REPUBLIC OF THE PHILIPPINES
Department of Finance
**BUREAU OF CUSTOMS**
MANILA 1099

10 July 2009

**CUSTOMS MEMORANDUM ORDER**
NO. _____26 - 2009_____

SUBJECT: Guidelines in the Computation and/or Determination of the Fine Imposable on the Seized Goods and Redemption Value of the Forfeited Goods for Settlement and Redemption Pursuant to Section 2307 of the Tariff and Customs Code of the Philippines, As Amended (TCCP)

## 1.0 OBJECTIVES

1.1 To give meaning and substance to Section 2307 of the TCCP in relation to the functions of the relevant division, service, group or office existing at the Bureau of Customs (BOC) pursuant to Executive Order No. 127 and relevant laws and executive issuances

1.2 To have consistent and transparent system and procedure in computing and/or determining the fine imposable for the settlement of any seizure case and the redemption value of forfeited goods

1.3 To generate more revenues for the government

## 2.0 GUIDELINES

2.1 The computation and/or determination of the fine imposable on the seized goods in the settlement of any seizure cases and the redemption value of the forfeited goods pursuant to Section 2307 of the TCCP shall be determined by the following:

2.1.1 Initially, by the District Collector who shall do so through the Auction and Cargo Disposal Division (ACDD) or appropriate assessment office or equivalent unit of the port concerned and who shall recommend the same for approval by the Commissioner of Customs; and

2.1.2 During the review by the Commissioner's Office of the favorable recommendation of the District Collector for settlement/redemption or while the seizure case is pending appeal at the Commissioner's Office, by the Valuation and Classification Division (VCD), duly approved by the Director of the Import and Assessment Service (IAS) and duly noted by the Deputy Commissioner of the Assessment and Operation Coordinating group (AOCG)

2.2 The appropriate offices shall consult the Customs valuation databases, and shall also comply with the relevant provisions of Customs Memorandum Order (CMO) No. 34-2002 and CMO No. 9-2005 in the computation and/or determination of the fine imposable on the seized goods in the settlement of any seizure cases and the redemption value of the forfeited goods.

2.3 The case folder for the seizure case subject of a favorable recommendation by the District Collector for settlement or redemption shall be received by the Legal Service which shall immediately transmit the same to the VCD for review of the recommended fine or redemption value.

2.4 The VCD shall either concur with the recommended fine or redemption value or recommend for a higher fine or redemption value, with supporting basis for such action.

2.5 The VCD shall submit its recommendation to the IAS Director for approval, who in turn shall submit the same to the Deputy Commissioner for AOCG for due notation. The latter shall return the case folder to the Legal Service for the proper disposition of the case.

2.6 The Director of the Legal Service shall prepare the Disposition Form of the case containing the recommendation and with the attached appropriate document for clearance and counter-signature by the Deputy Commissioner for Revenue Collection Monitoring Group (RCMG) and finally for approval and signature by the Commissioner.

2.7 While the seizure case is pending appeal from a decision of forfeiture by the District Collector, it is possible that settlement or redemption may be allowed. If this happens, the Legal Service or the Commissioner's Office shall refer the case folder to the VCD for computation and/or determination of the fine or redemption value. The VCD shall submit its recommendation to the IAS Director for approval, who in turn shall submit the same to the Deputy Commissioner for AOCG for due notation. The latter shall return the case folder to the Legal Service or the Commissioner's Office for the proper disposition of the case.

## 3.0 REPEALING CLAUSE

All Orders, rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

## 4.0 EFFECTIVITY

This Order shall take effect immediately.

NAPOLEON L. MORALES
Commissioner