



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

27 July 2001

CUSTOMS MEMORANDUM ORDER
NO. 18-2001

TO : All District Collectors
Service Directors
Division Chiefs
Customs Personnel
Customs Brokers
Importers
Others Concerned

SUBJECT : CENTRALIZATION/COMPUTERIZATION
OF ACCOUNTS RECEIVABLE AT THE
CENTRAL OFFICE

I. OBJECTIVES

1. To computerize and strengthen the collection system for the accounts receivable of the Bureau of Customs.
2. To promote better coordination with the Security & Exchange Commission, Department of Trade and Industries, Bureau of Internal Revenue, One-Stop-Shop Drawback & Tax Credit Center and other government agencies in connection with the collection of the Bureau's accounts receivable, by regularly supplying them with updated lists of private entities having outstanding accountabilities with the Bureau.
3. To facilitate the issuance of Customs clearances.

II. ADMINISTRATIVE PROVISIONS

1. The following divisions, or their equivalent offices in the outposts, shall act as the Action Offices with respect to the described nature of accounts, as hereunder indicated:

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ACTION OFFICES	CATEGORY/NATURE OF ACCOUNTS
1.1 Bonds Division	• Matured and/or forfeitable bonds and corresponding penalties • Construction equipment released under bond
1.2 Collection Division	• All government accounts • Unpaid portion of the shipment released under CMO 51-92 & 3-95, as amended)
1.3 Liquidation and Billing Division	• Additional assessments and penalties • Tentatively liquidated entries covering BCI-authorized capital equipment, and/or construction equipment used in government contracts released under guaranty by the contracting gov't agency • Others released under re-export Bonds pursuant to Sec. 105, TCCP • All others not included above
1.4 Deputy Collector for Operations and/or Port Operations Service	• Overstaying chassis (5 years & over) and container vans
1.5 Legal Service	• Accounts arising from decided Customs cases referred to the Commissioner and/or elevated to higher authorities/Court of Appeals
1.6 Law Division of the Ports of Entry	• Accounts arising from decided Customs cases in favor of the Government
1.7 Customs Bonded Warehouse	• Overstaying and illegally withdrawn shipments at all operating Customs Bonded Warehouses directly under the supervision of the Port of Entry

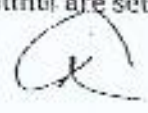
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1.8 Warehousing, Documentation & Records Division	• Unpaid Warehouse Supervision Fees
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2. A computer system that will capture and update all reports from the ports of entry shall be developed. The initial/pilot implementation thereof shall be undertaken with the Office of the Commissioner of Customs (OCOM). Thereafter, the regular implementation shall be done with the Collection Service. The first data input shall include all outstanding accounts with Bonds Division of the Port of Manila and the Customs Bonded Warehouses.
3. The report format shall be designed jointly by the Collection Service and MUSTG.
4. Using the format, the Action Offices shall submit to the Commissioner on a weekly basis a report indicating any of the accounts (enumerated in Item 1, Article II of this Order), that are already collectible, as evidenced by the initial demand and/or collection letter, and proof of service of said demand/letter to importers concerned.
5. If there is no information from the ports of entry that the account receivable has been settled, a final letter of demand shall be prepared by Collection Service for the signature of the Commissioner or the Deputy Commissioner, Revenue Collection Monitoring Group. Simultaneously, an Order shall be issued to withhold all pending shipments of whoever is the addressee of the final letter of demand.
6. If no settlement is made within one month after service of the final demand letter, the Port of Entry concerned shall provide the Legal Service with certified copies of all documents pertinent to the account already due and demandable.
7. All District/ Port Collectors are enjoined to suspend the delivery/release of shipments consigned to importers with pending accounts and no customs clearance shall be signed or issued by all signatory Chiefs of Services/Divisions concerned, until such accounts are settled.



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8. All importers/customs brokers shall be required to submit Annual Bureau Clearances to the CILS and the ports of entry concerned before they can transact with any port of entry.
9. The Order to lift a previous Order to suspend bonded warehouse operations/the delivery of a pending shipment shall be issued by the Deputy Commissioner, RCMG.

III. Operating Procedures

1. It shall be the duty of all Ports of Entry to submit to the Commissioner of Customs (Attr. Collection Service) a report on all accounts receivables in their respective ports as of June 30, 2001, indicating therein the following information:
 - 1.1 Name of importing government agency
 - 1.2 Import Entry No.
 - 1.3 Description of Shipment
 - 1.4 Customs Duties
 - 1.5 Internal Revenue Tax
 - 1.6 Total Duties & BIR Taxes
 - 1.7 Bond No. (attached copy of bond)
 - 1.8 Surety Co. (attached copy of bond)
 - 1.9 Date of Maturity of the bond
2. Beginning 1 July 2001, all Action Offices in Metro Manila shall submit weekly an updated report on all transactions involving:
 - 2.1 Settlement of any accounts earlier reported
 - 2.2 New maturing accounts for the week or newly liquidated entries during the week covered by the report
 - 2.3 Payments received indicating the entry number and BCCR No.
3. All ports outside Metro Manila shall submit monthly an updated report on all similar transactions in their respective ports during the previous month, indicating therein:
 - 3.1 Settlement of any accounts earlier reported

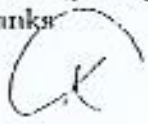
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- 3.2 New maturing accounts for the week or newly liquidated entries during the week covered by the report
- 3.3 Payments received indicating the entry number and BOCR No.

For example, the first monthly report for July shall be submitted within the first week of August.

- 4. Each account receivable shall be assigned to an account officer at the Collection Service. The accounts receivable shall be listed by company in alphabetical order and shall be distributed in that order to the account officers who shall perform the following functions:
 - 4.1 Operate/handle at least a personal computer;
 - 4.2 Monitor and age the accounts;
 - 4.3 Send demand letters;
 - 4.4 Keep records of the accounts;
 - 4.5 Prepare monthly report on stagnant account
 - 4.6 Prepare an Executive Summary to provide an overview of the monthly collections
- 5. If no positive response is received from the importer/CBW operator after one month from the service of the first demand letter of the Chief, Legal Service, the collection documents shall be forwarded to the Legal Service for the forfeiture of the bonds and/or corresponding elevation of the case to the Office of the Solicitor General by the Legal Service.
- 6. In the eventuality that assistance may be needed in enforcing the settlement of any of the accounts, the Collection Service shall provide the following with the names of the entities, incorporators and/or owners of the business entities with pending Customs accounts:
 - 6.1 Bureau of Internal Revenue
 - 6.2 Department of Trade and Industry
 - 6.3 Securities and Exchange Commission
 - 6.4 One-Stop Shop Drawback & Tax Credit Center
 - 6.5 Bangko Sentral ng Pilipinas for circularization to commercial banks



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- 6.6 Insurance Commission
- 6.7 Other government agencies concerned

IV. REPEALING CLAUSE

All earlier orders inconsistent with this Customs Memorandum Order is considered repealed and/or amended accordingly.

V. EFFECTIVITY

This order shall be in full force and effect beginning August 1, 2001.

All concerned shall be informed accordingly.



TITUS B. VILLANUEVA
Commissioner