

**[PRESIDENTIAL DECREE No. 1853, December 21,
1982]**

**REQUIRING DEPOSITS OF DUTIES AT THE TIME OF OPENING OF
LETTERS OF CREDIT COVERING IMPORTS AND FOR OTHER
PURPOSES.**

WHEREAS, the present system of paying duties and taxes upon the filing of an import entry and examination and appraisal of the shipment has proved ineffective in the proper enforcement of the provisions of the Tariff and Customs Code of 1978, as amended, and has enhanced collusion among importers and brokers on the one hand and customs officials on the other;

WHEREAS, outright and technical smuggling has reached proportions which are prejudicial to the revenue collection efforts of the Government, and

WHEREAS, the present situation requires the Government to adopt more drastic measures to remedy the same,

NOW, THEREFORE, I, Ferdinand E. Marcos, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree, to be part of the laws of the land, the following:

SECTION 1. Provisions of existing law and regulations to the contrary notwithstanding, no financial institution shall open any letter of credit covering imports unless the applicant for such letter of credit deposits the full amount of duties due on the importation.

SEC. 2. The amount of the duties due shall be based on the declaration of the applicant for the letter of credit/ importer, subject to the penalties prescribed under Sec. 2503 of the Tariff and Customs Code of 1978, as amended.

SEC. 3. The provisions of this Decree shall likewise apply even if the importation is effected under other types of payments arrangements or on a deferred payment basis.

SEC. 4. The deposits collected hereunder shall be remitted by the financial institution concerned in the manner and within the period prescribed by law and subject to the taxes paid through financial institutions.

SEC. 5. Such deposits shall be validated by official receipts of the financial institution concerned and shall be credited in the final computation of the duties, taxes and other charges due on the importation, upon the filing of the corresponding import entry.

SEC. 6. Any deficiency in the deposit made as against the actual duties, taxes and other charges due on the importation shall be collected from the importer prior to the release or withdrawal of the shipment. Any excess deposit shall be refunded to the importer.

SEC. 7. Violations of the provisions of this Decree shall be penalized under the pertinent provisions of the Tariff and Customs Code of 1978, as amended, and/or the Charter of the Central Bank of the Philippines.