision for every case for the signature by the VCRC Chairman.
- 20. Based on the signed VCRC decision, the Head, VCRC-TST, shall fill up VCRC Form No. 2 accordingly and refer the same to the section concerned for implementation.
- 21. The Head, VCRC-TST, shall submit to the VCRC Chairman a running weekly report of the cases referred to VCRC and the action taken by it.
- 22. The VCRC Chairman shall in turn submit a weekly consolidated report to the Commissioner and Deputy Commissioner, Assessment and Operations Group, using the VCRC Form No. 3, attached herein as Annex 3. The report shall be categorized as follows:
 - a. Decision by VCRC-TST
 - b. Decision by VCRC

V. TENTATIVE RELEASE

- 23. Cases referred to the VCRC shall entitle the importer for the Tentative Release of the shipment concerned. The Head, VCRC-TST shall grant tentative release as a matter of course upon the posting a cash bond, manager's check or bank guarantee per CAO 4-99, except as otherwise herein provided, to answer for the duties and taxes payable in the event of a decision adverse to the importer. If no Tentative Release is availed of, the Head, VCRC-TST, shall immediately calendar the case for VCRC deliberation and the VCRC shall give priority to the same.
- 24. The amount of the security shall be as follows:

For Case No. 1, and Case No. 2, where applicable, the amount of guarantee is equivalent to the difference between the payables assessed using the highest value on record and the assessment/ payment based on the declaration, plus 25% thereof.

Handwritten mark

For Case No. 3, no guarantee is required except when there is also an issue on tariff classification in which case, the amount shall be the difference between the payables based on the declared tariff rate and as found by the Appraiser. In case no guarantee is required, the covering entry shall be marked as "Under tentative liquidation".

For Case No. 4, the amount of guarantee is equivalent to the difference in the payables between the declared tariff rate and as found by the Appraiser.

VI. APPEALS

25. If the importer disputes the decision of the VCRC, the importer may appeal said decision to the Commissioner of Customs by submitting a Notice of Appeal to the VCRC Chairman within 15 days from receipt of the VCRC decision. The Notice of Appeal must contain, among others, an assignment of errors of the VCRC decision.

26. The VCRC Chairman shall forward the records of the case to the Commissioner of Customs within 5 days from receipt of the Notice of Appeal with a covering memorandum stating out briefly the factual and legal basis of the VCRC decision.

VII. REPEALING CLAUSE

CMO Nos. 25-99 and 26-99 and all other Orders, Memorandums, Circulars or parts thereof which are inconsistent with this Order are hereby deemed repealed and/or modified accordingly.

VIII. EFFECTIVITY

This order shall take effect fifteen (15) days from signing.

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RENATO A. AMPIL
Commissioner

Date signed: 01 SEPTEMBER 2000
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Request to VCRC for Valuation and Classification Review

Hit by Valuation Screen Date: _____

Appraiser Initiated*

* If Appraiser Initiated, Specify Reason(s): _____

Consignee: _____ Country of Exportation/Manufacture: _____

Broker: _____ Entry No.: _____

Supplier: _____ No. of Pages (Printouts) _____

<u>Description</u>	<u>Item No.</u> _____	<u>Item No.</u> _____
a. As Declared:	_____	_____
	_____	_____
b. As Found:	_____	_____
	_____	_____
<u>Tariff Classification</u>		
a. As Declared:	_____	_____
b. As Found:	_____	_____
<u>Valuation</u>		
a. Declared Unit Value:	_____	_____
(include unit of measure)		
Method Used:	_____	_____
b. R.O. (Reference Value):	_____	_____
c. CDSS Value Range:	Max. _____ Min. _____	Max. _____ Min. _____
<u>Comments/Recommendations:</u>	_____	_____
	_____	_____
	_____	_____

We hereby certify that the above information are true and correct:

_____ COO III _____ COO V

VCRC Docket No. _____

This Box for VCRC-TXT Use Only

THIS BOX TO BE FILLED UP BY CONCERNED COO III AFTER VCRC RESOLUTION

Total Duties and Taxes: _____

Additional Duties & Taxes: _____

Surcharge if any: _____

Additional Information: _____

Signature of COO III: _____

VCRC Disposition Form

end- 10. 2000

VCRC Docket No. _____
 Received by: _____
 Date: _____
 Time: _____

Consignee: _____
 Broker: _____
 Supplier: _____

Country of Exportation: _____
 Entry No. _____
 BL/AWB No. _____

- Single-item entries, the value as found by the appraiser is not more than \$500 for seaports, and \$100 for airports.
- The importer manifests in writing to pay based on the highest value reflected in the GVSS, CDSS, or RO 99 up to the present, or the current rulings of the BOC-SGS Appeals Committee.
- The importer manifests in writing to pay based on the classification indicated in the rulings by the DOF, the Commissioner of Customs, and the BOC-SGS Appeals Committee.
- Others

- For Tentative Release:**
 Amount of Bond: _____
 Remarks: _____
- Denied For Tentative Release:**
 Reason: _____

DISPOSITION

Value:
 As Declared: _____
 As Found: _____
 R.O.: _____
 CDSS: _____
 Others (Appeals Committee, DOF): _____

Classification:
 As Declared _____
 As Found: _____
 Basis: _____

Method Used: _____
 Reason: _____

Remarks: _____

 Head, VCRC-TS1

 Chairman, VCRC

END-10-2000

VCRC Weekly Consolidated Report

Decision by VCRC

Decision by VCRC without Formal Deliberation

Decision by VCRC with formal deliberation

ENTRY NO.	IMP.	COUNTRY OF EXPORT	GOODS DESCRIPTION		TARIFF CLASSIFICATION		UNIT VALUE		REFERENCE VALUE			DUTIES TAXES P/		
			As Declared	As Found	As Declared	As Found	As Declared	As Found	CDSS	GVSS	R.O.	Addition		

PREPARED BY: _____

DATE: _____

HEAD, VCRC-TST