



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

Reps
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CUSTOMS ADMINISTRATIVE ORDER (CAO)
NO. 02-2019

SUBJECT: MARKING OF IMPORTED GOODS AND CONTAINERS

Introduction. This CAO implements Section 710, Chapter 2, Title VII; and other relevant provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA).

Section 1. Scope. This CAO applies to all goods or their containers of foreign origin imported into the Philippines for consumption into the domestic territory unless otherwise exempted by other laws, rules and regulations.

Section 2. Objectives.

- 2.1. To provide guidelines for the marking of imported goods of foreign origin or their containers to indicate the country of origin;
- 2.2. To protect the consumers from the deceptive practice of passing off imported articles, as coming from a particular country other than its actual country of origin; and
- 2.3. To establish a system of monitoring the marking duty imposed and collected on goods making full use of information and communication technology.

Section 3. Definition of Terms. For purposes of this CAO, the following terms are defined as follows:

- 3.1. **Container** – shall refer to the immediate container in which the article is held for storage or transportation, and not an intermodal container as referred to under the Customs Convention on Containers concluded in Geneva on December 02, 1972, unless otherwise stated.¹
- 3.2. **Country of Origin of Goods** – shall refer to the country in which the goods have been produced or manufactured, according to the criteria laid down for the purposes of application of the Customs tariff, of quantitative restrictions or of any other measure related to trade.²

¹ cf. Customs Administrative Order (CAO) 1-2006, Chapter II (5)

² Revised Kyoto Convention, Specific Annex K, Chapter 1, E1.

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Provided, That when goods require further work or a material is added in a country other than the country of origin as defined in the preceding paragraph, the country of origin is determined by the country in which the last substantial manufacturing or processing, deemed sufficient to give the commodity its essential character, has been carried out.³

3.3. Dutiable Value – shall refer to the customs value as defined under the Agreement on Implementation of Article VII of the General Agreement on Tariff and Trade (GATT) of 1994 consistent with Sections 701-706 of the CMTA.

3.4. Goods – shall refer to articles, wares, merchandise and any other items which are subject of importation and exportation.⁴

3.5. Immediate Container – shall refer to the packing which is immediately after or near the substance but does not include package liners such as cartons, isotanks or drums.⁵

3.6. Time of Importation – shall refer to the time when the carrying vessel or aircraft enters the Philippine territory with the intention to unload therein until the duties, taxes and other charges due upon the goods have been paid or secured to be paid at the port of entry unless the goods are free from duties, taxes and other charges and legal permit for withdrawal has been granted or in case the goods are deemed free of duties, taxes and other charges, the goods have legally left the jurisdiction of the Bureau.⁶

Section 4. General Provisions.

4.1. Marking of Imported Goods. All goods of foreign origin imported into the Philippines or their containers, shall be conspicuously marked in any official language of the Philippines as legibly, indelibly and permanently as the nature of the goods or container will permit and in such manner as to indicate to an ultimate purchaser or end-user or consumer in the Philippines the name of the country of origin of the goods.⁷

4.2. The character of words and phrases or abbreviation to be used in the marking of imported goods shall be based on the United Nations

³ cf. Revised Kyoto Convention, Specific Annex K, Chapter 1, E3.

⁴ CMTA, Title I, Chapter II, Section 102, Subsection (x).

⁵ cf. Republic Act No. 7394 also known as Consumer's Act of the Philippines, Title I, Article 4 (an).

⁶ cf. CMTA Title 1, Chapter 2, Section 103.

⁷ cf. CMTA, Title VII, Chapter 2, Section 710, Subsection (A) (A).

Terminology Database (UNTERM)⁸ which shall be acceptable as indicating the country of origin.⁹

- 4.3.** All goods of foreign origin imported into the Philippines shall be marked by any reasonable method of marking, whether by printing, stenciling, stamping, branding, labeling: Provided, that Section 4.1 herein is strictly observed.¹⁰ When goods cannot be marked under any of the foregoing methods, any method of legible and conspicuous marking which will remain on the article until it reaches the ultimate purchaser is acceptable.¹¹

Section 5. Operational Provisions.

- 5.1. Fine for Failure to Mark.** If at the Time of Importation, any goods of foreign origin or its container, as provided in Sections 4.1 and 7 of this Order is not marked, there shall be levied, collected, and paid upon such goods a marking duty of five percent (5%) of the Dutiable Value which shall be deemed to have accrued at the Time of Importation.¹²
- 5.2. Release Withheld Until Marked.** No imported goods of foreign origin held in customs custody for inspection, examination, or assessment shall be released until such goods or their containers shall have been marked in accordance with the requirements of this Order and until the amount of duty assessed to be payable under Section 5.1. of this Order shall have been deposited.¹³ For this purpose, the conduct of marking maybe done at consignee's warehouse, upon request, and subject to supervision of the Bureau and Department of Trade and Industry (DTI) representative, if applicable.
- 5.3.** The failure or refusal of the owner or importer to mark the goods as herein required within a period of thirty (30) days after due notice shall constitute as an act of abandonment of said goods and their disposition shall be governed by the provisions of the CMTA relative to abandonment of imported goods.¹⁴

⁸ cf. United Nations, Department of Economics and Social Affairs, Statistics Division, Methodology

⁹ cf. CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 1.

