



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

12 May 1998

CUSTOMS MEMORANDUM ORDER
NUMBER 13-98

To: The Collectors of Customs, POM/MICP/HAJA/Cedra
The Deputy Collectors for Assessment/Administration
The Chiefs, Formal/Informal Entry Division
The Chiefs, Collection Division
The Chief, Tax Exempt Division
All Importers/Brokers
All Offices Concerned

Subject: *System and Procedures in the Processing and Transmittal of Duty
and Tax Exemptions Issued by the Department of Finance.*

1. OBJECTIVES:

- 1.1 To facilitate the approval of legitimate applications for duty and tax exemptions, hasten the transmittal of duly issued exemptions from the Dept. of Finance (DOF) to the Bureau of Customs and make these exemptions readily available to all user offices.
- 1.2 To prevent all forms of fraud associated with unsecured transmittal process of exemption papers.
- 1.3 To provide accurate and timely reports on levels of exemptions approved by the Dept. of Finance.

2. COVERAGE:

This order shall apply to all applications for exemptions issued by the Department of Finance, i.e., Mabuhay Lane and Revenue Express Lane (Non-Mabuhay).

2'

CMO-13-98

3. OPERATIONAL PROVISIONS:

- 3.1 The various Customs Memorandum Orders (CMOs 21-97, 21-97A, 1-98 and 10-98) covering Mabuhay Lane exemptions are hereby consolidated into this Order and shall cover exemptions of the Revenue Express Lane (Non-Mabuhay) as well.
- 3.2 The original copy of the approved exemption shall be given by the DOF office concerned, i.e., Mabuhay Lane or Revenue Express Lane (these two offices to be called DOF herein) to the importer, who in turn shall attach said copy to the IEIRD upon filing of the same to the Bureau of Customs. Regular processing of the entry shall continue.
- 3.3 An electronic record shall be created at the DOF and transmitted immediately to the Bureau of Customs. This electronic record shall be made available to the Collection Divisions of the three MM ports, Office of the Special Deputy Collector-Pair Cargo Customshouse, Office of the Deputy Collector for Assessment-Port of Cebu and Tax Exempt Division.
- 3.4 For shipments entered at the Port of Manila, Manila International Container Port, Pair Cargo Customshouse-NAIA and Port of Cebu, the COO III shall be responsible for the verification as to the authenticity of the exemption document by checking from the computer system located at the offices in 3.3 above. The verifier shall retrieve the electronic record from the computer and compare the same with the original copy of the approved exemption attached to the entry from 3.2 above. If there is an exact match, the record must be tagged as "cleared" in the computer and the IEIRD stamped as having been verified together with the signature of the COO III. The entry shall then continue to be processed according to existing rules and regulations. If, however, there is discrepancy, the matter must be immediately brought to the attention of the Chief, Collection Division/Special Deputy Collector/Deputy Collector for Assessment who shall make the necessary verification from the Department of Finance.
- 3.5 For shipments entered at the NAIA, the importer or his authorized representative shall present the original copy of the exemption papers to the Collection Division at the District Headquarters except for shipments at the Pair Cargo Warehouse which shall follow the verification procedures outlined in Section 3.4 hereof. The Duty/Tax Exemption Verification Section of the NAIA Collection Division shall generate a print-out of the electronic record, authenticate the same by having the



3

CMO-13-98

signature of the Chief, Collection Division and verifier on it and then forward it to the Deputy Collector for Administration. This print-out shall be the basis for comparison by the FED or similar office of the warehouse with the original attached to the entry before releasing the entry. Moreover, the Chief of the Collection Division and the authorized personnel of the Verification Unit shall both sign on the original copy of the exemption document to indicate that the same have been verified with the electronic record. The Entry Processing Unit of the warehouse where the entry will be filed must insure that the original copy of the exemption document and electronic print-out were duly authenticated.

- 3.5 For shipments entered outside Metro Manila except for the Port of Cebu, the Tax Exempt Division (TED) shall print out and authenticate the electronic record of the exemption and forward the same to the port concerned. Likewise, the TED shall continue with the review activity of the approved exemption utilizing the computer system from 3.3 above. Any approved exemption made by the DOP deemed incorrect by TED shall be subjected to an alert order pursuant to CMO 104-92 and at the same time, a letter of reconsideration, citing the reasons for the motion, shall be prepared and forwarded immediately to the Dept. of Finance.

4. EFFECTIVITY

This order shall take effect 13 May 1998.


GUILLERMO L. PALARIN JR.
Commissioner