



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

August 4, 1998

CUSTOMS MEMORANDUM ORDER -  
NO. 34-98

TO: All Customs Officials and Employees  
Customs Brokers, Importers  
Authorized Agent Banks  
And All Others Concerned

Subject: **Joint DOF-DBM-COA Circular No. 1-98 dated  
June 1, 1998 Implementing Section 21 of Republic  
Act No. 8479**

**1. Objectives -**

- 1.1 To define the procedures to be observed in accounting for and utilization of all Reimbursement Certificates (RC) issued by the Department of Energy and applied for payment of customs duties by Caltex (Philippines), Petron Corporation and the Pilipinas Shell Petroleum Corporation pursuant to the above-captioned Joint Circular No. 1-98.
- 1.2 To install adequate internal control to safeguard the revenue collection of the Bureau.

**2. General Provisions -**

**2.1 Reimbursement Certificate (RC) and RC Debit Memo (RCDM)**

- 2.1.1 The Collector of Customs is hereby authorized to accept RCDM in payment of customs duties after ensuring that the RCDM amount is not more than 10% of duties payable.
- 2.1.2 Each Reimbursement Certificate shall be utilized only in one collecting agency. Once an RC is applied initially at the Bureau of Customs, the succeeding RCDM for BOC payment shall be derived therefrom until the RC is completely used.

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- 2.1.3 Payment shall not exceed 10% of the customs duty per shipment/import entry.
- 2.1.4 Payment by the oil company through Reimbursement Certificates/RCDM shall be treated by the Bureau as constructive cash collection of customs duty, hence shall be credited as actual collection of the Bureau.
- 2.1.5 Payment by RCDM shall be treated in the same manner as Tax Credit Debit Memos (TCDM). Customs Cashiers shall utilize a separate BOC Form 38-A booklet for DOE issued RCDM.
- 2.1.6 The Collector of Customs shall prepare a monthly report of RCDM received as payment and submit the same to the Director, Collection Service for confirmation of the amount utilized, and the Chief, Accounting Division for accounting purposes in line with Section 6 of JC 1-98.
- 2.1.7 The Reimbursement Certificates shall not be transferable.
- 2.1.8 For transparency and proper reconciliation of the total RC issuances, DOE shall initially provide the Commissioner of Customs (Attn.: Collection Service) with a duly certified list of Reimbursement Certificates issued and immediately thereafter with the report of Reimbursement Certificates received and applied at the BIR and the BOC.
- 2.1.9 Reimbursement Certificates (RC) and RC Debit Memos may be verified by the Collector of Customs via fax (Collection Service - Fax No. 527-4523) before the same is accepted as payment.
- 2.2 The Accounting Division of the Bureau shall prepare the journal entries and submit a quarterly report thereof to DOE in conformity with the accounting system in the Joint Circular and in coordination with the Collection Division.
- 2.3 The Collection Service shall monitor with the Bureau of Treasury the BOC allocation on Special Allotment Release Order (SARO) issued by the Department of Budget & Management so that the corresponding amount be credited as part of BOC revenue collection.

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3. Operating Procedures -

3.1 Importer/Customs broker - application of 10% of the Advance Customs Duty


The 10% portion of the advance customs duty may be settled through application of the RCDM once an Import Entry Declaration (IED) is filed or when the Letter of Credit is opened. The payment shall be properly printed by indicating the amount and Customs Official Receipt (BC Form 38-A) number issued at the Port of Manila if the commercial bank is situated in Manila or at the Port of Batangas if the commercial bank is situated in Batangas City.

3.2 If the importation is self-funded, the 10% portion of the customs duty may be applied upon filing of the Import Entry & Internal Revenue Declaration (IEIRD).

3.3 Clearance of shipment at Port of Entry - shall conform with existing regulations after complete payment is rendered by the importer.

4. Collection Division -

The Collection Division/Unit at the port of entry where shipment shall be cleared shall submit a monthly list of RCDM utilized to the Accounting Division, copy furnished the Collection Service, indicating therein the following information:

1. Date applied for payment
  2. RCDM number
  3. Amount
  4. Customs Official Receipt No.
  5. IED & IEIRD No.
  6. Vessel
  7. B/L No.
  8. Date of Arrival
  9. Description of Cargo
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5. Effectivity Clause -

This order shall take effect September 1, 1998 and shall last until the reimbursement of the OPSF is completed by the DOE.

  
**PEDRO C. MENDOZA, JR.**  
Commissioner