

**[ BOC Customs Memorandum Order No. 29-2014,  
December 22, 2014 ]**

**REVISED COMPUTATION OF DUTIES, TAXES AND OTHER  
CHARGES FOR AUTOMOBILES**

*Adopted: 22 December 2014*

*Date Filed: 05 January 2015*

By authority of Section 608 of the Tariff and Customs Code of the Philippines, as amended, following rules and regulations are issued:

**1. OBJECTIVES**

- 1.1 To have a uniform and simplified format in the computation of Custom Duties, Value Added Tax, Excise Tax and Other Charges for brand new and used automobiles;
- 1.2 To ensure proper implementation of BIR Revenue Regulation 25-2003 particularly Sec. 4, Sec. 5 and Sec. 7 thereof as to the basis in computing Ad Valorem Taxes for brand new automobiles consigned to car manufacturers/dealers, individuals and personally owned used automobiles;
- 1.3 To enhance collection of government revenue by providing a uniform basis in the treatment of trade discounts and application of depreciation allowance for used automobiles as provided for under Sec. 8 of BIR Rev. Reg. 25-2003.

**2. COVERAGE**

This Order shall cover the importations of automobiles categorized as follows:

- 2.1 Brand new automobiles consigned to car manufacturers, dealers and natural persons;
- 2.2 Used automobiles consigned to the following:
  - 2.2.1 Returning Filipino Diplomats and/or Dept. of Foreign Affairs' officials;
  - 2.2.2 Returning Filipino Residents who have resided abroad for at least one (1) year [accumulated within 3 years of his/her stay abroad immediately preceding the date of filing of the Certificate of Authority to Import (CAI) at the Bureau of Import Services (BIS)];
  - 2.2.3 Immigrants holding 13A or 13G visas or those with dual citizenships provided a prior Certificate of Authority to

Import had been issued by the DTI-BIS prior to exportation.

- 2.3 Used automobiles under the local purchase scheme, sold by privilege (duty/tax exempt) persons to non-privilege (non-duty/tax exempt) individuals or those sold by privilege to privilege individuals.

### **3. DEFINITION OF TERMS**

- 3.1 AUTOMOBILE - as defined under Sec. 2, paragraph (b) of Revenue Regulation 25-2003 shall refer to any four (4) or more wheeled motor vehicle regardless of seating capacity, which is propelled by gasoline, diesel, electricity or any other motive power, provided that, for purposes of these Regulations, buses, trucks, cargo vans, jeeps/jeepneys/jeepney substitutes, single cab chassis, and special purpose vehicles as defined under Sec. 2, (b) of Rev. Reg. 25-2003 shall not be considered as automobiles. Only those classified as automobiles are subject to excise tax.
- 3.2 EXCISE TAX - for automobiles, shall refer to the Ad Valorem Tax (AVT) subject to the rates and bases imposed under Sec. 4 of Revenue Regulation 25-2003.
- 3.3 BRAND NEW AUTOMOBILES - as contemplated under DOF Joint Order No. 1-2010 refers to the following criteria:
- 3.3.1 of current or advance year model in the country of origin and/or manufacture; or
  - 3.3.2 with year model of the immediately preceding year in the country of origin and/or manufacture provided that:
    - the motor vehicle has a mileage of not more than 200 kms or 125 miles and
    - the motor vehicle has been acquired by the importer from the car dealer as first owner

A brand new automobile with year model of the immediately preceding year shall not be accorded any depreciation allowance.

- 3.4 IMPORTER'S SWORN STATEMENT (ISS) - as defined under Sec. 13 of BIR Revenue Regulation 25-2003 refers to the duly notarized document showing the net importer's selling price of the imported brand new automobile duly filed by car manufacturers or car dealers with the BIR on or, before the end of months of June and December of every calendar year, or for every proposed importation of a new brand/make of automobiles, including its variants.

### **4. ADMINISTRATIVE PROVISIONS**

- 4.1 For purposes of computing the ad valorem tax for imported