



MEMORANDUM

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TO : ALL DISTRICT COLLECTORS
 ALL SUB-PORT COLLECTORS
 ALL CONCERNED

FROM : REY LEONARDO B. GUERRERO
 Commissioner *RL*



BOC-28-002687

FEB 23 2021

SUBJECT: IMPOSITION OF PENALTIES, DOCKET AND REQUEST CHARGE, AND DOCUMENTARY STAMP TAX UNDER CUSTOMS ADMINISTRATIVE ORDER (CAO) NO. 13-2020

DATE : 05 February 2021

Pursuant to the issuance of CAO No. 13-2020 on the subject "Imposition of Penalties, Surcharges, Interests and Other Charges for Lifting, Claiming, or Recovering Part of the Proceeds in the Sale of Impliedly Abandoned Goods," all ports are hereby notified on the proper application of its effectivity date, to wit:

1. For penalties, surcharges, interests and other charges - CAO No. 13-2020 shall only start to apply on shipments arriving on 26 December 2020; and
2. For docket and request charge, and documentary stamp tax - CAO No. 13-2020 shall be applicable as of 26 December 2020 regardless of date of arrival of imported goods.

For your reference and guidance.



BUREAU OF CUSTOMS

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CUSTOMS ADMINISTRATIVE ORDER NO. 13-2020

SUBJECT: IMPOSITION OF PENALTIES, SURCHARGES, INTERESTS AND OTHER CHARGES FOR LIFTING, CLAIMING, OR RECOVERING PART OF THE PROCEEDS IN THE SALE OF IMPLIEDLY ABANDONED GOODS

Introduction. This Customs Administrative Order (CAO) is issued pursuant to Section 204, Chapter 1, Title II, in relation to CAO No. 17-2019 on Abandonment: Kinds, Effects and Treatment, Sections 1129 and 1130, Chapter 6, Title XI, Section 1300, Title XIII, and other related provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA).

Section 1. Scope. This CAO shall cover all impliedly abandoned goods, whether for consumption, warehousing, admission or transshipment.

Section 2. Objectives.

- 2.1. To effectively implement the provisions of the CMTA relating to impliedly abandoned goods.
- 2.2. To impose penalties, surcharges, interests and other charges on the Lifting, Claiming, or recovery of proceeds in the sale of impliedly abandoned goods; and
- 2.3. To provide guidelines on the imposition of penalties, surcharges, interests and other charges therefor.

Section 3. Definition of Terms. For purposes of this CAO, the following terms are defined accordingly:

- 3.1. **Claiming** — shall refer to the privilege granted to the importer, owner or consignee to lodge the Goods Declaration, or to cause the release of the shipment where duties, taxes, and other charges have already been paid, in its favor within a period prescribed under the CMTA.

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- 3.2. Date of Discharge of Last Package** — shall refer to the date when the last cargo intended for discharge in the port of entry has been unloaded from the carrier.¹
- 3.3. Filing** — shall refer to the submission of the hard copy of the Goods Declaration coupled with complete set of requisite supporting documents.
- 3.4. Final Assessment** — shall refer to the assessment deemed final fifteen (15) days after receipt of the notice of assessment by the importer or consignee.²
- 3.5. Goods Declaration** — shall refer to a statement made in the manner prescribed by the Bureau and other appropriate agencies, by which the persons concerned indicate the procedure to be observed in the application for the entry or admission of imported goods and the particulars of which the customs administration shall require.³
- 3.6. Lifting** — shall refer to the process of allowing the Lodgement and Filing of Goods Declaration or continuation of the customs clearance process involving the shipment, and subsequent release thereof to the owner, importer or consignee. This includes the reactivation of the Bureau's automated system for the particular shipment or Goods Declaration from abandoned to active status.
- 3.7. Lodgement** — shall refer to the registration of a Goods Declaration with the Bureau.⁴
- 3.8. Mark** — shall refer to the label which is legibly, indelibly and permanently printed or attached, as the nature of the foreign goods or container will permit, showing the ultimate purchaser thereof in the Philippines, and the name of the country of origin of such goods, in the official language of the Philippines.⁵
- 3.9. Perishable Goods** — shall refer to goods liable to perish or goods that depreciate greatly in value while stored or which

¹ cf. Customs Memorandum Order (CMO) Number 15-94, Section B.2. (B.2.1.).

