



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

December 14, 1990

CUSTOMS MEMORANDUM ORDER
NO. 95-90

To: All Collectors of Customs
Service, Division and Section Chiefs
Customs Bonded Warehouse Operators, and
All Others Concerned

Subject: Rules and Regulations Implementing Customs
Administrative Order (CAO) No. 6-90, as Amended
by CAO No. 9-90, on Renewal of the Customs Bonded
Warehouse (CBW) Authority/License and Prescribing
Bonded Warehouse Fees

Section I. Objectives

- 1.1 To effectively implement the provisions of CAO No.6-90, as amended by CAO No. 9-90.
- 1.2 To prescribe the Customs formalities and procedures in the filing, processing and approval of applications for the renewal of the CBW authority/license.
- 1.3 To define the functions and responsibilities of the Customs officials concerned.

Section 2. Lifetime of the CBW Authority/License

The authority/license to operate a CBW, whether public/private, manufacturing, trading or common, shall, unless sooner revoked or withdrawn, be for a period of two (2) years, during which period the CBW is authorized to receive imported cargoes for storage. The authority/license shall be renewed every two (2) years, subject to the requirements, terms and conditions herein provided for.

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Section 3. Requirements, Terms and Conditions

3.1 Period of Filing of Application. Within two months from December 31 immediately following the second anniversary of the authority/license to operate the CBW and every two (2) years thereafter within the same period, the operator shall file with the District Collector an application for renewal of the authority/license to operate a CBW using the format prescribed in Annex "A" of CAO NO. 6-90, as amended.

Provided that, the filing of the application after January 31, but within the 2 months reglementary period shall be deemed late filing and the operator shall submit an explanation under oath of such late filing; and provided further that, the filing of the application beyond the said 2-months period shall be deemed failure to file an application for renewal of the authority/license.

3.2 Supporting documents. The application shall be submitted together with:

- an inventory of raw materials, both not yet in-process and in process, and finished products as of December 31 of the preceding year;
- the supporting documents listed and as required in Annex "B" of CAO NO. 6-90, as amended;
- the revised formula of manufacture, in case of changes from that originally submitted and effected during the period preceding the renewal or to be effected in the period renewed; and
- an explanation under oath of late filing, if such be the case.

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3.3 Full and Accurate Disclosure of Required Information. The operator shall make a full and accurate disclosure of the information indicated in the application and supporting documents, under pain of disapproval of the application and/or criminal administrative prosecution, as appropriate.

3.4 No Outstanding Obligation. No renewal of authority/license to operate a CBW shall be allowed unless upon certification/clearance duly issued that the applicant has no outstanding obligation/liability with the Bureau of Customs. For this purpose, clearance shall be issued with the appropriate recommendation by the Chiefs, respectively, of the following:

- The operating Division concerned (P/P BWD, GTM BWD, M/M BWD, as the case may be);
- Warehouse Inspection Division;
- Warehouse Documentation & Records Division (WDRD);
- Liquidation & Billing Division;
- Bonds Division;
- Collection Division;
- Law Division;
- Legal Service;
- Customs Intelligence & Investigation Service; and
- Collection Service.

Jawada M. Nisum

The Chief, WDRD, shall be responsible for securing all clearances from the Divisions/Services; Provided that, all clearances shall be submitted not later than seven (7) calendar days from notice by the Chief, WDRD; and Provided further that, failure to so submit the clearance within the prescribed period shall be deemed, ipso facto, that the Division/Service concerned has no derogatory record/information of applicant's accountability, obligation or liability and, should the contrary be the case, the Division/Service Chief concerned shall be held solely responsible and answerable therefor.

3.5 Approval of the Application. The District Collector shall act on the application for renewal within thirty (30) calendar days from filing thereof, either -

- approving the renewal; or
- suspending the authority/license; or
- revoking/withdrawing the authority/license.

In case no such action is taken by the District Collector, the application is deemed automatically approved; Provided that, the authority/license subsisting as of December 31 of the preceding year, without any action for its suspension or cancellation, shall be deemed extended until action on the application for renewal as herein provided for shall have been taken by the District Collector.

3.6 Warehouse Supervision Fees. Beginning January 1991, there shall be collected from the owner/operator, annual supervision fees at the following rates:

- For a small industry/enterprises P 50,000.00

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- For a medium industry/enterprises P100,000.00
- For a large industry/enterprise and a CBW operating, regardless of total assets, as a common or trading warehouse P250,000.00

For this purpose, the classification shall be in accordance with the NEDA classification of industries and which is currently as follows:

- Small Industries - Enterprises, excluding agriculture, with total assets of P500,000.00 but less than P5 million.
- Medium Industries - Enterprises, excluding agriculture, with total assets of P5 million but less than P10 million.
- Large Industries - Enterprises, excluding agriculture, with total assets of over P10 million.

3.7 Manner/Schedule of Payment of Fees. The owner/operator shall pay the annual supervision fees as follows:

- Fifty percent (50%) upon issuance of the authority/license in case of a new application to cover the period up to December 31; or upon filing of an application for the renewal of the license/authority; or not later than January 31 for the intervening year where the application for renewal is not yet required.
- The balance of fifty percent (50%), not later than June 30; Provided that, where the authority/license is issued within the month of June, in case of a new application for authority/license, the full amount of the fee shall be paid upon issuance of the authority/license covering the period up to December 31 of the same year.

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In case the CBW ceases to operate as such within the year following the approval of the authority/license, the owner/operator shall be liable only for the portion/amount of the fee up to the date of receipt of the notice of voluntary cessation by the Office of the District Collector, or the date of the closure order duly issued by the District Collector, as the case may be.

Section 4. Penalty Clause

Failure to file an application for renewal within the prescribed period and to comply with any provision of this Order on the part of the CBW owner/operator shall render the CBW subject to closure proceedings pursuant to CMO NO. 39-90; Provided that, this shall be without prejudice to any other appropriate action that may be taken under existing related laws, rules and regulations.

Section 5. Repealing Clause

All orders, circulars, rules and regulations inconsistent with this Order are hereby deemed repealed or amended accordingly.

Section 6. Effectivity

This Order shall take effect on the date of its approval.


SALVADOR M. MISON
Commissioner