



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA

JULY 8, 1991

CUSTOMS MEMORANDUM ORDER  
NO. 63-91

To : All Service Chiefs  
District Collectors  
Outport Collectors  
Division Chiefs  
CBW Workers  
Importers/Principals  
Surety Companies  
Others Concerned

Subject : Compromise Penalty On Documentary Bonds

I. OBJECTIVE:

- A. To raise revenue in conformity with Section 2506 of the TCCP out of a substantial number of documentary bonds that have not been cancelled; and
- B. To meet the demand for a uniform and expeditious procedure in the cancellation of bonds and liquidation of entries covering documentary bonds on consular invoices.

II. ADMINISTRATIVE PROVISIONS:

The law on consular invoices covered by this documentary bonds have already been abrogated by Presidential Decree No. 1679 and likewise, the authentication requirement of commercial invoice has been abolished by Executive Order No. 736.

Considering these accounts to be existing even prior to 1980, it would be difficult to collate the evidence in preparation for any civil action in court and noting further that the proposal for a compromise settlement is allowed under Section 2506 of the Tariff and Customs Code of the Philippines, a compromise penalty of P1,000.00 per bond would be proper.

*Godwin M. Nolasco*

III. OPERATIONAL PROCEDURES:

1. Bonds Division to submit list of outstanding documentary bonds to Bonds Audit Division, Collection Service.
2. Collection letters to be sent to surety company/principal by Bonds Audit Division.
3. Surety company/principal courses payment thru Collection Service.
4. Collection Service shall remit payment to Collection Division/Port of Manila for credit of the Collection District concerned.
5. Collection Service shall give notice to port to cancel bond and liquidate entry.
6. Entry to be forwarded to Commission on Audit (COA) after liquidation.
7. Surety companies concerned having such outstanding bonds which applies for accreditation shall be required to settle a minimum 10% of the balance thereof as prerequisite in line with CMO 129-88.

IV. REPEALING CLAUSE:

All orders, ruling and regulation inconsistent with this Order are deemed superseded and/or modified accordingly.

V. EFFECTIVITY:

This Order shall take effect JULY 8, 1991

*Salvador M. Mison*  
SALVADOR M. MISON  
Commissioner