² cf. CMTA, Title IV, Chapter 3, Section 429.

³ cf. CMTA, Title I, Chapter 2, Section 102(y).

⁴ cf. CMTA, Title I, Chapter 2, Section 102(dd).

⁵ cf. CMTA, Title VII, Chapter II, Section 710.

cannot be kept without great disproportionate expense, which may be proceeded to, advertised and sold at auction upon notice if deemed reasonable.⁶

Section 4. General Provisions.

- 4.1. The Commissioner, subject to the approval of the Secretary of Finance, shall promulgate rules and regulations for the enforcement of the CMTA.⁷
- 4.2. Consistent with its mandate to ensure facilitation of international trade and commerce⁸ and to prevent abuse, the Bureau shall ensure that prescribed periods provided by the CMTA are complied with by the stakeholders so that goods are released on time.
- 4.3. The Bureau is likewise bound to minimize, if not prevent, any instance of overstaying or impliedly abandoned cargoes in the terminal facilities⁹ to protect public interest.¹⁰
- 4.4. For services rendered and documents issued in relation to the Lifting, Claiming, or recovery of proceeds in the sale, of impliedly abandoned goods by the stakeholder, fees and charges shall be collected by the Bureau.¹¹
- 4.5. The District/Port Collector shall strictly monitor the period within which goods may be declared impliedly abandoned. It is his or her responsibility to issue a Decree of Abandonment against such goods after the lapse of the period.

Section 5. Impliedly Abandoned Goods. The following goods are considered impliedly abandoned:

- 5.1. Failure to Lodge/File the Goods Declaration after the lapse of the original fifteen (15) calendar days or as adjusted by the Commissioner, from the Date of Discharge of the Last Package;¹²

⁶ CMTA, Title I, Chapter 2, Section 102(gg).

⁷ CMTA, Title II, Chapter 1, Section 204.

⁸ cf. CMTA, Title II, Chapter 1, Section 202.

⁹ cf. CMTA, Title III, Chapter 2, Section 307.

¹⁰ cf. CMTA, Title III, Chapter 2, Section 304.

¹¹ cf. CMTA, Title XIII, Section 1300.

¹² cf. CMTA, Title XII, Chapter 6, Section 1129(b) in relation to Title IV, Chapter 1, Section 407.

- 5.2. Failure to Lodge/File the Goods Declaration after the lapse of the approved extension of fifteen (15) calendar days;¹³
- 5.3. Failure to pay the assessed duties and taxes fifteen (15) calendar days from Final Assessment;¹⁴
- 5.4. Failure to pay the assessed duties and taxes in case of regulated goods which are subject of an alert order, within fifteen (15) calendar days from Final Assessment from receipt of the Order of Release and Lifting the Alert or Order Lifting the Alert;¹⁵
- 5.5. Failure to submit the required documents, permits or clearances, or information under the following instances, whichever comes first:¹⁶
 - 5.5.1. In case of provisional Goods Declaration, within forty-five (45) calendar days from the date of Lodgement¹⁷ or after the lapse of the approved extension of forty-five (45) calendar;¹⁸ or
 - 5.5.2. Under Section 117 of the CMTA within fifteen (15) calendar days from Final Assessment.¹⁹
- 5.6. Failure to claim the goods within thirty (30) calendar days from payment of the assessed duties, taxes, fees, interests and other charges;²⁰ or
- 5.7. Failure to claim passenger's baggage²¹ within thirty (30) calendar days from arrival thereof or from payment of the assessed duties, taxes and other charges.²²

¹³ cf. CMTA, Title XII, Chapter 6, Section 1129(b) in relation to Title IV, Chapter 1, Section 407

¹⁴ cf. CMTA, Title XII, Chapter 6, Section 1129(c)

¹⁵ cf. CMTA, Title XII, Chapter 6, Section 1129(c)

¹⁶ CAO No. 17- 2019, Section 4.2.3.

¹⁷ cf. CMTA, Title IV, Chapter I, Section 403.

