



Republic of the Philippines  
Department of Finance  
**Bureau of Customs**  
1099 Manila

<sup>M</sup>  
**CUSTOMS MEORANDUM ORDER**  
**NO. 9-99 A**

JUN 14 2007

TO : All Deputy Commissioners  
All District/Port Collectors  
All Others Concerned

RE : **Amendment to CMO No. 9-99 on ICE Request  
For Issuance of Alert Orders**

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To further strengthen the system relative to the request for issuance of alert orders by the ICE Secretariat, CMO No. 9-99 is hereby amended as follows:

- The issue of valuation may still be a matter for the issuance of alert orders most especially if the variance between the declared value and the observed value is substantial.
- The request for alert should indicate the reason/s therefor:
  - if the reason is undervaluation, the recommended value (including the basis thereof), vis-à-vis the declared value, should be indicated in the request;
  - if the reason is misclassification, the recommended AHTN (including the basis thereof) vis-à-vis the declared classification, should be indicated in the request; and,
  - if the reason is other than those mentioned above, it shall be so indicated citing the legal basis therefor.

All other rules, orders and regulations inconsistent with the foregoing provisions are hereby revoked, amended or modified accordingly.

This order shall take effect immediately.

**NAPOLEON L. MORALES**  
Commissioner



07-02478  
Napoleon L. Morales



MEMO 14 June 07

**ASSESSMENT AND OPERATIONS COORDINATING GROUP**

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**MEMORANDUM**

FOR : Hon. NAPOLEON L. MORALES  
Commissioner

FROM : ATTY. Reynaldo S. Nicolas  
Deputy Commissioner, AOCG

RE : Comments/Recommendations on CMO 9-99  
To Strengthen the Alert System

DATE : 14 June 2007

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In compliance with your 17 April 2007 Memorandum on the matter, relative to the 02 April 2007 1<sup>st</sup> Indorsement of USEC Gaudencio A. Mendoza, Jr. thereon, find hereunder some of our observations thereto:

- The issue of valuation may still be a matter for the issuance of alert orders most especially if the difference between the declared value and the observed value is substantial.
- It is recommended that the request for alert should indicate the reason/s therefor:
  - if the reason is undervaluation, the recommended value (including the basis thereof), vis-à-vis the declared value, should be indicated in the request;
  - if the reason is misclassification, the recommended AHTN (including the basis thereof) vis-à-vis the declared classification, should be indicated in the request and,
  - if the reason is other than those mentioned above, it shall be so indicated citing the legal basis therefore.

In line thereto, and if in accord, CMO 9-99 should be amended in accordance with the foregoing observations (please see attached draft) after due consultation with the affected stakeholders.

For your consideration

**ATTY. REYNALDO S. NICOLAS**  
Deputy Commissioner, AOCG



Republic of the Philippines  
 Department of Finance  
**Bureau of Customs**  
 1099 Manila

ASSESSMENT AND  
 OPERATIONS GROUP

RECEIVED

BY: RA  
 DATE: APR 30 2007  
 TIME: 9:45

17 April 2007

MEMO 14 JUNE 07

MEMORANDUM to:

Deputy Commissioners, IEG / AOCG / RCMG / IAG  
 Director, Legal Service

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**Subject: CMO 9-99 Guidelines to Strengthen the Alert System**

Pursuant to the instructions of Undersecretary GAUDENCIO A. MENDOZA, JR., in the herein attached 1<sup>st</sup> Indorsement dated 02 April 2007, you are hereby directed to submit your comments and recommendations on the request of Davao City Chamber of Commerce and Industry Inc. (DCCCCI) for a review of the subject CMO No. 9-99, for reasons cited in its letter to the Secretary of Finance dated 2 March 2007, likewise attached.

Kindly submit your comments and recommendation within ten (10) days from receipt hereof.

**NAPOLEON L. MORALES**  
 Commissioner



07-01767  
 Napoleon L. Morales

07-04312

624

ATTY. SUSAN P. CARIAGA  
 Corporate Legal Counsel

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Republic of the Philippines  
**DEPARTMENT OF FINANCE**

Roxas Boulevard Corner Pablo Ocampo, Sr. Street  
Manila 1004

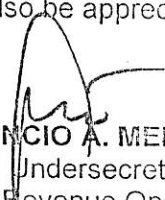


**1<sup>st</sup> Indorsement**  
Manila, 02 April 2007

MEMO 14-JUNE 07

Respectfully referred to the Honorable Commissioner, Bureau of Customs, Manila, *for appropriate action*, the attached letter dated 02 March 2007 of Atty. Domingo Duerme, President, Davao City Chamber of Commerce and Industry, Inc. (DCCCII), requesting a review, for reasons cited, of *Customs Memorandum Order (CMO) No. 9-99*, on the subject: Guidelines to Strengthen the Alert System. 4

Advice of the action taken direct to DCCCII will also be appreciated.

