



# BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA

PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY



31 March 2023

MASTER COPY  
mm

**CUSTOMS MEMORANDUM CIRCULAR**  
NO. 66-2023

To : The Assistant Commissioner  
All Deputy Commissioners  
All Directors and Division Chiefs  
All District/Port Collectors  
And Others Concerned

**SUBJECT: Abolition of the One-Stop-Shop Inter-Agency Tax Credit and Duty Drawback Center**

Attached herewith is the Administrative Order No. 04 by the President of the Philippines dated 20 February 2023 directing the abolition of the One-Stop-Shop Inter-Agency Tax Credit and Duty Drawback Center (OSS Center), and Transferring its Assets, Liabilities, and Obligations to the Department of Finance.

Also attached is the Memorandum dated 28 February 2023 of the Secretary of Finance, Benjamin E. Diokno, instructing the Bureau of Customs, among others, to take all proper and necessary steps to fully implement the abolition and winding down of operations of the OSS Center and providing guidelines on the implementation of this Order.

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

**BIENVENIDO Y. RUBIO**  
Commissioner



APR 13 2023



ANNEX AMALACAÑAN PALACE  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 04

**DIRECTING THE ABOLITION OF THE ONE-STOP-SHOP INTER-AGENCY TAX CREDIT AND DUTY DRAWBACK CENTER, AND TRANSFERRING ITS ASSETS, LIABILITIES AND OBLIGATIONS TO THE DEPARTMENT OF FINANCE**

**WHEREAS**, Administrative Order (AO) No. 266 (s. 1992) created the One-Stop-Shop Inter-Agency Tax Credit and Duty Drawback Center ("OSS Center") for the orderly and expeditious processing of tax credits and duty drawbacks under various laws;

**WHEREAS**, AO No. 138 (s. 1994) declared the OSS Center as a permanent unit of the Department of Finance (DOF);

**WHEREAS**, there is a continuing need for institutional strengthening and promotion of economy, efficiency and effectiveness in the delivery of public service across all executive departments and offices, consistent with the rightsizing policy of the Administration, including the rationalization of functions and activities carried out by the public sector;

**WHEREAS**, it is the policy of the National Government to rationalize the functional structures of agencies with complementary mandates and promote coordination efficiency and organization coherence in the bureaucracy;

**WHEREAS**, Section 17, Article VII of the Constitution vests in the President the power of control over all executive departments, bureaus and offices; and

**WHEREAS**, Section 90, in relation to Section 92, of the General Provisions of Republic Act No. 11936 or the "General Appropriations Act for Fiscal Year 2023" provides that the President is authorized to approve the organizational and staffing modifications needed in streamlining and improving productivity in agency organization and operations, which includes the abolition of bureaus, offices and units under the Executive branch;

**NOW, THEREFORE, I, FERDINAND R. MARCOS, JR.**, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

**Section 1. Abolition of the OSS Center.** The OSS Center is hereby abolished. Within ninety (90) working days from the effectivity of this Order, the Secretary of Finance shall fully implement the abolition, including the disposition and transfer of the OSS Center's functions, personnel, and assets, as may be necessary.

THE PRESIDENT OF THE PHILIPPINES

**Section 2. Transfer of Functions.** Subject to existing laws, rules and regulations, the functions of the OSS Center of processing and issuing TCCs and duty drawbacks are hereby transferred to the Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC), respectively.

Subject to the approval of the DOF, the BIR and the BOC shall prescribe procedures to ensure that necessary control measures are established to safeguard against fraudulent claims in the processing and issuance of tax credits and duty drawbacks.

**Section 3. Transfer of Assets and Liabilities.** All relevant files, documents and records under the custody of the OSS Center shall be transferred to the BIR and BOC, accordingly.

All other assets and liabilities of the OSS Center shall be transferred to the DOF in accordance with pertinent auditing laws, rules and regulations, except all cash separately held in trust or otherwise by the OSS Center, which shall be directly remitted to the National Treasury.

**Section 4. Separation of Personnel.** The OSS Center personnel shall be separated from service, and shall be allowed to receive separation benefits under applicable laws, rules and regulations, unless they are appointed to other positions in the government, in accordance with existing civil service rules. All vacant positions in the OSS Center shall be abolished.

The separation pay authorized herein shall be charged against the available funds of the DOF, and such other funding sources that the Department of Budget and Management may identify, subject to existing budgeting, accounting and auditing laws, rules and regulations.