¹⁸ cf. CMTA, Title IV, Chapter I, Section 403.

¹⁹ cf. CMTA, Title XI, Chapter 6, Section 1129(c) in relation to Title I, Chapter 3, Section 117.

²⁰ cf. CMTA, Title XI, Chapter 6, Section 1129(d).

²¹ cf. CAO No. 1-2017, Section 10.4 and Section 11.4.

²² cf. CAO No. 1-2017, Section 4.15.



- 5.8. Failure to claim mail matter within thirty (30) calendar days from the third delivery of the notice card to the addressee or claimant.²³
- 5.9. Failure to Mark the Goods within thirty (30) calendar days after the receipt of Notice to Mark from the District Collector concerned.²⁴
- 5.10. Failure to withdraw the imported raw materials or imported goods within one (1) year from the date of arrival at the customs bonded warehouse (CBW).²⁵
- 5.11. Failure to withdraw Perishable Goods within three (3) months from the date of arrival at the CBW.²⁶
- 5.12. Failure to withdraw Perishable Goods after the lapse of the approved extension of three (3) months to withdraw the goods from the CBW.²⁷

Section 6. Lifting, Claiming, or Recovery of Proceeds in the Sale of Impliedly Abandoned Goods.

6.1. Lifting of Implied Abandonment of Goods.

6.1.1. The implied abandonment of goods may be lifted by the District Collector upon request by the owner, importer or consignee, subject to the payment of fees and charges in accordance with the schedule provided under this CAO.

6.1.2. The request for Lifting shall clearly indicate the following information:

- a. Reasons why the goods were impliedly abandoned;
- b. Whether the goods were declared abandoned by the Bureau's automated system, or whether a Decree of

²³ cf. CAO No. 3-2017, Section 4.1.3.

²⁴ cf. CMTA, Title VII, Chapter 2, Section 710 (e).

²⁵ cf. CAO No. 13-2019, Section 5.14.2; cf. CMTA, Title XI, Chapter 6, Section 1129(e), in relation to Title VIII, Chapter 2, Section 811.

²⁶ cf. CAO No. 13-2019, Section 5.14.2; cf. CMTA, Title XI, Chapter 6, Section 1129(e) in relation to Title VIII, Chapter 2, Section 811.

²⁷ cf. CAO No. 13-2019, Section 5.14.2; cf. CMTA, Title XI, Chapter 6, Section 1129(e) in relation to Title VIII, Chapter 2, Section 811.



Abandonment has already been issued against the goods;

- c. Number of times in the past that the importer has requested for Lifting of abandonment for its shipments; and
- d. Whether the goods are subject of an Alert Order or a Warrant of Seizure and Detention. In this case, a clearance shall be secured from CIIS, ESS, Law Division, MISTG, at the Port is required, with the MISTG confirming the inactive status of the lodgement or shipment.

6.2. Claiming of Impliedly Abandoned Goods. The owner, importer or consignee may request to lift or set aside the Decree of Abandonment and claim the impliedly abandoned goods by paying the fees and charges therefor.

The request shall clearly indicate the following information:

6.2.1. Details of the shipment including the date of payment of duties and taxes therefor.

6.2.2. Whether a Decree of Abandonment has already been issued against the goods;

6.2.3. Number of times in the past that the importer has requested to claim its impliedly abandoned shipments;

6.2.4. Whether the goods are subject of an Alert Order or a Warrant of Seizure and Detention. In this case, a clearance shall be secured from CIIS, ESS, Law Division, at the Port.

6.3. Once the implied abandonment has been lifted and unless the same has already been released by the Bureau,²⁸ the owner, importer or consignee of the imported goods may reclaim the impliedly abandoned imported goods by lodging/Filing the corresponding Goods Declaration, subject to the following conditions:

6.3.1. The subject goods have not been disposed by the Bureau;

²⁸ cf. CAO No. 17-2019, Section 4.2.4; cf. CMTA, Title XI, Chapter 6, Section 1129(d).



