



Republic of the Philippines
Department of Finance
Bureau of Customs
1099 Manila

August 16, 2006

CUSTOMS MEMORANDUM ORDER

No. 27-2006

TO: All Importers and Brokers
All District Collectors
Chiefs, Assessment/Formal Entry Division
Chiefs, Cash/Collection Division
All Others Concerned

SUBJECT: Advance Payment of Duties in the Import Entry Declaration (IED)

Pursuant to Section 608 of the Tariff (TCCP) and Customs Code of the Philippines, as amended, the following rules on Advance Deposit of Customs Duties are hereby made:

1. No financial institution shall open any Letter of Credit (L/C) covering importations unless the applicant deposits the full amount of duties due thereon.
2. Advance deposits made shall be credited in the final computation of duties, taxes and charges due on the importation, upon filing of the Import Entry Declaration (IED).
3. In order to properly monitor collections, and prevent possible technical smuggling, final payment of duties and taxes due on the particular importation shall be paid only at the authorized agent bank where the L/C was opened and the advance customs duty was paid.
4. To provide post entry audit trails of IED's, all Collection/Cash Division shall submit copies of the IED together with the correspond L/C and a weekly utilization report thereof in MS Excel Format to the TIRAO, PEAG.

This Order takes effect immediately.

NAPOLEON L. MORALES
Commissioner



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Customs Stamp