

**[ BOC (DOF) CUSTOMS MEMORANDUM ORDER NO.  
23-93, June 23, 1993 ]**

**TREATMENT OF IMPORTATIONS ENTERED AT VALUES LESS THAN  
US\$500.00 F.O.B.**

Pursuant to Section 608 of the Tariff and Customs Code of the Philippines, as amended, the following rules to govern the filing/processing of import entries for shipments entered with a value of less than \$500.00 shall be strictly observed:

**I  
OBJECTIVES**

- A. To prevent the circumvention of the Comprehensive Import Supervision Service (CISS) Program thru such mechanism as declaring value at less than \$500.00 or splitting shipments into less than \$500.00 each.
- B. To provide the means by which shipments entered in circumvention of the CISS program can be properly examined, appraised, and catalogued;
- C. To develop and maintain a relational database file of values of articles usually entered under formal entries with a declared value of less than US\$500.00.

**II  
CONCEPT OF OPERATIONS**

- A. All shipments with a measurement in excess of one cubic meter (1.00cbm) as appearing in the inward foreign cargo manifest and not covered by a Clean Report of Findings (CRF) shall be subject to the provisions of this Order. For air cargo, shipments in excess of 100 kilograms and not covered by a CRF shall be subject of this order.
- B. For such shipments, the one hundred percent (100%) examination provided for under CMO 39-92 shall be conducted and it shall be for the purpose of -
  - 1. determining whether there is a misdeclaration as to the actual article(s) imported or as to its quantity, and discovering any other form of fraud committed against the government.
  - 2. establishing the proper value of the articles contained in the shipment and utilizing values on file in the proper assessment of the duties and taxes due thereon on all similar future shipments.
  - 3. systematically gathering shipment details and value information for cataloguing in a Valuation Library to be set up for the purpose.

### III ADMINISTRATIVE PROVISIONS

1. The existing sections within the Formal Entry Division shall be responsible in processing formal entries covering shipments subject matter of this Order.
2. Informal entries shall continue to be processed by the Informal Entry Division or equivalent office.
3. To prevent shipments covered by this order from being entered under informal entries and circumventing the intent of the same, the Chief of the Entry Processing Division shall review all informal entries based on existing guidelines, and he shall recommend to the Deputy Collector for Assessment, the filing of formal entries for shipments found not qualified.
4. Informal entries covering shipments found during examination to be not qualified under the guidelines shall be returned to the EPD for the filing of the formal entry.
5. The COO III (examining/appraising official) shall be provided with a camera to be used in taking photographs of subject shipments. To identify the shipment in a photograph, the COO III shall prepare a board approximately 12" x 4" in size, wherein shall be clearly written the import entry number assigned to the shipment, which board shall be placed on a conspicuous part of the shipment prior to the taking of its photograph; Provided, however, that if the importer or his representative already submitted as part of the entry declaration photographs, printed brochures or similar reference materials showing how the commodity looks like, the picture-taking requirement under this paragraph shall be dispensed with. If taking of pictures is not practicable as in the case of bulk chemical shipment, samples shall be taken in lieu of the picture.
6. An Inspection Report (Annex "A"\* hereof) shall be accomplished to allow the description in more detail of the items contained in the shipment for transmittal to the Valuation Library. The Valuation Library shall accordingly take measures to establish the values of the articles for immediate publication and application on future shipments. Weekly report of values established should be provided to the Formal Entry Division or equivalent unit in the Ports and Subports.
7. The valuation relational database file shall be maintained by the Customs Valuation Library at the Valuation and Classification Division, Office of the Commissioner, for all entries covered by this order, including the actions taken thereon.

### IV OPERATIONAL PROCEDURES

- A. Determination of Shipments to be Assessed under this Order.
  1. The Document Examiner shall check the completeness and authenticity of the documents submitted. In case the cargo at the seaport has a measurement in excess of 1.00cbm (or its equivalent in other unit of measures) or the weight is in excess of 100 kilograms for air cargo, and the declared invoice value is lower than