- 6.3.2.** The Goods Declaration is lodged within thirty (30) calendar days after the lapse of the fifteen (15) calendar days period to file;
- 6.3.3.** The duties, taxes and other charges have been paid in full;
- 6.3.4.** The charges and fees due to the port or terminal operator have been paid in full;
- 6.3.5.** The expenses incurred before the release of the imported goods from customs custody have been paid in full; and
- 6.3.6.** Compliance with all other pertinent legal requirements.²⁹
- 6.4.** Where the owner or importer of the imported goods intends to claim the proceeds of the sale after deduction of any duty and tax and all other charges and expenses incurred as provided in Section 1143, Section 1141 and Section 1144 of the CMTA, the claimant may file a request therefor at the Office of the District Collector within a period of thirty (30) calendar days from payment of the auction price by the winning bidder.³⁰
- 6.4.1.** The request shall clearly indicate the following information:
- a.** Details of the shipment;
 - b.** Reasons why the goods were impliedly abandoned;
 - c.** Number of times in the past that the importer has claimed for the proceeds for the sale of its abandoned shipments; and
 - d.** Whether the goods were subject of an Alert Order or a Warrant of Seizure and Detention (Clearance from CIIS, ESS District Command, Law Division, MISTG, at the Port).
- 6.4.2.** The District Collector shall forward the request to the Law Division or equivalent unit of the Port to determine whether no offense has been committed against the goods or against the owner, importer or consignee. The

²⁹ cf. CAO No. 17-2019, Section 4.5.5; cf. CMTA, Title XI, Chapter 6, Section 1130.

³⁰ cf. CAO No. 17-2019, Section 4.5.6; cf. CMTA, Title XI, Chapter 6, Section 1130.

Law Division or equivalent unit of the port shall conduct summary proceedings similar to a forfeiture proceedings.

6.4.3. Any decision allowing the release of the proceeds shall be considered as decision adverse to the government and therefore subject to review by the Commissioner or the Secretary of Finance, as the case may be.

Section 7. Penalties, Surcharges, Interests and other Charges. The following penalties, surcharges, interests and other charges shall be imposed for the Lifting, Claiming, or recovery of proceeds in the sale, of impliedly abandoned goods:

	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php With Decree of <u>Abandonment</u> Without Decree of Abandonment	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon ³¹	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed ³²	Docket and Request Charge in Php With Decree (<u>Docket Charge</u>) Without Decree (<u>Request Charge</u>)	Documentary Stamp Tax (DST) for the Order granting the request
1	Failure to Lodge/File the Goods Declaration after the lapse of the original fifteen (15) calendar days or as adjusted by the Commissioner, from discharge of the last package	<u>20,000.00</u> 10,000.00			<u>1,000.00</u> 500.00	30.00
2	Failure to Lodge/File the Goods Declaration after the lapse of the approved extension of fifteen (15) calendar days	<u>25,000.00</u> 15,000.00			<u>2,000.00</u> 1,000.00	30.00

³¹ CMTA, Title XIV, Chapter 1, Section 1425.

³² CMTA, Title I, Chapter 2, Section 104.



	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon³¹	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed³²	Docket and Request Charge in Php	Documentary Stamp Tax (DST) for the Order granting the request
3	Failure to pay the assessed duties and taxes fifteen (15) calendar days from Final Assessment	<u>25,000.00</u> 15,000.00	10% or 25% if more than 1 year	20% per annum	<u>2,000.00</u> 1,000.00	30.00
4	Failure to pay the assessed duties and taxes in case of regulated goods which are subject of an alert order, within fifteen (15) calendar days from Final Assessment from receipt of the Order of Release and Lifting the Alert or Order Lifting the Alert	<u>30,000.00</u> 20,000.00	10% or 25% if more than 1 year	20% per annum	<u>5,000.00</u> 3,000.00	30.00
5	Failure to submit the required documents, permits or clearances, or information in case of provisional Goods Declaration, within forty-five (45) calendar days from the date of Lodgement	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00