**Section 5. Separability.** If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

**Section 6. Repeal.** All other orders, issuances, rules and regulations, or parts thereof, which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

**Section 7. Effectivity.** This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 20th day of February, in the year of Our Lord, Two Thousand and Twenty-Three.

By the President:

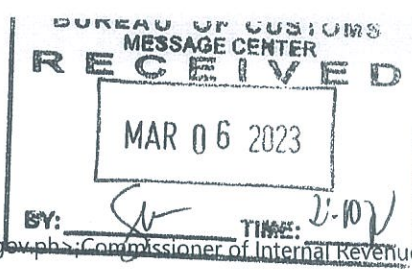
*Lucas P. Bersamin*  
LUCAS P. BERSAMIN  
Executive Secretary

*Concepcion Zery E. Ferrolino-Enad*  
7



Office of the President  
MALACAÑANG RECORDS OFFICE  
**CERTIFIED COPY**  
*Concepcion Zery E. Ferrolino-Enad*  
ATTY. CONCEPCION ZERY E. FERROLINO-ENAD  
DIRECTOR IV





Abolition of the OSS Center Pursuant to AO No. 04

Christian Patrick Vinculado <cvinculado@dof.gov.ph>

Mon 3/6/2023 9:05 AM

To: BOC OFFICE OF THE COMMISSIONER <boc.ocom@customs.gov.ph>; Commissioner of Internal Revenue <commissioner@bir.gov.ph>

Cc: Bienvenido Y. Rubio <Bienvenido.Rubio@customs.gov.ph>; Romeo Lumagui <romeo.lumagui@bir.gov.ph>; OCIR Analytics <ocir.analytics@bir.gov.ph>; Maria Yasmin M. Obillos-Mapa <mariayasmin.obillosmapa@customs.gov.ph>; Dakila Elteen Napao <dnapao@dof.gov.ph>; Maria Esperanza Garcia <mlgarcia@dof.gov.ph>; Mike Saulo <csaulo@dof.gov.ph>; Luke Nathaniel Nicolas <lnicolas@dof.gov.ph>

Internal Admin Group  
Received by: VICKY REYES  
Date: 0307 2023  
Time: 7:27

Dear Commissioners Lumagui and Rubio,

Good morning!

Please find the attached memorandum from the Finance Secretary regarding the implementation of Administrative Order No. 04 or the Abolition of the One-Stop Shop Tax Credit and Duty Drawback Center.

We would appreciate if you could acknowledge receipt of this email.

Thank you.

Christian

Disclaimer:

"The information contained in this communication is intended solely for the use of the individual or entity to whom it is addressed and other parties authorized to receive it. It may contain confidential or legally privileged communication. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by responding to this E-mail and then immediately delete it from your system. Opinions contained in this E-mail or any of its attachments do not necessarily reflect the opinions of the Department of Finance"



Republic of the Philippines  
**DEPARTMENT OF FINANCE**  
Roxas Boulevard Corner Pablo Ocampo, Sr. Street  
Manila 1004

**MEMORANDUM**

**TO :** **UNDERSECRETARY MARIA EDITA Z. TAN**  
Policy Development and Management Services Group

**ASSISTANT SECRETARY DAKILA ELTEEN M. NAPAO**  
Officer-in-Charge, Revenue Generation and Local Finance Group

**DIRECTOR EMEE I. MACABALES**  
Executive Director, One-Stop-Shop Tax Credit and Duty Drawback Center

**COMMISSIONER ROMEO D. LUMAGUI, JR.**  
Bureau of Internal Revenue

**COMMISSIONER BIENVENIDO Y. RUBIO**  
Bureau of Customs

**SUBJECT :** **Abolition of the One-Stop-Shop Tax Credit and Duty Drawback Center pursuant to Administrative Order No. 04**

**DATE :** February 28, 2023

Pursuant to Administrative Order (AO) No. 04, entitled "Directing the Abolition of the One-Stop-Shop Inter-Agency Tax Credit and Duty Drawback Center, and Transferring its Assets, Liabilities and Obligations to the Department of Finance" (Annex "A").

