



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

March 2, 2007

CUSTOMS MEMORANDUM ORDER
NO. 5-2007

TO : All Collectors of Customs
All Importers, Brokers
And Others Concerned

Subject: Amendment to CMO 27-97, CMO 27-97A, and CMO
27-97B on Insurance Premiums for Purposes of
Assessment of Imports.

To clarify questions on the applicable insurance premium pursuant to CMO Nos. 27-97, CMO 27-97A, and CMO 27-97B for shipments with terms of sale in C&F or FOB, the following are hereby issued:

1. For C&F or FOB shipments with local or domestic insurance, the amount of insurance premium shall be the premium actually paid or $\frac{1}{2}$ of 1% of transaction (FOB) value, whichever is higher.

The premium actually paid shall be certified by the insurance company and the certification attached to the IEIRD. If the certification from the local insurance firm is not presented, the insurance premium shall be computed at 4% of the shipment's FOB value.

2. For direct importations by the government, the original copy of the marine open policy issued by the Government Service Insurance System (GSIS) shall be attached to the IEIRD. The Bureau shall apply the GSIS insurance premium or $\frac{1}{2}$ of 1% of transaction (FOB) value as insurance, whichever is higher.

Be guided accordingly.

NAPOLEON D. MORALES
Commissioner

