



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

September 10, 1997

Customs Memorandum Order

No. 27-97

To: All Collectors of Customs
All Importers, Brokers and Representatives
Others Concerned

Subject: Amendment to the Provisions on Insurance Premiums
Appearing on Item No. 3 of CMO No. 32-87 as Amended
by CMO Nos. 40-87, 13-95 and 13-95 A

The provision on insurance premiums appearing on Item No. 3 of CMO 32-87 as amended by CMO 40-87, 13-95 and 13-95A, is hereby further amended such that the insurance component of the dutiable value of an imported commodity shall be determined as follows:

1. If terms of sale is CIF (i.e., the shipment was insured abroad), the insurance premium for purposes of assessment, shall be the amount appearing in the CRF or in the invoice, whichever is higher; but in no case shall the insurance premium be less than $\frac{1}{2}$ % of export value. It is understood that for this purpose, SGS shall, by whatever means available, determine the actual amount of insurance premium paid and reflect this actual amount in the CRF.
2. If, however, the terms of sale is C&F and the importer can present a certification from the local insurance/surety firm on the insurance premium paid, then that amount will be used or, $\frac{1}{2}$ % of export value, whichever is higher, regardless of the amount appearing in the CRF.
3. The insurance premium, when not appearing in the CRF nor quoted in the invoice or when the certification in paragraph 2 above is not available, shall be computed as 4% of export value.


GUILLERMO L. PAJAYNO, JR.
Commissioner