The Revenue Generation and Local Finance Group (RGFLG) and the One-Stop-Shop Tax Credit and Duty Drawback Center (OSS Center), the Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), and the Policy Development and Management Services Group (PDMSG), are hereby instructed to take all proper and necessary steps to fully implement the abolition and winding down of operations of the OSS Center, namely:

**1. Transfer of Functions**

- 1.1 The RGFLG shall ensure the smooth transfer of the OSS Center's functions of processing and issuing tax credits and duty drawbacks to the BIR and BOC, respectively, subject to existing laws, rules and regulations on or before May 31, 2023;
- 1.2 The OSS Center shall complete the transfer of all relevant files, documents, and records for the processing of tax credits and duty drawbacks to the BIR and BOC, respectively, on or before April 30, 2023;



- 1.3 The BIR shall submit to the Department of Finance (DOF), for approval, the regulations and orders prescribing the procedures for the processing and issuance of tax credits, including the necessary control measures to safeguard against fraudulent claims on or before April 30, 2023; and
- 1.4 The BOC shall submit to the DOF, for approval, the regulations and orders prescribing the procedures for the processing and issuance of duty drawbacks, including the necessary control measures to safeguard against fraudulent claims on or before April 30, 2023; and
- 1.5 The RGFLG shall likewise be responsible for managing all pending concerns, such as the notices of disallowance issued by the Commission on Audit (COA), as well as coordination with the COA for any subsequent audit/s, as may be appropriate.

## 2. Transfer of Assets and Liabilities

- 2.1 All cash held by the OSS Center, including the OSS trust fund, shall be directly remitted to the Bureau of Treasury (BTr) on or before April 30, 2023:
  - 2.1.1 The OSS Center and the Central Financial Management Office (CFMO) shall provide all relevant information, records, and other documents related to the OSS trust fund and other cash held by the OSS Center and cause the remittance of any balance thereof to the BTr; and
  - 2.1.2 The CFMO shall ensure compliance with COA Circular No. 92-375 as regards the reconciliation, consolidation, adjustment, and closing of books of accounts.
- 2.2 The OSS Center shall transfer all non-cash assets and liabilities to the DOF in accordance with pertinent auditing laws, rules and regulations on or before May 31, 2023:
  - 2.2.1 The OSS Center shall prepare and submit an inventory of all assets to the General Services Division on or before April 30, 2023;
  - 2.2.2 The OSS Center shall prepare and submit an inventory of any liabilities to the CFMO on or before April 30, 2023; and
  - 2.2.3 The OSS Center shall complete the turn-over of all assets and liabilities to the DOF on or before May 31, 2023.

## 3. Separation of Personnel

- 3.1 Pursuant to AO No. 04, the OSS Center personnel shall be separated from service and shall be allowed to receive separation benefits under applicable laws, rules and regulations, unless they are appointed to other positions in the government, in accordance with existing civil service laws.
  - 3.1.1 The last day of employment of affected OSS personnel shall not be later than July 06, 2023;

- 3.1.2 OSS Center personnel who are qualified to retire under existing retirement laws shall be allowed to retire and receive retirement benefits to which they may be entitled under applicable laws, rules and regulations, provided that, the retirement shall be effective not later than July 06, 2023;
  - 3.1.3 The Human Resource Management and Development Division (HRMDD) shall assist all affected OSS Center personnel to ensure that the affected employees exit in a structured and orderly manner and in compliance with applicable civil service rules and regulations;
  - 3.1.4 The HRMDD shall likewise assist the affected OSS Center personnel in coordinating with the Government Service Insurance System (GSIS) with regard to their claims for benefits pursuant to applicable laws, rules and regulations;
  - 3.1.5 The HRMDD shall facilitate the processing of the terminal benefits to OSS Center personnel following applicable laws, guidelines, rules and regulations; and
  - 3.1.6 Terminal benefits shall be charged against the available funds of the DOF, and such other funding sources that the Department of Budget and Management may identify, subject to budgeting, accounting and auditing laws, rules and regulations.
- 3.2 All vacant positions in the OSS Center shall be abolished on July 06, 2023.

**4. Monitoring and Reporting**

- 4.1 The RGFLG be responsible for monitoring and ensuring compliance with the above and perform such acts as may be necessary to implement the provisions of AO No. 04. It shall report the status of compliance and accomplishment on the 15<sup>th</sup> of every month to this Office.

For appropriate action.

  
**BENJAMIN E. DIOKNO**  
Secretary of Finance  
  
MAR 02 2023