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Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
1099 Manila

BoC
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MEMORANDUM

TO : ALL DISTRICT COLLECTORS /
SUB-PORT COLLECTORS
ALL SGL MEMBER COMPANIES
ALL OTHERS CONCERNED

FROM : REY LEONARDO B. GUERRERO
Commissioner *ML* MAR 15 2019

SUBJECT : Time of Payment of Duties and Taxes by SGL
Member Companies

DATE : March 14, 2019

In has come to our attention that SGL member corporations are delaying the payment of duties and taxes due the government by invoking the CMTA provision on abandonment, specifically Section 1129.

Applying the provision on abandonment as the period in making payment is misplaced. Said provision governs abandonment of cargoes and should be treated and interpreted separately from lodgment and payment of duties and taxes.

It could never be the intention of congress that the provisions on abandonment be utilized for delaying the payment of duties and taxes. Taxes are the lifeblood of the nation and the deliberate act of delaying payment derails the collection effort of the BOC and is detrimental to the economy.

The processing of SGL importations is explicitly and categorically outlined in CMO 28-2003 which is not amended or repealed, thus, fully in effect. When to pay the duties and taxes is clearly provided. The procedure are as follows:

"9. PROCESSING OF SGL IMPORTATIONS

The importations of SGL users shall be processed as follows:

9.1 The SGL user shall electronically lodge his/her Single Administrative Document (SAD) into the BOC-ACOS System through EDI via the BOC Gateway facility, or by such other facility as may be authorized by BOC for the purpose.

9.2 The SAD declaration goes through the processing of the BOC ACOS system which, among others, assesses the duties and taxes due on the shipment. Such assessment shall be electronically transmitted to the SGL user via the same EDI facility referred to above.

9.3 Upon receipt of the BOC-ACOS final assessment notice, the SGL user shall then make payment of the duties and taxes due with the Authorized Agent Bank (AAB). (emphasis supplied)

9.4 Upon receipt of payment of the duties and taxes for an SGL shipment, the concerned AAB shall immediately, as a top priority, effect the electronic transmission of the payment information to BOC.

9.5 The payment is then verified, through the BOC ACOS system whether the payment made matches the amount assessed. If it does, the BOC-ACOS System shall generate and transmit an electronic cargo release message to the arrastre operator authorizing the release of the shipment to the duly authorized representative of the SGL user.

9.6 For purposes of identifying the SGL shipment of the importer for release, a SAD print out shall be presented to the Arrastre Operator. "

Please be reminded that the Bureau of Customs has the authority to suspend, cancel or revoke an SGL member company's certificate of accreditation as stated in Paragraph 8 of CMO 28-03.

In view of the foregoing, all SGL companies are directed to pay the duties and taxes immediately upon receipt of the final assessment notice pursuant to CMO 28-03. Further, all ports are directed to submit the names of SGL member companies that delay payment of duties and taxes.

For strict compliance.