



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

July 19, 1996

CUSTOMS MEMORANDUM ORDER  
NO. 21-96

TO: All Collectors of Customs  
Chiefs of Entry Processing Unit/Division  
and Collection Divisions  
All Authorized Agent Banks  
Entry Encoding Center/s  
Community Trading Center  
And All Others Concerned

Subject: Mandatory Entry Acceptance Criteria  
Full/Maximum Utilization of Advance Customs Duty

Under CAO 2-95, as implemented by CMO 25-95, the Advance Duties paid upon L/C opening as reflected in the Import Entry Declaration (IED) must be applied in full upon even if the arrival only constitute a partial shipment. In case of partial shipments, where the duty and tax payable is smaller than the advance duty, the advance duty in the IED must be applied to the maximum i.e., the application must equal the amount of duties and taxes payable.

To insure observance of this provision of CMO 25-95, the following responsibilities are hereby assigned to offices indicated:

1.0 Insuring Full/Maximum Utilization of Advance Duties In IED's

It shall be the responsibility of the AAB's and the Entry Encoding Center or EEC for ports with Community Trading Center/Entry Processing Unit or EPU (for those w/o CTC's) to accept for processing only IEIRD's where the advance duties appearing in the IED has been fully/maximally utilized.

1.1 Where the total duties and taxes payable per the Import Entry and Internal Revenue Declaration (IEIRD) is greater or equal to the advance deposit as per IED, the full amount of advance deposit must already be applied.

*JH*

-2-

CMO-21-96

1.2 Where the total duties and taxes payable per IEIRD is less than the advance duty paid per IED, the total duties and taxes payable must be paid fully charged to the advance deposit.

2.0 Insuring Full/Maximum Utilization of Advance Duties in Certificate of Balance.

Where part of the duties and taxes payable on a shipment is charged to a remaining balance of advance deposit per the Certificate of Balance (COB), the following responsibilities are hereby ordered:

2.1 When an amount will still be paid to the bank

In cases where the remaining balance on the COB is not sufficient to cover the total amount payable such that an additional amount needs to be paid to the bank, it shall be the responsibility of the AAB to demand presentation of the COB and insure that the amount in the COB is fully utilized as in 1.1 or 1.2 and to accept additional payment only for the portion that can not be covered by the COB.

2.2 The EEC/EPU for entries covered by COB's must accept for processing only those where the COB has been fully/maximally utilized as 2.1 above.

2.3 The Chief Cash Division of the issuing port in issuing the indorsement for the acceptance of the entry as in 2.2 must also insure full/maximum utilization of the COB.

This order which is effective immediately shall be considered as an addendum to CMO 25-95.

All concerned shall be guided accordingly.

  
GUILLERMO L. PARAYNO, JR.  
Commissioner