  
GAUDENCIO A. MENDOZA, JR.  
Undersecretary  
Legal and Revenue Operations Group

002967

BUREAU OF CUSTOMS  
Office of the Commissioner  
Incoming Documents  
07-04312

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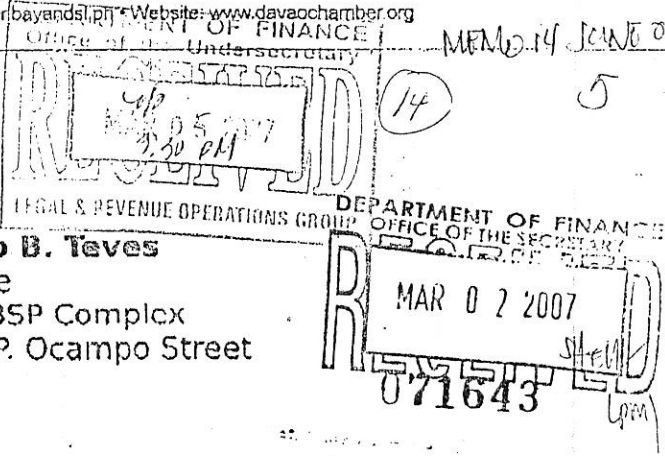
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**DAVAO CITY CHAMBER OF COMMERCE AND INDUSTRY INC.**  
(A Foundation)

2/F DCCCII Building, J.P. Laurel Ave., Bajada, Davao City 8000 Philippines  
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Email: Info@davaochamberbayandalsipri.com Website: www.davaochamber.org



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Founder and Original President

**ATTY. SUSAN P. CARIAGA**  
Corporate Legal Counsel

2 March 2007

**Secretary Margarito B. Teves**  
Department of Finance  
6/F Executive Tower, BSP Complex  
Roxas Boulevard cor. P. Ocampo Street  
Manila 1004

Dear Secretary Teves,

I write with the authority of the Board of Trustees of the Davao City Chamber of Commerce & Industry Inc. (DCCCII), the premier chamber in the City of Davao. This is with regard to an incident involving Mr. Vicente T. Lao, of Vicente T. Lao Construction, a Davao-based company. Mr. Lao imported 15,000 metric tons, more or less, of Conch brand bagged cement, which arrived last February 15. Mr. Lao had all the necessary documents for the release of the shipment. However, a certain Mr. Ignacio D. Maligad, Jr. reportedly interfered with the release of the shipment. According to the credentials that he presented, Mr. Maligad is an Industry Commodity Expert (ICE) accredited with the Philippine Chamber of Commerce & Industry (PCCI).

On April 22, 1999, the Bureau of Customs, through then Acting Commissioner Nelson A. Tan, issued Customs Memorandum Order No. 9-99, on the subject: Guidelines to Strengthen the Alert System. It is this CMO that created the system of allowing the "Industry" - referring to member firms and associations of the Federation of Philippine Industry (FPI) and the PCCI, acting through an Industry Screening Committee - to accredit the ICE. The ICE acts as an observer in the examination of a shipment and/or articles that may be subject of a notice of alert issued by the Bureau. I understand that in Mr. Lao's case, there was no such notice of alert. Nor was there a request by the District Collector of Customs for the presence or assistance of an ICE. However, because of his reported interference, Mr. Maligad succeeded in delaying the release of the shipment by four days, as it was released only on February 19 (Monday).

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MTAO 14 JUNE 07

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You can understand the consternation that our Chamber experienced with this incident. The free flow of trade in our city can be hampered by the actions of an individual who is not even recognized by our Chamber. Without preempting Mr. Lao on the action that he may take against Mr. Maligad, the DCCCI respectfully asks for a review of CMO 9-99.

Our point is that, since it is composed of industry players, specifically manufacturers who may not want the importation of possibly competitive products, the Industry operates under a clear conflict of interest situation.

On the other hand, should the system be retained, then the DCCCI requests for its amendment, in that the ICEs in Davao be recognized and accredited with DCCCI. In that manner, any abuse can immediately be checked by us.

On another point, we would like to commend Atty. Juan Tan, the District Collector of Customs in Davao City, for his decisive action on the matter.

Very truly yours,

**DAVAO CITY CHAMBER OF COMMERCE  
AND INDUSTRY INC.**

By:

  
**ATTY. DOMINGO DUERME**  
President

Copy furnished:

**Secretary Peter B. Favila**  
Department of Trade and Industry

**Commissioner Napoleon Morales**  
Customs Commissioner  
Bureau of Customs Building  
Port Area, South Harbor  
Manila

**Atty. Juan N. Tan**  
District Collector of Customs  
Port of Davao