



Republic of the Philippines  
Department of Finance  
**BUREAU OF CUSTOMS**  
**PORT OF MANILA**  
Customs District II-A  
South Harbor, Manila



JAN 24 2005

**CUSTOMS MEMORANDUM ORDER**

NO. 4-2005

**SUBJECT: GUIDELINES IN THE USE OF CVT ( Customs Valuation Team )  
SCREEN AS A RISK MANAGEMENT TOOL**

**I. OBJECTIVES**

1. To establish Third Screen incorporating value information based on CVT values in the Valuation Screen of the Automated Customs Operations System (ACOS).
2. To ensure the appropriate use of value information from the CVT values as a risk management tool for the proper/fair collection of duties and taxes.

**II. SCOPE**

This Order shall apply to all importations.

**III. GENERAL PROVISIONS**

1. All previously accepted transaction values through the existing Value Reference Information System (VRIS) shall continue to serve as a risk management tool.
2. Reference information obtained from Customs Valuation Team in the 3<sup>rd</sup> Screen shall be used to test the truthfulness and accuracy of a given value declaration which in turn may trigger a valuation issue and raise the need for the application of the methods of valuation provided for under Sec. 201 of the Tariff and Customs Code of the Philippines.

**IV. OPERATIONAL PROVISIONS**

1. The Customs Valuation Team (CVT) shall directly transmit the approved CVT values to MISTG as a Third Screen.
2. The MISTG shall encode the CVT values into the Valuation Screen of ACOS as a 3<sup>rd</sup> Screen.

3. At the Formal Entry Division (FED) or equivalent unit, shipments which fail the reference criteria set by the 3<sup>rd</sup> Screen shall be stamped by the COO V with the word "VALUATION" on the free spaces between box 58 and 59 of the Entry and on the Temporary Assessment Notice (TAN).
4. The COO V assigns the entry to COO III who shall indicate in the VCRC Form No. 1 that the request for VCRC review is by virtue of the reference criteria set by the Customs Valuation Team.
5. The VCRC Form 1 shall be attached to the duly filled form of the Entry and forwarded with all the attachments/supporting documents to VCRC, TST
6. The Head, VCRC-TST may subject to the approval of the District Collector resolve cases hit by the CVT screen without formal deliberation when the importer waives the application of Method 1 and allow customs to adopt the appropriate method of valuation.  
In cases where the importer refuses to pay based on the re-appraisal made by the Customs Operations Officer using the alternate method of valuation in their order of priority, the amount of security shall be equivalent to the difference between the duties and taxes based on the importer's declaration and those computed using the appraiser's recommended value.
7. CVT values appearing on the Third Screen are reference values and cannot be used as substitute values unless such values qualify under any of the alternate valuation methods found applicable in their order of priority.
8. The foregoing procedure shall supplement CMO 37-2001, particularly with respect to the provisions pertaining to Procedure at FED or equivalent unit.

#### V. REPEALING CLAUSE

All Orders, Memoranda, Circulars and parts thereof which are inconsistent with this Order is hereby deemed revoked, rescinded and or modified accordingly.

#### VI. EFFECTIVITY

This Order shall take effect immediately.

  
GEORGE M. JEREOS  
Commissioner