¹⁰ cf. CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 1.

¹¹ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 2.

¹² cf. CMTA, Title VII, Chapter 2, Section 710, Subsection C.

¹³ cf. CMTA, Title VII, Chapter 2, Section 710, Subsection (D).

¹⁴ cf. CMTA, Title VII, Chapter 2, Section 710 (E).

Section 6. Exemptions. Imported goods of foreign origin are exempted from the marking requirements if:

- a. Such goods or their container are incapable of being marked;¹⁶
- b. Such goods cannot be marked prior to shipment to the Philippines without injury thereto;¹⁷
- c. Such goods cannot be marked prior to shipment to the Philippines, except at an expense economically prohibitive of their importation;¹⁸
- d. The marking of a container of such goods will reasonably indicate the origin of such goods;¹⁹
- e. Such goods are crude substances which require further processing;²⁰
- f. Such goods are imported for use by the importer and not intended for sale in their imported or any other form;²¹
- g. Such goods are to be processed in the Philippines by the importer or for the importer's account other than for the purpose of concealing the origin of such goods and in such manner that any mark contemplated by this section would necessarily be obliterated, destroyed, or permanently concealed;²²
- h. An ultimate purchaser, by reason of the character of such goods or by reason of the circumstances of their importation, must necessarily know the country of origin of such goods even though they are not marked to indicate their origin;²³

If an imported article is to be used as raw material in the Philippines in the manufacture of another article having a name, character, or use different from that of the imported article, the manufacturer or processor in the Philippines shall be considered the "ultimate purchaser" of the imported article within the contemplation of Section 710.²⁴

- i. Such goods were produced more than twenty (20) years prior to their importation into the Philippines;²⁵ or

¹⁶ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3(i).

¹⁷ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (ii).

¹⁸ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (iii).

¹⁹ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (iv).

²⁰ cf. CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (v).

²¹ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (vi).

²² CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (vii).

²³ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (viii).

²⁴ Customs Administrative Order 228-1958, Paragraph I (c).

²⁵ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (ix).

- j. Such goods cannot be marked after importation except at an expense which is economically prohibitive, and the failure to mark the goods before importation was not due to any purpose of the importer, producer, seller or shipper to avoid compliance with this section.²⁶

Section 7. Marking of Exempted Goods. Whenever goods are exempt under Section 6 of this Order from the requirements of marking, the immediate container, if any, of such goods, or such other container or containers of such goods, shall be marked in such manner as to indicate to an ultimate purchaser in the Philippines the name of the country of origin of such goods in any official language of the Philippines.²⁷

Section 8. Reportorial System. A Reportorial System shall be established in the Bureau for statistical purposes and monitoring of marking duty making full use of information and communication technology.

Section 9. Periodic Review. Unless otherwise provided, this CAO shall be reviewed every three (3) years and be amended or revised, if necessary.

Section 10. Repealing Clause. This CAO specifically amends or repeals CAO 228-1958, CMO 122-1988 and other previously issued CAOs and CMOs which are inconsistent with the provisions herein stated.

Section 11. Separability Clause. If any part of this CAO is declared unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.

Section 12. Effectivity. This CAO shall take effect thirty (30) days after its complete publication in the Official Gazette or a newspaper of general circulation.

The Office of the National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this CAO.



REY LEONARDO B. GUERRERO
Commissioner of Customs

APPROVED: DEC 27 2018



CARLOS G DOMINGUEZ
Secretary of Finance
JAN 29 2019



²⁶ CMTA, Title VII, Chapter 2, Section 710, Subsection (A) 3 (x).
²⁷ cf. CMTA, Title VII, Chapter 2, Section 710, Subsection (B).

Informational Section. As the title denotes this only provide information and does not give rise to any substantive or formal rights or obligations.

History. This CAO is amendatory to all the previous issuances of the Bureau of Customs relating to marking of imported goods and containers.

Related Policies.

- Customs Administrative Order No. 228 – 1958 “Rules and Regulations relative to Marking of the Country of Origin on Imported Articles and Containers”
- Customs Memorandum Order No. 121 – 1988 “Marking of Imported Articles and Containers”

Webpage, Forms, Handbooks and other References.

- Republic Act No. 10863 “Customs Modernization and Tariff Act”
- Republic Act No. 7394 “Consumers Act of the Philippines”
- Revised Kyoto Convention
- Customs Cooperation Council – Customs Convention on Containers, 1972
- <https://unstats.un.org/unsd/methodology/m49/>