INTRODUCTION. This CAO establishes an Advance Ruling System in the Bureau of Customs for Valuation and Rules of Origin, pursuant to Sections, 1100-1104, Chapter I, Title XI in relation to Section 204, Chapter I, Title II; Section 1105, Chapter I, Title XI and other related provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), taking into account the commitments of the Philippines to the World Trade Organization’s Agreement on Trade Facilitation (ATF), the Revised Kyoto Convention (RKC), the ASEAN Trade in Goods Agreement (ATIGA), and other relevant trade agreements entered into by the Philippines.

Section 1. Scope.

1.1. This covers the establishment of an Advance Ruling System on customs valuation methodology and preferential and non-preferential rules of origin.

1.2. Requests for Advance Rulings concerning the tariff classification of goods shall be filed with the Tariff Commission for determination.¹

1.3. Requests for rulings on other matters related to importation or exportation of goods as provided in Section 113 of the CMTA, including exportation of goods originating in the Philippines shall be covered by existing regulations.

Section 2. Objectives.

2.1. To provide rulings on the origin and valuation methodology of goods prior to their importation or exportation, in order to add certainty and predictability to international trade and help commercial importers or foreign exporters make informed business decisions based on legally binding rules.

2.2. To help ensure uniformity and consistency in the application of customs policies, rules and regulations on customs valuation and rules of origin.

¹ CMTA, Title XI, Chapter 1, Section 1100
2.3. To enable the establishment of an Advance Ruling System that is in line with the standards set out in the Revised Kyoto Convention, the World Trade Organization’s Agreement on Trade Facilitation, the ASEAN Trade in Goods Agreement, other relevant international trade facilitation agreements, relevant Philippine laws, and international best customs practices.

2.4. To increase the level of stakeholders’ compliance through an informed customs compliance regime.

Section 3. Definition of Terms. For purposes of this CAO, the following terms are defined accordingly:

3.1. Advance Ruling – an official written and binding ruling issued by the Commissioner of the Bureau of Customs (BOC) which provides the Requesting Person with an assessment of: (1) origin, or (2) treatment to be applied on a certain element of customs value, prior to an import or export transaction for a specified period.

3.2. Fee – the non-refundable amount assessed by the Bureau to be paid by a Requesting Person to cover the reasonable cost of the research and other services rendered for issuance of Advance Ruling.

3.3. Foreign Exporter – a natural or juridical person intending to export any goods or commodities from a foreign country to the Philippines.

3.4. Importer – a natural or juridical person intending to import any goods into the Philippines.

3.5. Requesting Person – a natural or juridical person who is an importer, foreign exporter, or his/her/its authorized agent, who/which is requesting an Advance Ruling pursuant to this CAO.


4.1. Who May Request for Issuance of Advance Ruling. Importer or Foreign Exporter or its authorized agent may request an Advance Ruling.

4.2. Requirements for Request for Advance Ruling.

4.2.1. Period to Request Advanced Ruling for the Importation of Goods. To ensure that an Advance Ruling request does not relate to any ongoing trade transaction, a request for Advance Ruling should be submitted to the Bureau at least ninety (90)
calendar days before the date of the importation in question, which is the date of lodgement of goods declaration.²

4.2.2. Other Requirements.

a. A request for Advance Ruling must be made in writing to be submitted to the Bureau, and must relate only to one good or product, as the case may be.³

b. The Bureau shall specify the information to be provided, the format to be used and the documentary requirements for the request. The Bureau shall allow the electronic submission of requests, subject to the submission of certified request for Advance Ruling. No request for Advance Ruling shall be accepted or considered without such proof of payment.

4.2.3. Effects of Failure to Comply with the Requirements. Any request that does not comply with all of the provisions of this CAO will be rejected and returned to the Requesting Person. A written order identifying the information missing from the request and with a clear statement why a ruling cannot be issued shall be sent to the Requesting Person.

4.3. Acknowledgement of Receipt; Notice to Provide Additional Information and/or Documents.

4.3.1. The Bureau shall, within fifteen (15) working days, acknowledge the receipt of the application, through the fastest available means.

4.3.2. At any time during the course of an evaluation of a request for Advance Ruling, the Bureau may require additional information from the Requesting Person which shall be submitted within thirty (30) calendar days from the date of receipt of the notice. Such period may be extended upon request.

4.4. Withdrawal of Request. The request is deemed withdrawn under the following instances:

4.4.1. Expressly at the instance of the Requesting Person at any time before an Advance Ruling is issued.

4.4.2. Impliedly when:

a. The Requesting Person imports the subject matter of the request for Advance Ruling less than ninety (90) days after

² cf. CMTA, Title XI, Chapter 1, Section 1103, 2nd Sentence
³ cf. CMTA, Title XI, Chapter 1, Section 1100, 1st Sentence
the request or less than thirty (30) days from submission of complete documents, as the case may be.

b. The Requesting Person fails to submit the additional information and/or documents within the prescribed or extended period from notice by the Bureau.

4.5. **Revalidation of Advance Ruling.**

4.5.1. Request for revalidation of Advance Ruling shall be submitted to the Bureau at least ninety (90) calendar days before the expiration of the validity of Advance Ruling.

4.5.2. The Bureau may require additional requirements in support of the request for revalidation of Advance Ruling.

4.6. **Period to Issue Advance Ruling and its Revalidation.** The Bureau shall issue the Advance Ruling or its Revalidation within thirty (30) working days from the date of receipt of the request, or additional documents or information, as the case may be.