	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php With Decree of Abandonment Without Decree of Abandonment	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon ³¹	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed ³²	Docket and Request Charge in Php With Decree (Docket Charge) Without Decree (Request Charge)	Documentary Stamp Tax (DST) for the Order granting the request
6	Failure to submit the required documents, permits or clearances, or information in case of provisional Goods Declaration, after the lapse of the approved extension of forty-five (45) calendar days	<u>30,000.00</u> 20,000.00			<u>10,000.00</u> 5,000.00	30.00
7	Failure to submit the required documents, permits or clearances, or information under Section 117 of the CMTA within fifteen (15) calendar days from Final Assessment	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00
8	Failure to claim the goods within thirty (30) calendar days from payment of the assessed duties, taxes, fees, interests and other charges	<u>20,000.00</u> 10,000.00			<u>1,000.00</u> 500.00	30.00



	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php With Decree of Abandonment Without Decree of Abandonment	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon³¹	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed³²	Docket and Request Charge in Php With Decree (Docket Charge) Without Decree (Request Charge)	Documentary Stamp Tax (DST) for the Order granting the request
9	Failure to claim passenger's baggage within thirty (30) calendar days from arrival thereof or from payment of the assessed duties, taxes and other charges	<u>2,000.00</u> 1,000.00 plus 20% of the excess of de minimis value			<u>500.00</u> 300.00	30.00
10	Failure to claim mail matter within thirty (30) calendar days from arrival	<u>2,000.00</u> 1,000.00 plus 20% of the excess of de minimis value			<u>500.00</u> 300.00	30.00
11	Failure to Mark the Goods within thirty (30) calendar days after the receipt of Notice to Mark from the District Collector concerned	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00
12	Failure to withdraw the imported raw materials or imported goods within one (1) year from the date of arrival at the customs bonded warehouse (CBW)	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00
13	Failure to withdraw Perishable Goods within	<u>25,000.00</u> 15,000.00			<u>5,000.00</u> 3,000.00	30.00



	Reason for the Request for Lifting of Impliedly Abandoned Goods	Penalty in Php	Surcharge after 15 days from final assessment to be based from total assessed amount or balance thereon ³¹	Interest to be computed from date of final assessment and shall likewise accrue on any fine or penalty imposed ³²	Docket and Request Charge in Php	Documentary Stamp Tax (DST) for the Order granting the request
	three (3) months from the date of arrival at the CBW	With Decree of <u>Abandonment</u> Without Decree of Abandonment			With Decree (<u>Docket Charge</u>) Without Decree (Request Charge)	
14	Failure to withdraw Perishable Goods after the lapse of the approved extension of three (3) months to withdraw the goods from the CBW	<u>30,000.00</u> 20,000.00			<u>10,000.00</u> 5,000.00	30.00
15	Request for proceeds from sale of an impliedly abandoned goods	30,000.00 or 20% whichever is higher			10,000.00 (Request Charge)	30.00

The docket and request charge shall be paid by the claimant upon filing of the corresponding request. Proof of payment shall be attached to the request, without which the same shall not be accepted.

The penalty, surcharge, interest and documentary stamp tax shall be paid upon approval of the request or appeal. The Order lifting the abandonment or setting aside the Decree of Abandonment shall not be released without presenting the proof of payment thereof.

Section 8. Penal Provision. Failure to comply with the provisions of this CAO shall be a ground for administrative and disciplinary sanctions against any erring public officer or employee in accordance with Title XIV of the CMTA, other applicable penal provisions and Civil Service Commission (CSC) and Ombudsman rules and regulations.

Section 9. Reporting and Monitoring System. The District Collector shall monitor and report the fees and charges collected pursuant to this CAO to the Office of the Commissioner on a weekly basis.



Section 10. Periodic Review. Unless otherwise provided, this CAO shall be reviewed every three (3) years and be amended or revised, if necessary.

Section 11. Repealing Clause. All other rules and regulations issued by the Bureau which are inconsistent with this CAO are deemed repealed or modified accordingly.

Section 12. Separability Clause. If any part of this CAO is declared unconstitutional or contrary to existing laws, other parts not so declared shall remain in full force or effect.

Section 13. Effectivity. This CAO shall take effect fifteen (15) calendar days after its publication at the Official Gazette or a newspaper of national circulation.

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



REY LEONARDO B. GUERRERO

Commissioner of Customs

OCT 07 2020



BOC-02-01379

Approved:



CARLOS G DOMINGUEZ

Secretary of Finance

OCT 21 2020

