



11 September 2006

CUSTOMS MEMORANDUM ORDER

NO. 30-2006

TO : All District /Port Collectors
Service/Division/Section Chiefs
All Others Concerned

SUBJECT : Decentralization of Approval of Floor
Prices of Motor Vehicles Offered for
Auction

In line with the Bureau's thrust to enhance the effectiveness of existing systems and procedures, the approval of floor prices of motor vehicles offered for auction is hereby decentralized and reverted back to the District Collectors, subject to the following, to wit:

1. Physical inventory and identification of motor vehicles that may be subject to auction sale shall be conducted by concerned Port officials in the presence of a representative from the Auction & Cargo Disposal Monitoring Division, Port Operations Service (POS), who shall render a report to the Office of the Deputy Commissioner for Internal Administration Group (IAG) pursuant to CMO 12-2006;
2. All floor process previously submitted for the approval of, and are still pending before the Office of the Commissioner are deemed returned to the District Collectors for the latter's re-inspection, re-identification and/or re-evaluation of floor prices;
3. In the setting of floor prices, the basis shall be the total landed cost plus ad valorem tax and VAT and an additional 25% mark-up on the total landed cost, as per CMO-18-2003;
4. In the determination of the total landed cost, the basis shall be on the Red/Blue/KARO/Korean book value using the straight line method of depreciation of 10% per year but shall not exceed 90% depreciation;
5. Any report of unreasonably low prices or discrepancy in the identification of motor vehicles subject of auction sale emanating from any concerned sector shall be verified and evaluated by the port's auction officials, and whenever warranted, stop the auction sale and refer the matter to the Office of the Deputy Commissioner for IAG.

Any Order inconsistent with this CMO is hereby amended and/or superseded accordingly.

This Order shall take effect immediately.

For strict compliance.

NAPOLEON L. MORALES
Commissioner

