

[BOC CUSTOMS ADMINISTRATIVE ORDER NO. 06-2014, October 20, 2014]

**GUIDELINES ON THE IMPOSITION OF SURCHARGE UNDER
SECTION 2503 OF THE TARIFF AND CUSTOMS CODE, AS
AMENDED**

*Adopted: 20 October 2014
Date Filed: 03 November 2014*

1. Repealing Clause

Customs Administrative Order 01-2014, Sections 2-6 are repealed and replaced by this Customs Administrative Order.

2. Amount of Surcharge

The Collector of Customs shall impose the surcharge in Section 2503 of the TCCP in accordance with the following:

a. For Misclassification.

Where the percentage difference in misclassification is ten per cent (10%) or more the amount of surcharge shall be as follows:

- i. When the percentage difference is ten per cent (10%) or more but not exceeding twenty per cent (20%), a one time surcharge of the difference in customs duty shall be imposed.
- ii. When the percentage difference exceeds twenty per cent (20%) a two times surcharge of the difference in customs duty shall be imposed.

b. For Undervaluation, Misdeclaration in Weight, Measurement or Quantity

When the percentage difference in undervaluation/misdeclaration in weight, measurement or quantity is ten per cent (10%) or more, but not exceeding thirty per cent (30%), a surcharge of two times of the difference in customs duty shall be imposed.

An undervaluation, misdeclaration in weight, measurement or quantity of more than thirty percent (30%) between the value, weight, measurement or quantity declared in the entry, and the actual value, weight, measurement or quantity shall constitute a prima facie evidence of fraud penalized through seizure proceedings under Section 2530 of the TCCP."

3. Determination of Percentage Difference in Undervaluation, Misclassification and Misdeclaration

For purposes of determining the amount of surcharge due to undervaluation, misclassification and misdeclaration, the computation of the percentage difference shall be in accordance with following: