



PRIMER FOR POSTAL SERVICE
Answers from the Tariff Code and National Internal Revenue Code on the most frequently asked questions.

1) **What is the role of the Bureau of Customs in Postal Services?**

(TCCP Sec. 602. – Functions of the Bureau)

“The general duties, powers and jurisdiction of the Bureau of Customs shall include:

“The assessment and collection of the lawful revenues from imported articles and all other dues, fees, charges, fines and penalties accruing under the tariff and customs law”

“The prevention and suppression of smuggling and other frauds upon the Customs”

“The enforcement of the tariff and customs law and all other laws, rules and regulations relating to the tariff and customs administration.”

“The supervision and control over the handling of mails arriving in the Philippines, for the purpose of the collection of the lawful duty on dutiable articles thus imported and the prevention smuggling through the medium of such mail.”

2) **Why does my mail (parcel) need to be opened or examined?**

(TCCP Sec. 1206 – Jurisdiction over importation of articles)

“The Collector shall cause all articles entering the jurisdiction of his district and destined for importation through his port to be entered at the customhouse, shall cause all such articles to be appraised and classified, and shall assess and collect the duties, taxes and other charges thereon, and shall hold possession of all imported articles upon which duties, taxes and other charges have not been paid or secured to be paid, disposing of the same according to law”

“For the enforcement of the tariff and customs laws, the following persons are authorized to effect searches, seizures and arrest conformably with the provision of said laws. Officials of the Bureau of Customs, District and deputy collectors, police agents, inspectors and guards of the Bureau of Customs.”

3) **What are the articles subject to duty?**

(TCCP. Sec. 100 – Imported articles subject to Duty)

“All articles, when imported from any foreign country into the Philippines, shall be subject to duty upon each importation, even though previously exported from the Philippines, except as otherwise specifically provided for in this Code in other laws”

4) **What are the basis of assessment of Duty?**

(TCCP. Sec. 104. Rates of Import Duty)

“All Tariff Sections, Chapters, headings and subheadings and the rates of import duty under section 104 of Presidential Decree No. 34 and shall subsequently amendments issues under Executive Orders and Presidential Decrees are hereby adopted and form part of this Code”

(TCCP. Sec. 203 – Exchange Rate)

“For the assessment and collection of import duty upon imported articles and for other purpose, the value and prices thereof quoted in foreign currency shall be converted into the currency of the Philippines at the current rate of exchange or value specified or published, from time to time, by the Central Bank of the Philippines”

(TCCP. Sec. 201 – Basis of Dutiable Value)

“The dutiable value of an imported article subject to an ad valorem rate of duty shall be the transaction value , which shall be price paid or payable for the goods when sold for export to the Philippines, adjusted by adding the following to the extent



**The Bureau of Customs
Postal Service**

Primer on the most frequently
Asked questions and answers from the

Tariff & Customs Code of
The Philippines
And
National Internal Revenue Code of
The Philippines

As Amended by
{REPUBLIC ACT NO. 9135}
[REPUBLIC ACT NO. 9337]

that they are incurred by the buyer but are not included in the price actually paid or payable for the imported goods”

“Commissions and brokerage fees (except buying commissions); cost of containers; and the cost of packing, whether for labor or materials;

“Cost of containers; cost of packaging, whether for labor or materials;

“The amount of royalties and license fees related to the goods being valued that the buyer must pay, either directly, as a condition of sale of the goods to the buyer;

“The cost of transport of the imported goods from the port of exportation to the port of entry in the Philippines.” (postage)

“The value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller;

“Loading unloading and handling charges associated with the transport of the imported goods from the country of exportation to the port of entry in the Philippines”

Thus: Value of the Article
+Commission & Brokerage Fees
+Cost of Containers
+Cost of Packaging
+Amount of Royalties
+Cost of Transportation
+Value of Resale
+Loading and Handling Charges
+Cost of Insurance

