



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
PORT OF MANILA
Collection District II-A
South Harbor, Manila



January 27, 1992

Customs Memorandum Order No. 15-92

TO: Collector of Customs
Chief, Bonds Division
and Related Divisions
Surety Companies and Importers
and Others Concerned

Subject: Accreditation of Surety Companies


I. Objectives:

- A. To set up the effective machinery for the accreditation of surety companies in order to ensure collection of accounts on bonded importations.
- B. To take such other measures to enforce revenue collection.

II. Accreditation of Surety Companies:

- A. The surety company desiring to do business in Customs bonds shall file with the District Collector a written application, supported by the following documents:
 - 1) Copy of the current Certificate of Authority (CA) issued by the Insurance Commission;
 - 2) Copy of the Administrative Order (AO) issued by the Office of the President of the Philippines, authorizing said Surety to transact the kind of surety business set forth in said AO;
 - 3) Copy of the Annual Form 1 of the said Surety, issued by the Insurance Commission;
 - 4) Copy of the latest audited Financial Statements of the Surety company;
 - 5) Certificate from the Corporate Secretary of the Surety, attesting to the authority of the company signatory to sign for the bond, together with the three (3) specimen signatures and initials and thumbprints, which Certificate shall be kept on file with the Bonds Divisions for reference purposes.

III. Acceptance of bonds:

- A. Only bonds issued by surety companies accredited by the District Collector, shall be accepted to be filed under the provisions of the Tariff and Customs Code and regulations pertinent thereto;
- 

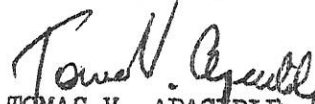
- B. The Bonds Division shall periodically forward to the District Collector a report on due and demandable bonds, amount and date due, name of surety and principal, collection performance and action taken thereon;
- C. The Surety and/or Principal shall have the obligation to prove that the condition of the bond has been fulfilled and shall secure a favorable recommendation from the Bonds Division, which shall form the basis for the District Collector to notify the Principal and/or Surety of the cancellation of the pertinent bond.
- D. However, in the event of non-performance by the Principal of the conditions and obligations stipulated in the bond, the Bonds Division shall prepare a demand letter addressed to the Principal and/or Surety, giving the Principal and/or Surety thirty (30) days within which to comply with the terms of the bond and/or make payment, after which time the said bond shall form part of the due and demandable listing and subject to action for court litigation, and such other measure to ensure collection including denial by the District Collector of further acceptance of the Surety's bonds.

IV. Repealing Clause:

Any Memorandum Order, rule or regulation found inconsistent herewith are hereby deemed repealed or amended accordingly.

V. Effectivity:

This Order shall take effect on January ~~27~~ 1992.


TOMAS V. APACIBLE
Commissioner