



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

February 14, 2005

**CUSTOMS MEMORANDUM ORDER**

NO. 9-2005

**TO :** ALL DISTRICT COLLECTORS OF CUSTOMS  
ALL DIVISIONS/SECTION/UNIT CHIEFS  
ALL OTHERS CONCERNED

**SUBJECT:** Period within which Offers of Settlement and Redemption must be resolved.

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To complement the guidelines set forth under **CMO No. 34-2002** dated August 2, 2002, the following procedures must be observed in all seizure cases where there is an Offer of Redemption or Settlement:

- I. All offers for redemption or settlement under Section 2307 of the Tariff and Customs Code must be treated with dispatch and given priority by the Collector and other BOC officers concerned.
- II. Upon receipt of an Offer of Settlement or Redemption, the Collector concerned shall, within twenty-four (24) hours refer the same, together with the pertinent records, to the Port Division/Section concerned for assessment of the settlement or redemption value, as the case may be.
- III. The assigned Port Division/Section shall, within five (5) days from receipt of the Order, submit its recommendation to the Collector of Customs, who shall decide whether to accept or deny the offer within five (5) days from receipt thereof.
- IV. In case of perishable goods, the assigned Port Division/Section shall within forty-eight (48) hours from receipt submit its recommendations and findings to the Collector, who shall within the same period decide whether settlement or redemption is proper.

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Period within which Offers of Settlement and  
Redemptions must be resolved.

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- V. In case the Collector of Customs accepts the Offer of Settlement or Redemption, he/she shall immediately cause the transmittal of the records of the seizure proceedings together with his/her decision, to the Office of the Commissioner for the Commissioner's consideration and approval.

All other issuances the provisions of which are in conflict with this Order are hereby repealed or modified accordingly.

This Order shall take effect immediately.

  
**GEORGE M. JEREOS**  
Commissioner



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

CUSTOMS MEMORANDUM ORDER  
NO. 34-2002

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**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:

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

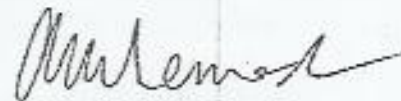
Total Landed Cost is the Sum of the Customs Value, Applicable Duty and Other Taxable Charges

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