



Republic of the Philippines
Department of Finance
Bureau of Customs
1099 Manila

June 15, 2005

CUSTOMS MEMORANDUM ORDER

No. 25-2005

SUBJECT: NEGOTIATED SALES AND PUBLIC BIDDING

SECTION 1. **Basis.** - This Order is issued pursuant to the two Memoranda both dated May 23, 2005 issued by the Secretary of Finance mandating new policies for Negotiated Sales and Public Bidding in consonance with Section 2610 of the Tariff and Customs Code of the Philippines and Executive Order 389 dated January 25, 2005.

SECTION 2. **Negotiated Sales.** - Negotiated Sale as provided for under Section 2610, TCCP, is not a mandatory mode of disposing properties in the custody of the Bureau of Customs. The Department of Finance in the above mentioned Memorandum shall no longer approve the Disposition of articles under the custody of the Bureau of Customs through the conduct of negotiated private sale.

SECTION 3. **Public Bidding Preferred.** - If any article remains unsold in at least two public biddings, the District/Port concerned is directed to continue holding public biddings until the said article is disposed of in accordance with Section 2610, TCCP, or to otherwise dispose the same through any of the permitted modes of disposition under said Section 2610, TCCP, other than a negotiated private sale.

SECTION 4. **Requirements for Public Bidding Participants.** - In compliance with Executive Order 398 and to ensure that only legitimate persons and businesses participate in the public auctions conducted by the Bureau of Customs, all participants, whether natural or juridical, must submit the latest income and business tax returns duly stamped and received by the Bureau of Internal Revenue (BIR) and validated with the tax payment made thereon as a pre-condition for registration of bidders in auction sales.

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SECTION 5. Reportorial Requirement. - All Districts/Ports are hereby directed to submit to the Department of Finance through the Undersecretary for Revenue Operations, a quarterly report indicating how much each bidding entity purchased through public auction from the Bureau of Customs.

SECTION 6. Transitory Provision. - All negotiated private sales shall be discontinued from the time of the issuance of this Order while those pending approval or undergoing the normal clearance process shall be returned to the originating District/Port for disposition in accordance with the rules herein promulgated.

SECTION 7. Repealing Clause. - Rules and Regulations inconsistent with this Order are hereby deemed repealed or modified accordingly. The existing rules on Negotiated Sale and Public Bidding as embodied in CMO No. 5-2003 and other regulations are hereby amended accordingly.

SECTION 8. Effectivity. - This Order takes effect immediately.


ALBERTO D. LINA
Commissioner