



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

263

27 July 2006

**CUSTOMS MEMORANDUM ORDER**

No. 25-2006

**SUBJECT: GUIDELINES IN THE ESTABLISHMENT OF ACOS VALUATION SCREEN**

By authority of Section 608 in relation to Section 1909, Tariff and Customs Code of the Philippines; as amended, and in line with Bureau's effort to facilitate trade, the following guidelines governing the establishment of value of imported commodities are hereby prescribed:

**1.0 OBJECTIVES:**

- 1.1 To establish the procedures in arriving at the value of imported commodities for the Valuation Screen of ACOS;
- 1.2 To gather value information from different sources in aid for updating the value in the Valuation Screen in ACOS;
- 1.3 To provide the appraisers updated value information with which to challenge value declaration.

**2.0 GENERAL PROVISIONS:**

- 2.1 Value information may come from different sources, such as those supplied by the private sector and those gathered from relevant government agency/ies, Philippine Consulate/s or Embassy/ies, trade publications and price journals, CVT Revision Orders (Reference Values), Automated Customs Operation System (ACOS), value decisions and rulings of the Central Valuation and Classification Review and Ruling Committee, Valuation/Classification Review Committee (VCRC) of the different Collection Districts, files of the VRIS-OCOM, Valuation and Classification Division (VCD), Super Green Lane (SGL) Task Group, and such other sources.
- 2.2 There shall be created in the VRIS Working Group an Assessment Sub-Group (ASG) composed of the Head, Co-head and as many members necessary, representing the existing fourteen (14) assessment sections. The ASG shall be responsible for establishing and updating of the value of imported commodities that enter into the Valuation Screen of ACOS.
- 2.3 The value shall be in accordance with the WTO Valuation Agreement and shall be made to refer to a commodity which shall be described in conformity with the convention on the description of articles prescribed in CMO No. 46-94. It shall also reflect the value of price by weight and the equivalent in pieces or any other standard unit of measure.
- 2.4 The VCD shall publish the print-out, which shall be updated monthly, through the Records Section and through Customs Web Site.
- 2.5 Any customs official who violates any provision of this Order shall be subject to disciplinary action and penalties under existing laws.

*Rm*

### 3.0 OPERATIONAL PROCEDURES:

CMO-25-2006

#### 3.1 Value Gathering

3.1.1 The VCD shall gather value information from the private sector, relevant government agencies, Philippine Consulate or Embassies, trade publication and price journals, Revision Orders, value decisions and rulings of CVCRRC and VCRC, data files of VRIS-OCOM, VCD and other sources. It shall evaluate in accordance with CAO No. 2-99 the value information gathered from these sources and submit the same to the VRIS Working Group for their incorporation into the Valuation Screen processing.

The VCD shall indicate the source documents of the values submitted to the VRIS Working Group but the document themselves must be kept on file with the VCD.

3.1.2 The SGL Task Group shall gather the values of SGL shipments and submit the same to the VRIS Working Group for their incorporation into the Valuation Screen processing.

3.1.3 The MISTG shall gather the values from ACOS and submit the same to the VRIS Working Group for their incorporation into the Valuation Screen processing.

#### 3.2 Determination of Value

3.2.1 The VRIS Working Group shall distribute the values submitted to it to the concerned Section Head.

3.2.2 The Section Head in turn shall further distribute the values by tariff heading to section members who shall evaluate the same by accomplishing the **Valuation Worksheet, VRIS Working Group Form 1 (Annex "A")**

3.2.3 In determining the values for the Valuation Screen, the following factors have to be considered as test check to the reasonableness of the Customs transaction value, sur<sup>as</sup>

1. use of ratio and proportion
2. extraction of average/mean or median
3. use of bell-shaped curve distribution or the Gaussian-Laplace distribution

3.2.4 Upon accomplishing VRIS-WG Form 1, the section members shall forward the same to the Section Head for review.

3.2.5 After reviewing the VRIS-WG Form 1 submitted, the Section Head shall consolidate the values listed by accomplishing the **Value Consolidated Report, VRIS-WG Form (Annex "B")** and submit the same to the Head, VRIS WG

3.2.6 The Head, VRIS-WG thru the Secretariat as technical support shall process the submissions and accomplish accordingly the **Valuation Summary, VRIS-WG Form 3 (Annex "C")**. The same shall be submitted to VCD under receipt.

3.2.7 The VCD shall encode the value as per VRIS-WG Form 3 for publication while MISTG shall encode the same into the Valuation Screen of ACOS.

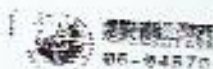
#### 4.0 REPEALING CLAUSE:

CMO 15-2000 and all other rules and regulations inconsistent with this Order are hereby deemed repealed, superseded or modified accordingly.

#### 5.0 EFFECTIVITY:

This Order shall take effect immediately.

NAPOLEON J. MORALES  
Commissioner



## VALUATION WORKSHEET

VRIS-WG Form 1

COMMODITY DESCRIPTION: \_\_\_\_\_

CND-28-06

COUNTRY OR EXPORT : \_\_\_\_\_  
APPRAISER : \_\_\_\_\_PERIOD COVERED: \_\_\_\_\_  
SECTION LEADER : \_\_\_\_\_

## VALUES

SOURCES	NUMBER	VALUES	
		PRICE US\$/Kg.	PRICE US\$/Pc./Yd./Sq.ft..etc.

## DISCARDED VALUES


Value Range Recommended	Weight & Pc.:	Per Piece:

Computation:

Prepared by: \_\_\_\_\_  
Appraiser/COO IIIReviewed by: \_\_\_\_\_  
Section Leader/COO V

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ANNEX "B"

CNS-25-06

# VALUE CONSOLIDATED REPORT

VRIS-WG Form 2

SECTION: \_\_\_\_\_

COMMODITY DESCRIPTION	COUNTRY OR EXPORT	PERIOD COVERED	VALUE

Prepared by: \_\_\_\_\_

Submitted by: \_\_\_\_\_  
Section Leader

# VALUATION SUMMARY

VRIS-WG Form 3

SECTION: \_\_\_\_\_

COMMODITY DESCRIPTION	SECTION	COUNTRY OR EXPORT	PERIOD COVERED	VALUE

Received for encoding to Valuation Screen

Submitted by: \_\_\_\_\_  
Head, VRIS-Working Group

Name : \_\_\_\_\_  
Position : \_\_\_\_\_  
Signature : \_\_\_\_\_