



Republic of the Philippines  
**DEPARTMENT OF FINANCE**  
**BUREAU OF CUSTOMS**  
Manila

**CUSTOMS MEMORANDUM CIRCULAR**  
NO. 121-2016

**T O** : All Deputy Commissioners  
All Directors and Division Chiefs  
All District/Port Collectors  
And Others Concerned

**SUBJECT** : Shipments of Completely Knocked-Down (CKD) Parts  
parts/components of trucks, buses and special purpose  
vehicles for rebuilding

**DATE** : September 01, 2016

Attached herewith is the letter dated 19 August 2016 from Atty. Sonia S. Tapales, Chief, Import Regulation Division, Department of Trade and Industry (DTI) requesting this Bureau not to allow shipments of Completely Knocked-Down (CKD) parts/components of trucks, buses and special purpose vehicles for rebuilding to be unloaded at any port, except the port of destination indicated in the Certificate of Authority to Import (CAI).

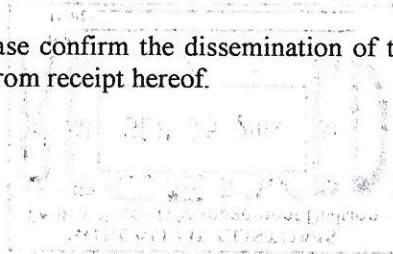
Further, you are hereby reminded of the provisions of Executive Order No. 877, particularly Section 5, Article 2 and Section 2, Article II thereof, which are hereby quoted below:

*Section 5, Article 2 - Used Engine/Parts and Components - Importation of used engines and parts and components for all motor vehicles shall require an authority to import issued by DTI.*

*Section 2, Article II - Government Entities and Employees - Any person, entity, government instrumentality or institution, found to be violating or grossly negligent in executing the mandates of this Executive Order shall result in the expulsion from office of any or all of the following personnel: the chief executive officer, responsible directors, responsible rank and file personnel and other responsible operating officers. Notwithstanding any provision of law to the contrary, they shall likewise be prohibited from holding any government position for at least two (2) years.*

For your information and guidance.

Please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.



*Nicanor E. Faeldon*  
**NICANOR E. FAELDON**  
Commissioner



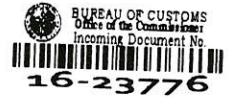


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**RECEIVED**  
OFFICE OF THE COMMISSIONER  
BUREAU OF CUSTOMS  
**AUG 19 2016**  
DATE: \_\_\_\_\_ TIME: *11:17*  
BY: *JK*

19 August 2016

**CAPTAIN NICANOR E. FAELDON**  
Commissioner  
Bureau of Customs,  
Port Area, Manila



Attention : Atty. Vincent Philip C. Maronilla  
Officer-in-Charge, Import Assessment Service

Dear Commissioner Faeldon:

There are reports that shipments of Completely Knocked-Down (CKD) parts/components of trucks, buses and special purpose vehicles for rebuilding are being unloaded in ports other than the port indicated in the Certificate of Authority to Import (CAI) issued by our office.

Imported CKD parts for rebuilding is required to be rebuilt only by the importer who is a Department of Trade and Industry (DTI) accredited rebuilding center. Rebuilding cannot be outsourced. The CAI issued for CKD parts is port specific and indicates the nearest port from which the accredited rebuilding center is located. Section 11 Article III of DTI DAO No. 08, Series of 2003 provides that only DTI accredited truck rebuilding centers may import CKD parts for rebuilding. Also, the Memorandum of Agreement entered into by and between the Bureau of Customs (BOC), Land Transportation Office (LTO) and the (DTI) dated 16 November 2006, provides that DTI endorsement is required for the registration of the rebuilt unit whose initial registration shall be in the name of the accredited rebuilder. This is to protect the interest of the end user.

In this connection, may we request the BOC not to allow shipments of CKD Parts for rebuilding to be unloaded at any port except the port of destination indicated in the CAI covering the particular importation.

Thank you for your appropriate action on the matter.

Very truly yours,

*Sonia S. Tapaless*  
**ATTY. SONIA S. TAPALES**  
Chief, Import Regulation Division

*Enabling Business, Empowering Consumers*