= Total Value x Exchange Rate

=Dutiable Value in Peso x Rate of Duty / Tariff (%)

=**Customs Duty**

(TCCP, Sec. 3301 – Customs fees and charges)

“For services rendered and document issued by the Bureau of Customs, the following fees shall be charge and collected, by affixing Customs Documentary Stamp in the correct amount upon the document or any other paper which is subject of charge and cancellation of such stamp in the manner prescribed by the Commissioner, and no such document or any other paper shall be issued or granted by any customs official until the correct amount of stamps shall have been affixed and cancelled; Provided however, That fees of two hundred fifty pesos (250 Php) or over may be paid in cash.

“For each Entry Filed an Import Processing fee two hundred fifty Pesos (**250Php**) shall be charged as indicated in the Official Receipt”

(R.A. 8424 Sec. 188- BIR Stamp Tax Certificate)

“On each certificate of damage or otherwise, and on every certificate or document issued by any customs officer, marine surveyor, or any person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of public office, or which is issued for the purpose of giving information or establishing proof of fact, and not otherwise specified information, herein, there shall be collected a documentary stamp tax of fifteen pesos (15Php)”

5) Why is V.A.T. (Value Added Tax) included in the assessment?

(NIRCP. As amended by R.A. 8424, Sec. 12 – Agents and Deputies)

“The following are hereby constituted agents of the Commissioner:

“The Commissioner of Customs and his subordinates with respect to the collection of National Internal Revenue Taxes on Imported goods”

6) What is the basis of the assessment of the V.A.T. on imported articles?

(NIRCP. as amended by R.A. 9337 Sec.5 –VAT on Importation)

“There shall be levied, assessed and collected on every importation of goods a value added tax equivalent to ten percent (10%) based on the total value used by the Bureau of Customs in determining tariff and customs duties, plus customs duties, excise tax, if any, and other charges, such tax to be paid by the importer prior to the release of such good from customs custody; Provided, that where the customs duties are determined on the basis of the quantity or volume of the goods, the value-added tax shall be based on the landed cost plus excise tax, if any” Provided, further, That the President, upon the recommendation of the Secretary of Finance, shall, effective January 1, 2006, raise the rate of value-added tax to twelve percent (12%)

Thus Customs Duty
+ Value Added Tax
+ Customs Doc Stamps (250)
+ Import Processing Fee (250)
+ BIR Stamp Tax (15)

=Total x 12% (EVAT Rate)

Value Added Tax

7) Why is it necessary for me to pay duties and taxes?

(TCCP Sec. 1204 – Liability of importer for duties and taxes)

“Unless relived by laws or regulations, the liability for duties, taxes, fees and other charges attached on importations constitutes personal debt due from the importer to the government which can be discharge only by payment in full, all duties, taxes fees and other charges legally accruing. It also constitutes a lien upon the articles imported, which may be enforced while such articles are in the custody or subject to the control of the government.”

Packages or parcel which have already been assessed by the Customs shall no longer be eligible for Return to Sender (RTS) option; instead shall await the payment of proper duties and taxes by the claimant.

(TCCP Sec. 1801 – Abandonment of Imported Articles)

The subject package or parcel without notice or request for an extension for the period to claim; shall be deemed abandoned by the claimant after the lapse of thirty (30) days from the date of assessment made by the Customs. Packages or parcel which were deemed abandoned shall be subject to proper disposition by the Government. (R.A. 1651)

Note: This Primer has carefully selected and written only the relevant Subsections to a given Article with multiple subsections relevant to the position of the Bureau of Customs with regards to the Postal Service, in case of any further inquiry on the matter please be guided accordingly to reference of the said Article of the TCCP or NIRCP.

For More Information on the Bureau of Customs
Write to : The Office of the District Collector
Bureau of Customs, Port of Manila

Customs Hotline **Tel. No. 917-32-01**

Or visit: **www.customs.gov.ph**