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2018-04-009



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

MEMORANDUM

TO : DISTRICT COLLECTORS
DEPUTY COLECTORS FOR ASSESSMENT
CHIEFS, INFORMAL ENTRY DIVISIONS OR EQUIVALENT
UNITS
DRAFTING TEAM ON BALIKBAYAN BOXES

SUBJECT : EXTENSION OF THE SUSPENSION OF THE
IMPLEMENTATION OF CAO 05-2016 OF
"CONSOLIDATED SHIPMENT OF DUTY AND TAX-FREE
BALIKBAYAN BOXES" AND CMO 04-2017 "GUIDELINES
THE IMPLEMENTATION OF CUSTOMS ADMINISTRATIVE
ORDER (CAO) NO. 05-2016 ON CONSOLIDATED
SHIPMENT OF DUTY AND TAX-FREE BALIKBAYAN BOXES
WITH REVISED INFORMATION SHEET"

DATE : 16 March 2018

The suspension of the implementation of CAO 05-2016 and CMO 04-2017 as provided under Unnumbered Memorandum with issuance number 2017-10-004 dated 28 September 2017, is hereby **EXTENDED** until such time the CAO providing the Amended Rules on Consolidated Shipment of "Balikbayan Boxes" is issued and has taken effect.

This Order shall take effect on April 01, 2018.

[Handwritten Signature]
ISIDRO S LAPEÑA, PhD, CSEE
Commissioner



MAR 22 2018



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
1099 Manila

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MEMORANDUM

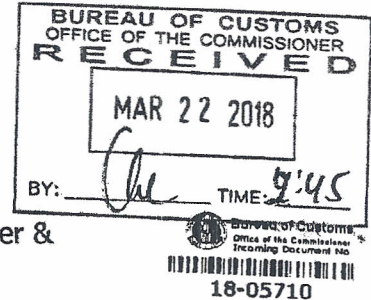
FOR : **ISIDRO S LAPEÑA, PhD, CSEE**
Commissioner

THRU : *symalik*
GLADYS F. ROSALES, MPA, CESE
Chief-of-Staff, Office of the Commissioner &
Deputy Commissioner, IAG

FROM : *Natalio C. Ecarman*
M/GEN NATALIO C. ECARMA III (RET.), CESE
Deputy Commissioner, RCMG
Project Manager, CMTA-IRR PMO

SUBJECT : **Customs Administrative Order on Amended Rules
on Consolidated Shipment of "Balikbayan Boxes"**

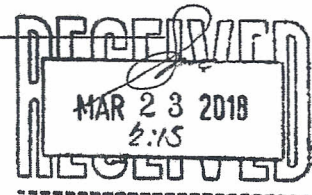
DATE : **16 March 2018**



BACKGROUND

1. References:

- a. Outcome of the Public Consultation held last March 05, 2018
 - b. Instructions of the Commissioner give during the briefing done on March 15, 2018
 - c. Draft CAO on Amended Rules on Consolidated Shipment of "Balikbayan Boxes"
 - d. DOF 1st Indorsement dated 22 January 2018
 - e. Unnumbered Memorandum dated 28 September 2017 on Suspension of the Implementation of Customs Administrative Order (CAO) 05-2016 and Customs Memorandum Order (CMO) 04-2017
 - f. Section 800 (g) Chapter 1, Title VIII of the Customs Modernization and Tariff Act (CMTA)
2. On December 15, 2016, CAO 05-2016 was issued to implement the duty and tax-free importation of Balikbayan Boxes sent to families or relatives by Qualified Filipinos While Abroad (QFWA), as provided in Section 800 (g), Chapter 1, Title VIII and other related provisions of the CMTA.



3. In view of the valid issues raised by the stakeholders, the implementation of CAO 05-2016 and CMO 04-2017 was suspended until March 31, 2018 per Unnumbered Memorandum dated 28 September 2017.
4. The concerned Drafting Team recommended the amendment of the said CAO and CMO after consultations with the stakeholders.
5. Further, pursuant to the instructions of the Secretary of Finance, a public consultation was held last March 05, 2018 and all position papers submitted by the stakeholders was duly considered in the present draft CAO.

DISCUSSION

6. The draft CAO on Amended Rules on Consolidated Shipment of "Balikbayan Boxes" under Section 800 (g) of the CMTA was first presented to the Commissioner during the briefing conducted last January 31, 2018, who in principle approved the draft CAO.
7. After the briefing, minor amendments to the draft was made to take into consideration the comments of the DOF in its 1st Indorsement dated 22 January 2018.
8. The revised CAO was posted in the BOC website for the information of the stakeholders and for them to submit their position paper from the date of posting until twelve (12) midnight of March 05, 2018.
9. The comments of the stakeholders made during the Public Consultation and in their respective position paper were taken into consideration in the finalization of the CAO.
10. The notable amendments to CAO 05-2016 are as follows:
 - a. The definition of the Balikbayan Box (Section 3.2);
 - b. The amount of Processing Fee (Section 4.9);
 - c. The documentary requirements to be submitted by Qualified Filipinos (Section 5.1.3);
 - d. The x-ray machine requirements by the Deconsolidators (Section 5.2.4 and Section 9.3);
 - e. The Sanctions (Section 6); and
 - f. The compliance to Data Privacy Act of 2012 (Section 8).
11. The final amendments to the draft CAO was presented to the Commissioner during the briefing conducted last March 15, 2018, who adopted and approved the same.
12. The recommendation of the Drafting Team to extend the suspension of the implementation of CAO 05-2016 and CMO 04-2017 until the effectivity of the amended CAO was also approved by the Commissioner.

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RECOMMENDATION

1. Approval and signature of the Commissioner on the proposed CAO on Amended Rules on Consolidated Shipment of "Balikbayan Boxes" as drafted;
2. Signature on the attached Memorandum to the Secretary of Finance transmitting the CAO for his approval.
3. Approval and signature of the Commissioner on the proposed Memorandum extending the suspension period of the implementation of CAO 05 2016 and CMO 04-2017 until the effectivity of the proposed CAO; and

DECISION MATRIX

APPROVED

DISAPPROVED

Handwritten signature
ISIDRO S LAPENA, PhD, CSEE
 Commissioner



MAR 22 2018

REMARKS:
