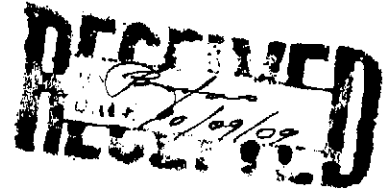




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
Manila 1018



6 October 2009

CUSTOMS MEMORANDUM ORDER
NO. 45-2009

To: District Collectors
Deputy Collectors for Assessment
Chief, Formal Entry Division
Chief, Warehousing Assessment Division
All COO IIIs and COO Vs of FED, WAD or Equivalent Units
All Others Concerned

Subject: Supplemental Guidelines in the Implementation of Customs Memorandum Order (CMO) 27-2009 regarding Tentative Release


1.0 Objectives

- 1.1 To provide additional instructions concerning tentatively released shipments/cargoes in the implementation of the E2M Customs System.
- 1.2 To expedite release of legitimate cargoes upon arrival in the Philippines.
- 1.3 To facilitate trade

2.0 Scope

This covers shipments under tentative release governed by CMO 37-2001, as amended by CMO 7-2006, where all provisions are applicable except if they are inconsistent with the following:

- 2.1 Payments shall be under PASS5 (CAO 10-2008 and CMO 6-2009).
- 2.2 Entry Lodgment shall be through the Value Added Service Provider (VASP), thereby repealing Item IV.B paragraphs a to d.

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- 2.3 The stamping of the word "VALUATION" on the Import Entry and Internal Revenue Declaration (IEIRD) provided in Item IV.C paragraphs 3a and 3b and paragraph 7 is no longer required.

3.0 General Provisions

- 3.1 Tentative Release is the process where a shipment is released to the Importer to avoid delay while the Valuation and Classification Review Committee (VCRC) deliberates on the valuation and/or tariff classification issues.
- 3.2 The amount of guarantee shall be the difference in the amount of duties and taxes declared against the amount of duties and taxes computed based on the recommended value and/or tariff classification. Cash bond shall be the preferred form of guarantee, but other forms may be allowed subject to the approval of the District Collector.
- 3.3 All cash bonds posted shall be deposited with the In-House Banks under the BOC Trust Fund Account.
- 3.4 The amount of Docket Fees shall be in accordance with Customs Administrative Order (CAO) 2-2001. Docket Fees shall be included in the payment instruction to the Authorized Agent Bank (AAB) under "Other Charges".
- 3.5 Indicate in Box 13 the appropriate code as listed below:

Protested Amount	Docket Fees	Code
Up to Php 50,000	Php500.00	1
Over Php 50,000 to Php 100,000	Php600.00	2
Over Php 100,000 to Php 200,000	Php700.00	3
Over Php 200,000 to Php 300,000	Php800.00	4
Over Php 300,000 to Php 400,000	Php900.00	5
Over Php 400,000 to Php 500,000	Php1,000.00	6
Over Php 500,000 to Php 750,000	Php1,500.00	7
Over Php 750,000 to Php 1,000,000	Php2,000.00	8
Over Php 1,000,000	Php3,000.00	9

- 3.6 The following Tentative Release Codes shall be selected from any of the following options only in the menu of discrepancies in the Inspection Act:
 "TR-VCR" for Tentative Release, Valuation issue and hit by Valuation Screen

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"TR-VAL" for Tentative Release, Valuation issue but not hit by Valuation Screen

"TR-CLS" for Tentative Release, Tariff Classification issue

"TR-VCL" for Tentative Release, Valuation and Classification issue

- 3.7 The import entry declaration shall be subject to post entry modification after the release of the decision of the VCRC or the Central Valuation and Classification Review and Ruling Committee (CVCRRRC) as the case may be.

4.0 Operational Provisions

- 4.1 The following steps in the e2m Customs System shall be observed for shipments **NOT** hit by Valuation Screen but with valuation issue where no guarantee is required (Appraiser-initiated):

4.1.1 After the VCRC Form 1 has been approved by the District Collector, the Customs Operations Officer (COO) III shall retrieve the Single Administrative Document (SAD) subject to Tentative Release and shall make the following changes:

4.1.1.1 Indicate the code as mentioned in Item 3.4 above for the corresponding amount of Docket Fee in "Box 13" of the SAD. The Docket Fee shall be automatically calculated by the E2M Customs System and included in the assessed amount.


