



**CUSTOMS ADMINISTRATIVE ORDER**

NO. 5-2829

**RE : GRANTING TEMPORARY RELIEF TO DISTRESSED EXPORTERS UNABLE TO TIMELY LIQUIDATE IMPORTED RAW MATERIALS/ARTICLES INTENDED FOR MANUFACTURE INTO FINISHED PRODUCTS FOR EXPORT**

**I. OBJECTIVE:**

1. To temporarily assist distressed legitimate local exporters who are unable to timely liquidate imported raw materials/articles intended for the manufacture of finished products for export in this time of worldwide financial crisis.
2. To provide parameters for the grant of such temporary relief.

**II. SCOPE:**

This Order shall cover only distressed legitimate exporters duly certified as such by the Department of Trade and Industry's Bureau of Export Trade Promotions (DTI-BEPT) and deemed qualified by the Bureau of Customs (BOC) as described in paragraphs 5 and 6 hereunder; and, may be availed of by such exporters within a period of only one (1) year from effectivity hereof unless otherwise extended by the Secretary of the Department of Finance (DOF).

**III. ADMINISTRATIVE PROVISIONS:**

1. As utilized in this Order, a distressed legitimate exporter is an importer of raw materials intended for the manufacture thereof into finished products for export; but, can no longer export said finished products to its intended buyer/client in view of the cancellation of the order or supply contract, not for reasons of quality but brought about by the financial crisis being experienced internationally.
2. Further, in view of such cancellation of the order or supply contract, the finished products manufactured for export could no longer be supplied to the intended buyer/client or to any other international buyer/client; nor, could said finished products be disposed by the exporter except through the local market and after payment of duties and taxes due on the imported articles.
3. While such finished products have not been disposed of yet in any case as provided above, except in case of sale to the local market after payment of duties and taxes due, the period for storage and/or to liquidate the imported articles have already expired and the same are now subject to the applicable fine, surcharge and/or penalty.

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4. In the above case, the distressed legitimate exporter may apply with the Commissioner of Customs, through the Collector of Customs concerned, for the compromise of the applicable fine, surcharges and/or penalty as provided under Section 2316 of the TCCP, as amended.
5. Such application shall be supported by a certification issued therefor by the DTI-BEPT together with such other documents which would establish the distressed status of the exporter as provided above; and, shall be subject to scrutiny by the Office of the Deputy Commissioner for Assessment and Operations Coordinating Group (AOCG), BOC which shall thereafter make its recommendations thereon.
6. The Commissioner of Customs, upon receiving a favorable recommendation on the application, shall then act accordingly on the same and transmit such to the Office of the Secretary, DOF for approval of any authorized compromise together with the terms and conditions thereof.

IV. **AUTHORITY TO ISSUE RULES AND REGULATIONS:**

The Commissioner of Customs shall issue the necessary rules and regulations to implement this Order.

V. **REPEALING CLAUSE:**

This Order repeals or amends prior issuances inconsistent herewith.

VI. **EFFECTIVITY:**

This Order shall take effect upon its due publication and shall remain in force within one (1) year thereafter, unless otherwise extended by the Secretary of the DOF.

**NAPOLEON MORALES**  
Commissioner



APPROVED BY:

*Margarito B. Teves*  
**MARGARITO B. TEVES**  
Secretary  
Date: NOV 23 2009