



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

December 28, 1999

CUSTOMS MEMORANDUM ORDER
NO. 26-99

TO: All Deputy Commissioners, Service Directors, District Collectors, Collectors, Division Chiefs, COO V, COO III, Importers, Brokers & Representatives, and All Others Concerned

SUBJECT: Procedures for tentative release of shipments under bond pending resolution of valuation issues

PURSUANT TO SECTION 608 IN RELATION TO SECTION 201 OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED AND CUSTOMS ADMINISTRATIVE ORDER NO. 2-99, THE FOLLOWING RULES AND REGULATIONS ARE HEREBY PROMULGATED:

I. OBJECTIVE

To facilitate the processing and release of shipments where there is a delay in the final determination of the value of imported goods.

II. SCOPE

This Order shall cover all Entries in all ports, except with respect to shipments subject to Comprehensive Import Supervision Service (CISS), which during the effectivity of the CISS shall continue to be governed by the existing rules and regulations applicable in the matter, provided that

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any reference to value shall be construed to mean the dutiable value as defined in Section 201 of the Tariff and Customs Code of the Philippines, as amended by Republic Act No. 8181 and implemented by Customs Administrative Order No. 2-99.

III. ADMINISTRATIVE PROVISIONS

1. **Tentative Release** - Is the release from customs custody, under bond, of an imported shipment pending the resolution of a valuation issue.
2. **When Tentative Release may be Allowed** - Tentative release of shipment covered by this Order may be availed of when said shipment is selected for valuation check and the Valuation Review Committee (VRC), to which body the concerned entry is automatically forwarded by the assessment unit concerned, has determined that a valuation issue exists and the resolution of which will result in a delay in the processing of the subject Entry.

For purposes of this Order, delay shall mean that the VRC cannot resolve the issue within sixteen (16) working hours from receipt of the questioned Entry for lack of sufficient documents/information required of the importer.
3. **Approving Authority** - The Collector of Customs, upon the evaluation and recommendation of the VRC, shall approve requests for the tentative release of shipments under bond.
4. The tentative release of shipments shall not be allowed, or if already granted, the same is deemed withdrawn when:
 - 4.1 The shipment is the subject of an alert/hold order involving an enforcement issue.
 - 4.2 The shipment has incurred a violation that would merit the issuance of a Warrant of Seizure and Detention (WSD).
 - 4.3 The importer fails to put up the required security, in which case, the VRC shall resolve the issue without the benefit of tentative release.
 - 4.4 In any other instance where the VRC can actually resolve the valuation question within sixteen (16) working hours from receipt of the valuation selected Entry.

5. Form of the Security - To secure the additional revenue in the event of an adverse decision resulting in higher customs assessment, the importer shall be required to post a guarantee which may take the form of Cash or a Manager's/Cashier's check.
6. Amount of Security - The amount of the security shall be equivalent to the difference in the duties, taxes and other charges assessed by Customs using any of the acceptable method of valuation as against the duties, taxes and other charges computed based on the declaration plus 25% thereof.
7. Handling of Security - The treatment of Cash/Check Guarantee for tentatively released shipment shall be handled in accordance with Customs Memorandum Order (CMO) No. 4 - 99.
8. The Chief, Collection Division shall be personally responsible for the safekeeping and proper disposition of all forms of security deposited with the Bureau.

IV. PROCEDURE ON THE TENTATIVE RELEASE OF SHIPMENTS UNDER BOND

1. When the importer opts to avail of the Tentative Release of shipments in appropriate cases, the importer shall file with the District Collector of Customs through the VRC a formal request for tentative release of his shipment using the application format attached hereto as Annex A.
2. The VRC shall evaluate the request and forward recommendation, including the computed assessment, to the District Collector for approval.
3. If disallowed, the VRC shall resolve the valuation issue without benefit of tentative release. If disallowance is by reason of enforcement issue/WSD, the shipment shall be processed in accordance with existing rules and regulations applicable in the premises.
4. If allowed, the VRC shall transmit the Entry to the Collection Division which shall determine sufficiency of initial payment of duties and taxes, and the securing of the required guaranty.

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5. Upon posting of the required security, the Collection Division shall immediately transmit the Entry to the VRC for appropriate disposition including the flagging of the subject Entry in ACOS as tentatively released importation.
6. The decision of the District Collector of Customs on valuation issue under this Order issue shall be forwarded to the Collection Division for implementation.
 - 6.1 If the decision results in the acceptance of the declared value, the guaranty shall be returned to the importer in accordance with existing regulations.
 - 6.2 If the decision results in payment of additional duties and taxes which is less than the amount of the guaranty, the guaranty shall be applied and the excess shall be returned to the importer.
 - 6.3 If the decision results in payment of additional duties and taxes which is equal to the guaranty, then the guaranty shall be applied in full.
 - 6.4 If the decision results in payment of duties and taxes which is higher than the amount of the guaranty, the guaranty shall be applied and the importer shall be made to pay the deficiency.

V. REPEALING CLAUSE.

All Orders, Memorandums, Circulars or parts thereof which are inconsistent with this Memorandum are hereby deemed repealed and/or modified accordingly.

VI. EFFECTIVITY

This order shall take effect on January 1, 2000.


 NELSON A. TAN
 Commissioner