



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

April 10, 2007

Customs Memorandum Order

No. 7 - 2007

To: The Director, Collection Service
All District Collectors of Customs
The Chief, Bonds Division
CBW Operator / Surety and Bonding Company
and all others concerned

Subject: Supplemental Provisions to CMO 22-2003, Quarterly
Accreditation of Surety Companies and Renewal of
Accreditation

To properly evaluate the application of Surety and Bonding
Company for Quarterly Accreditation to underwrite bond and to settle their
accountabilities, the following guidelines is hereby issued.

I. Determination of thirty (30) percent threshold

Henceforth, the Chief, Bonds Division Attn: Bonds Examiner is
hereby directed that for purposes of evaluating the performance of surety
and bonding company applying for quarterly renewal of accreditation, the
computation of thirty (30) percent threshold rule shall apply only to the
current matured accounts of not more than one (1) year older excluding at
the time of filing of such application of the preceding quarter, pending
requests for abatement as certified by the Chief Operating Division
concerned.

II. Settlement of outstanding accounts more than 1 yr. old

The Surety and Bonding company with unsettled or outstanding
accounts arising from matured / expired bonds including those subject of
court cases must apply for staggered payments with the Commissioner of
Customs thru the District Collector of Customs Attn: The Director,
Collection Service and the Chief, Bonds Division. The proposed payment
scheme should include an initial payment equivalent to thirty (30) percent
of its total accountabilities with the remaining balance payable into equal
monthly installments for a period of two (2) years which will be covered by
post dated checks.



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III. Renewal of Accreditation

No renewal of accreditation shall be effected unless the 30 % threshold requirement as year old accounts as the duly of approved payment scheme as old accounts are fully satisfied / implemented.

A default of two (2) consecutive monthly settlements shall be treated as a breach of agreement and shall cause the recession of such agreement and the immediate suspension of its accreditation. The suspension shall only be lifted upon a new approved payment scheme duly approved by the Commissioner.

IV. Repealing Clause

All customs Memorandum Orders inconsistent herewith are hereby amended, suspended, or modified accordingly.

V. Effectivity Clause

This order shall take effect immediately.

Napoleon L. Morales
Commissioner



07-01613
Napoleon L. Morales