



BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA

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PROFESSIONALISM INTEGRITY ACCOUNTABILITY

Date SEP 10 2021

CUSTOMS MEMORANDUM ORDER NO. 32-2021

SUBJECT : **ELECTRONIC ADVANCE RULING SYSTEM (e-ARS) FOR VALUATION AND RULES OF ORIGIN**

Section 1. Objectives. This Order is issued for the following purposes:

- 1.1. To provide an electronic procedure in the implementation of Customs Administrative Order (CAO) No. 03-2016 – Establishment of an Advance Ruling System for Valuation and Rules of Origin; and
- 1.2. To encourage electronic application for advance ruling on valuation and rules of origin in line with the Bureau's thrust to re-engineer its systems and processes towards trade facilitation.

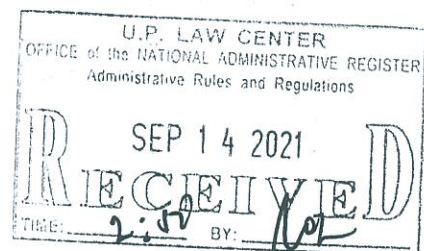
Section 2. Definition of Terms.

- 2.1. **Advance Ruling (AR)** — shall refer to an official written, and binding ruling issued by the Commissioner of the Bureau of Customs (Bureau) which provides the Requesting Person with an assessment of: (1) treatment to be applied on a certain element of customs value, or (2) rules of origin, prior to an import or export transaction for a specified period.¹
- 2.2. **Electronic Advance Ruling System (e-ARS)** — shall refer to a web portal that allows the electronic submission of the application and supporting documents for advance ruling on valuation and rules of origin of shipments.
- 2.3. **Fee** — shall refer to the non-refundable amount assessed by the Bureau to be paid by a Requesting Person during the application to cover the reasonable cost of the research and other services rendered for the issuance of Advance Ruling.²
- 2.4. **Foreign Exporter** — shall refer to a natural or juridical person intending to export any goods or commodities from the foreign country to the Philippines.³

¹ cf. CAO No. 3-2016, Section 3.1.

² CAO No. 3-2016, Section 3.2.

³ CAO No. 3-2016, Section 3.3.



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CHIEF ADMINISTRATIVE OFFICER
CRMD-BOC
14 Sept 2021

- 2.5. **Importer** — shall refer to a natural or juridical person intending to import any goods into the Philippines.⁴
- 2.6. **Requesting Person** — shall refer to a natural or juridical person who is an importer, foreign exporter, or his/her/its authorized agent, who/which is requesting an Advance Ruling pursuant to this Order.⁵

Section 3. Administrative Provisions.

- 3.1. The Imports and Assessment Service (IAS), Assessment and Operations Coordinating Group (AOCG) shall be responsible in the establishment and implementation of the e-ARS on Valuation.
- 3.2. The Port Operations Service (POS), AOCG shall be responsible in the establishment and implementation of e-ARS on Rules of Origin.
- 3.3. The Management Information System and Technology Group (MISTG) shall provide full access, technical assistance and training to the IAS and POS to effectively carry out their mandate under this Order.
- 3.4. The AR Fee per request is One Thousand Five Hundred Pesos (Php1,500.00). The payment shall be through the Landbank of the Philippines (LBP), any other Authorized Agent Bank (AAB) or payment platforms as may hereafter be approved by the Commissioner.

Section 4. Operational Guidelines.

- 4.1. The Requesting Person shall access the website: <https://ars.customs.gov.ph> and select the type of application either for valuation or rules of origin.
- 4.2. After selecting the type of application, the e-ARS will request verification on the payment of AR Fee. Thereafter, the Requesting Person shall accomplish the mandatory/required fields of the application form, and upload supporting documents in PDF format.
- 4.3. Once the electronic filing is successful, it will be assigned a unique system-generated ticket number which will be used by the

⁴ CAO No. 3-2016, Section 3.4.

⁵ CAO No. 3-2016, Section 3.5.

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Requesting Person in tracking the status of their AR application via the e-ARS. The status of the application is **"SUBMITTED"**.

