



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

CUSTOMS MEMORANDUM ORDER
NO. 34-2002

AUG 02 2002

TO : All Service Chiefs
All District Collectors of Customs
All Division/Section/Unit Chiefs
And All Others Concerned

SUBJECT : Guidelines in the Computation of the Redemption Value
of Imported Forfeited Articles

The following guidelines in the computation of redemption value of imported forfeited articles under Section 2307 are hereby issued.

I. Objectives

- 1) To establish a uniform and transparent system of determining the redemption value of forfeited imported articles.
- 2) To serve as a guide to the different offices and officers of the Bureau of Customs in computing the redemption value of imported forfeited articles.

II. Scope

This Order shall cover the disposition of forfeited imported goods when the owner, importer, exporter or consignee or his agent offers to pay to the Collector the domestic market value of the forfeited articles pursuant to Section 2307 of the TCCP as amended.

III. Administrative Provision

- 1) The District Collector after the shipment has been declared forfeited and within the period of appeal may accept the offer of any owner, importer, exporter, consignee or his agent to settle the case by way of redemption.
- 2) All cases of redemption recommended for release by the District Collector concerned, shall be subject to the approval of the Commissioner of Customs.
- 3) No redemption shall be allowed where the decision of forfeiture has become final and executory or where the importation is absolutely prohibited or where the release thereof would be contrary to law.

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IV. Computation of Redemption Value

1. The redemption value shall be the domestic market value of the forfeited articles. To establish the domestic market value of the forfeited article(s) the formula hereunder stated shall be observed:

Domestic Market Value/Redemption Value = Total Landed Cost +
Applicable Tax + 25% Allowance for Profit and General
Expenses

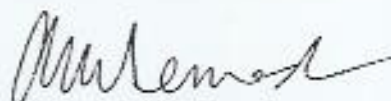
Total Landed Cost is the Sum of the Customs Value, Applicable
Duty and Other Taxable Charges

2. In case there is damage, obsolescence, spoilage, losses or depreciation as reflected in an inventory on the forfeited articles subject of redemption, a standard/reasonable percentage may be allowed as warranted by the facts of each particular case.

3. A canvass of the wholesale price of the forfeited articles from at least 3 establishments selling the same, like or similar articles may be directed for the purpose of test checking the integrity of the redemption value arrived at.

V. Effectivity.

This Order shall take effect immediately.



ANTONIO M. BERNARDO
Commissioner