

**[ BOC CUSTOMS ADMINISTRATIVE ORDER NO. 5-2011, May 04, 2011 ]**

**DEPRECIATION SCHEDULE FOR IMPORTED MOTOR VEHICLES**

Pursuant to Section 608 of the Tariff and Customs Code of the Philippines (TCCP), as amended, in relation to Section 149 of the Tax Code of 1997 as amended by Republic Act 9224, and DOF Joint Order pertaining to the disposition of tax-exempt vehicles registered or owned by Diplomatic Mission and Consular Offices/Officials enjoying tax and duty free privilege, the following guidelines in the determination of the rate of depreciation for motor vehicles are hereby issued for the guidance and uniform implementation of all concerned:

1. No-Dollar Importations of Motor Vehicles. The rates of depreciation for No-Dollar importations of motor vehicles shall follow the schedule prescribed below:

<b><u>Year Model</u></b>	<b><u>Rate of Depreciation</u></b>
Current Year	No Depreciation
One-Year Old	10%
Two-Year Old	20%
Three-Year Old	30%
Four-Year Old	40%
Five-Year Old and Older	50%

Computation of the depreciation value shall follow the straight-line method at the annual rate of 10% but in no case shall the rate of depreciation exceed 50%, which shall be the maximum rate of depreciation as indicated in the schedule above.

2. For tax-exempt vehicles registered in the name of a Diplomatic Mission, Consular Office or Owned by Diplomatic Officials, Consular Offices and their administrative and technical staff members enjoying tax and duty privilege disposed or transferred by way of sale or donation to non-privileged persons or entities, the rate of depreciation shall be as follows:

- 2.1 For purposes of computing the duties due where either Methods 2, 3 and 6 are used to determine the value of the motor vehicle based on the