4.1.1.2 Select in the Inspection Act the appropriate Tentative Release code indicated in Item 3.6 above.

4.1.1.3 Indicate the Docket Number in the "Attached Document" page of the SAD.


4.1.1.4 Update the SAD in the E2M Customs System.

4.1.2 After the COO III has accomplished Item 4.1.1, the COO V shall assess the SAD. Tentative assessment shall be based on the value and/or tariff classification declared by the importer/Customs broker.

4.1.3 A payment instruction shall be automatically sent to the AAB for debiting against the nominated bank account.

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- 4.1.4 After confirmation of the payment under PASS5 by the AAB, the E2M Customs System shall automatically trigger a release instruction to the port operator/arrastre/CY-CFS.
- 4.2 The following steps in the E2M Customs System shall be observed for shipments hit by Valuation Screen and/or with tariff classification issue/s where guarantee is required:
- 4.2.1 After the VCRC Form 1 has been approved by the District Collector, the COO III shall retrieve the SAD subject to Tentative Release.
- 4.2.2 Indicate the code for the corresponding amount of Docket Fee in "Box 13" of the SAD. The Docket Fee shall be automatically calculated by the System and included in the assessed amount.
- 4.2.3 The COO III shall make the temporary changes in the SAD to reflect the recommended value and/or tariff heading
- 4.2.4 The COO III shall "Verify" and "Remote Check" the SAD for the E2M Customs System to compute the "Temporary" amount of duties and taxes based on the recommended value and/or tariff classification.
- 4.2.5 The COO III shall print the "Temporary" SAD and its corresponding "Temporary" Assessment Notice (TAN).
- 4.2.6 The COO III shall compute the difference between the declared and the recommended customs duties and taxes which shall be reflected in the TAN as the amount of the guarantee.
- 4.2.7 The COO III and the COO V shall print their names and affix their signatures on the TAN.
- 4.2.8 The Importer or his authorized representative shall bring the TAN and the "Temporary" SAD to the In-House Bank for deposit of the cash bond.
- 4.2.9 The In-House Bank shall ensure that the amount of cash bond corresponds to the amount reflected in the TAN duly signed by the COO III and COO V. After verification, the In-House Bank shall accept the cash bond and shall deposit it under the BOC Trust Fund.
- 4.2.10 The In-House Bank shall use the Cash Payment Miscellaneous function in the E2M Customs System to issue an electronic Customs Payment Receipt (ECR) to

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the Importer. The ECR represents the receipt for the posted cash bond.

- 4.2.11 The Importer / Customs broker shall return to the COO III and COO V concerned showing his ECR.
- 4.2.12 The COO III shall retrieve from the E2M Customs System the SAD of the import declaration to be released tentatively and shall do the following:
- 4.2.12.1 Indicate the code for the corresponding amount of Docket Fee in "Box 13" of the SAD.
- 4.2.12.2 Select in the Inspection Act the appropriate Tentative Release code indicated in Item 3.6 above and the amount of guarantee posted.
- 4.2.12.3 Indicate the Docket Number and the Reference Number of the ECR in the "Attached Document" page of the SAD.
- 4.2.12.4 Update" the SAD in the E2M Customs System.
- 4.2.13 Thereafter, the COO V shall "Assess" the SAD corresponding to the import declaration to be tentatively released. Assessment shall be based on the declared value and/or tariff classification.
- 4.2.14 Upon assessment by the COO V, a payment instruction shall be automatically sent by the E2M Customs System to the AAB.
- 4.2.15 Upon confirmation of payment of duties and taxes by the AAB, the E2M Customs System shall trigger a release instruction to the port operator/arrastre operator/CY-CFS.

5.0 Sanctions


Failure by the concerned parties to comply with the foregoing provisions shall subject erring parties to the imposition of appropriate sanctions, administrative, civil, and/or criminal, as may be warranted by the circumstances.

6.0 Repealing Clause

All Orders, Memoranda, Circulars or parts thereof, which are inconsistent with this Order, are hereby deemed repealed and/or modified accordingly.

7.0 Separability Clause

If any part or provision of this Order is declared invalid or illegal, the remaining portions shall remain valid.

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8.0 Effectivity

This Order shall take effect immediately but shall be implemented in ports already implementing CMO 27-2009.

NAPOLEON LA MORALES
Commissioner