- 4.4. The e-ARS shall automatically assign/queue/route AR applications to the Technical Support Team's (TST) pool of Advance Ruling for Valuation (ARV)/Advance Ruling for Rules of Origin (ARROO) officers, ensuring that AR applications are evenly distributed between the officers for each AR type.
- 4.5. The assigned ARV/ARROO evaluator shall flag the AR application as **"UNDER EVALUATION"** and the applicant will receive notification regarding change of said status.
- 4.6. If, upon the initial evaluation, it is determined that the AR application has insufficient supporting documents/information, the assigned ARV/ARROO evaluator will flag the AR application accordingly and the e-ARS will notify the Requesting Person via email to submit/provide the requested documents/information. The status of the application will be changed to **"INCOMPLETE"**.
- 4.7. The Requesting Person shall send additional documents by uploading the same through the e-ARS dashboard for the applicant. The status of the application will be changed to **"COMPLIED"**.
- 4.8. Once the uploaded documents are viewed by the ARV/ARROO evaluator, the status will be reverted to **"UNDER EVALUATION"**.
- 4.9. Once the evaluation is completed, it will be endorsed to the AR-TST's senior officer for review. The status will be changed to **"UNDER REVIEW"**.
- 4.10. During the review process, if the ARV/ARROO senior analyst does not agree with the findings, the senior analyst shall return the application to the evaluator for further updates.
- 4.11. Once approved by the ARV/ARROO senior analyst, the AR document will be forwarded for approval in the following order:
 - 4.11.1. In case of AR on Valuation, to the Chief, Valuation and Classification Division (VCD), Director IAS, Assistant Commissioner Post Clearance Audit Group (PCAG), Deputy Commissioner, AOCG and Commissioner.
 - 4.11.2. In case of AR on Rules of Origin, to the Chief, Export Coordination Division (ECD), Director POS, Assistant

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Commissioner PCAG, Deputy Commissioner AOCG, and Commissioner.

The status of the application is **"FOR APPROVAL OF RECOMMENDATION"**.

- 4.12. Once the AR decision is signed/approved by the Commissioner, the Requesting Person will be notified via email with the AR decision attached. The status of the AR application will be either **"APPROVED"** or **"DENIED"**.

Section 5. Appellate Remedy. In case of denial of the application for AR, the Requesting Person may avail of the following remedies:

- 5.1. The Requesting Person may file a motion for reconsideration within fifteen (15) calendar days, from receipt of the Ruling or decision. The status will be changed to **"MOTION FOR RECONSIDERATION FILED"**.

The evaluation, review, and approval of recommendation shall follow the same process provided under Section 4 of this Order.

The Commissioner shall issue a resolution either granting the motion for reconsideration and approve the application, or deny the motion.

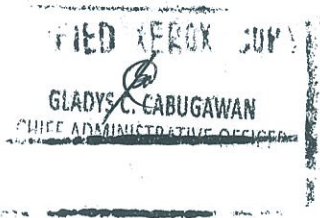
In case of approval, the status will be changed to **"APPROVED"**. In case of denial, the status will be changed to **"DENIED"**; or

- 5.2. The Requesting Person may, within thirty (30) calendar days from the receipt of the denial of the motion for reconsideration, appeal the adverse ruling to the Court of Tax Appeals (CTA). If no motion for reconsideration was filed, the period to file an appeal shall be reckoned from receipt of the decision denying the application for AR.

Section 6. Separability Clause. If any part of this Order is declared unconstitutional or contrary to existing laws, other parts not affected thereby shall remain in full force or effect.

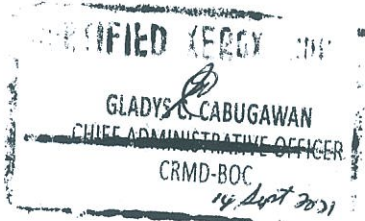
Section 7. Repealing Clause. All CMOs and Memoranda issued contrary to this Order are hereby repealed or amended accordingly.

Section 8. Effectivity. This Order shall take effect five (5) days after its posting at the official website of the Bureau.



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The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Order.



REY LEONARDO B. GUERRERO
Commissioner



BOC-02-06306