The Director  
Office of the National Administrative Register (ONAR)  
UP Law Center Diliman, Quezon City  

Sir/Ma’am:  

Transmitted are three certified true copies and soft copy (word format in compact disc rewritable) of the following Customs Memorandum Order, to wit:  

CMO 39-2019: GUIDELINES FROM LODGEMENT TO ASSESSMENT NOTICE.  
CMO 40-2019: AUTONOMY OF COLLECTION DISTRICTS IN THE SETTING OF FLOOR PRICES FOR ITEMS IDENTIFIED FOR PUBLIC AUCTION.  
CAO 09-2019: ESTABLISHMENT, MAINTENANCE AND OPERATIONS OF CUSTOMS FACILITIES AND WAREHOUSES.  

Very truly yours,  

GLADYS C. CABUGAWAN  
Chief, CRMD
CUSTOMS MEMORANDUM ORDER
NO: 40 - 2019

To: All Deputy Commissioners
   All District/Port Collectors
   All Others Concerned

Subject: Autonomy of Collection Districts in the Setting of Floor Prices for Items Identified for Public Auction

To expedite the disposition of goods thru public auctions and, thereby, raise much needed revenue and ease port congestion, CMO No. 02-2019 on "Guidelines in the Conduct of Public Auction and in Setting of Floor Price of Goods Subject Thereto," shall no longer require prior approval from the Customs Commissioner.

However, the following conditions provided under CMO 02-2019 shall still be strictly observed, to wit:

"The said floor price shall not be less than the landed cost of the goods taking into account the obsolescence, condition or normal depreciation of goods, including unpaid duties, taxes and other charges, and shall be computed in any of the manner below, as may be applicable, viz:

1. The average of at least three (3) values of similar articles at the time of importation or at least three months prior to, plus applicable duties and taxes;

2. The domestic wholesale price arrived through backward computation using as basis the average of three (3) canvassed retail prices of similar articles in the usual and ordinary course of trade."

For this purpose, the National Value Verification System (NVVS) shall be the basis for the computation of floor prices for item identified for public auction.

For monitoring purposes, all Collection Districts shall continue to provide AOCG with the appraisal report and such other documents that have become the bases in arriving at the computed floor price.

Please be guided accordingly.

CERTIFIED TRUE COPY
OF THE ORIGINAL

REY LEONARDO B. GUERRERO
Commissioner, BOC

AUG 07 2019