

**[CUSTOMS MEMORANDUM ORDER NO. 1-2002,
JANUARY 2, 2002, January 02, 2002]**

**PROCEDURE IN THE DETERMINATION OF ADMINISTRATIVE
LIABILITY AND THE IMPOSITION OF ADMINISTRATIVE FINES
PROVIDED FOR IN SECTION VI SUBSECTIONS A, B, AND C OF
CUSTOMS ADMINISTRATIVE ORDER (CAO) NO. 5-2001.**

Pursuant to Section VI D of CAO No. 5-2001, the following procedural rules and regulations are hereby promulgated.

I. Objectives

1. To prescribe the procedure in establishing the administrative liability of importers/customs brokers in case of failure to keep post entry audit records, refusal to grant free and full access to such records, and non payment of correct duties and taxes as uncovered during audit, as well as in the imposition of the corresponding administrative fines and penalties therefore pursuant to the above-mentioned CAO.
2. To afford importers/customs brokers the opportunity to be heard and to present evidence to rebut the foregoing administrative charges and/or the imposition of such administrative fines and penalties.

II. Administrative Provisions

1. This Order shall cover administrative complaints (a) against importers and customs brokers for failure to keep certain records and documents as required and as defined in the law and the existing implementing rules and regulations, or for refusal to grant free and full access to such records and documents for official audit purposes; and (b) against importers for failure to pay the correct duties and taxes with negligence or fraud, as uncovered during the official audit.

Complaints shall be filed under oath before a notary public or any customs officer authorized by law to administer oaths.

2. Pending the creation of the Post Entry Audit Office, the foregoing complaints shall be lodged by the interim Post Entry Audit Unit in connection with the discharge of its functions as laid down in Customs Special Order No 50-2001 upon prior approval by the Commissioner of Customs only as to form and substance.

3. The administrative complaint shall be heard at the Legal Service with due notice to the complainant office and the concerned respondents. The complainant office shall be represented by a prosecutor or team of prosecutors as shall be specifically designated by the Commissioner of Customs. The administrative case shall be heard