

2019_10-002



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

MASTER COPY

df

MEMORANDUM

**To : ALL DISTRICT COLLECTORS
ALL DEPUTY COLLECTORS FOR ASSESSMENT
CHIEFS, FORMAL ENTRY DIVISION or Equivalent Unit
ALL APPRAISERS AND EXAMINERS
ALL OTHERS CONCERNED**

From : REY LEONARDO B. GUERRERO
Commissioner ✓



BOC-01-01856

OCT 01 2019

Subject: FREIGHT AND INSURANCE AS PART OF TRANSACTION VALUE.

Date : 27 September 2019

Please be reminded that "transaction value" should include both freight from the port of exportation to the Philippine port of entry and insurance, the Philippines being a CIF¹ country.

The 4th paragraph of Section 701 of the CMTA on "Transaction Value System – Method One", provides that –

"In determining the transaction value, the following shall be added to the price actually paid or payable for the imported goods:

xxx

(3) cost of transport of the imported goods from the port of exportation to the port of entry in the Philippines;

xxx

(5) cost of insurance.

In the event that the declared value only covers cost of the imported shipment, the insurance and freight shall be added thereto based on submitted documents or using the computation provided in CMO 22-2007, whichever is higher.

For immediate and strict compliance.

MEMO ON ADD-ON INSURANCE AND FREIGHT

¹ Cost, insurance, freight.