4.7. **Grounds for Declining.**

4.7.1. The issuance of an Advance Ruling may be declined in the following cases:

a. The issue involves a matter that is before the courts or is the subject of an administrative review, or under post clearance audit;

b. A request for Advance Ruling on the same goods is already filed by the same Requesting Party; however, an earlier request filed by an agent shall be declined if a latter request is filed by the principal;

c. An Advance Ruling on the same goods has been issued to the same Requesting Person; and

d. The request is based on hypothetical situation.

4.7.2. In all cases, if the issuance of an Advance Ruling is declined, the Bureau shall promptly notify the Requesting Person in writing, though electronic means, clearly stating the reasons for such.

4.8. **Binding Effect and Period of Effectivity of an Advance Ruling.**

4.8.1. An Advance Ruling benefits only the Requesting Person. Although an applicant may refer to specific Advance Ruling issued to another importer, foreign exporter, or producer, the Bureau is not bound to recognize and apply that ruling to a similar importation.
4.8.2. An Advance Ruling shall take effect on the date it is issued, unless another date is specified in the ruling, provided that the facts or circumstances on which the ruling is based remain unchanged as of the time of importation. The Advance Ruling shall be valid for a period of three (3) calendar years from date of its issuance, unless a shorter period is provided for in the ruling due to the nature of the application – which shall be clearly stated in the Advance Ruling.

4.9. **Modification, Revocation or Invalidation of an Advance Ruling.**

4.9.1. **Modification of Advance Rulings.** Advance Rulings may be modified based on the following grounds:

- a. Clerical error;
- b. Change of material facts and circumstances after issuance of the Ruling;
- c. Misleading information based on excusable neglect or honest mistake; and
- d. Change in applicable law

Modification of Advance Rulings is, as a general rule, of prospective application.

4.9.2. **Revocation or Invalidation of an Advance Ruling.** An Advance Ruling may be revoked or invalidated upon discovery that the applicant submitted incomplete, incorrect, false or misleading information. Revocation or invalidation of Advance Rulings shall be retroactive.

4.9.3. **Notification.** Where the Advance Ruling is modified, revoked or invalidated, the Bureau shall give written notice to the Requesting Person, setting out the relevant facts and the basis for its decision.

4.10. **Appellate Remedy.** The Requesting Person aggrieved by the Ruling of the Bureau or its decision to modify, revoke or invalidate an Advance Ruling may, within fifteen (15) calendar days, from receipt of the Ruling or decision, file a motion for reconsideration with the Bureau. In case of denial of the motion for reconsideration, the Requesting Person may, within thirty (30) calendar days from the receipt of the denial, appeal the adverse ruling to the Court of Tax Appeals (CTA).

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4Where the Member revokes, modifies or invalidates the advance ruling, it shall provide written notice to the applicant setting out the relevant facts and the basis for its decision. Where a Member revokes, modifies or invalidates advance rulings with retroactive effect, it may only do so where the ruling was based on incomplete, incorrect, false or misleading information. [WTO Agreement on Trade Facilitation, Article 3 Advance Rulings, Par. 4]
4.11. **Publication of Advance Ruling and Confidentiality.** The Bureau shall publish the summaries of the Advance Rulings on its website, taking into account the need to protect commercially confidential information.5

4.12. **Unique Reference Number.** The Bureau shall develop a Unique Reference Number for every Request and every Advance Ruling.

4.13. **Use of Information and Communications Technology (ICT) - Enabled System.** To the extent practicable, the Bureau shall use ICT-enabled system on Advance Ruling with respect to request for ruling, notification, issuance of Advance Rulings and such other related processes.

**Section 5. Authority of the Commissioner to Issue Supplementary Rules and Regulations.** The Commissioner of Customs may issue supplementary rules and regulations to effectively implement the provisions of this CAO.

**Section 6. Periodic Review.** Unless otherwise provided, this CAO shall be reviewed every three(3) years and be amended or revised, if necessary.

**Section 7. Separability Clause.** If any part of this CAO is declared unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.

**Section 8. Repealing Clause.** All previously issued Customs Administrative Orders, Customs Memorandum Orders, and other customs rules and regulations which are inconsistent with this CAO are hereby repealed and/or modified accordingly.

**Section 9. Effectivity.** This CAO shall take effect fifteen (15) days after its complete publication in the Official Gazette or a newspaper of general circulation.

The Office of National Administrative Register (ONAR) of the UP Law center shall be provided a three (3) certified copies of this CAO.

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5. of WTO Agreement on Trade Facilitation, Article 3, Par. 8; see also: 9.6 Standard, Chapter 9 of General Annex, RKC

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**Informational Section.** As the title denotes this only provide information and does not give rise to any substantive or formal rights or obligations.

1. **History.** This is the first CAO dealing exclusively on Establishment of An Advance Ruling System for Valuation and Rules of Origin.

2. **Related Policies.**
   - WTO Agreement on Trade Facilitation
   - WTO Agreement on Rules of Origin
   - Chapter 10 of the General Annex to the Revised Kyoto Convention

3. **Webpage, Forms, Handbooks and other References.** Unit webpage or other information relating to the regulations, such as guidelines, forms, charts, and handbooks, should not be incorporated into the body of the CAO but should be listed and hyperlinked in the additional information section after the text of the CAO. Hyperlinks should refer to the title of the document not the https address.
   - WCO technical Guidelines on Advance Rulings for Classification, Origin and Valuation
   - USAID Advance Rulings Guidelines
   - Revised Kyoto Convention: General Annex Guidelines - Chapter 09 (Information, Decisions and Rulings Supplied by Customs)