

**[CUSTOMS MEMORANDUM ORDER NO. 28-90,
March 28, 1990]**

PROCEDURE IN FORFEITURE OF BONDS

To complement the provisions of CMO 129-88 and 70-89, the procedure in the forfeiture of bonds is hereby prescribed as follows:

I. Pre-Forfeiture

1. From the time of importation and upon the issuance of the surety bond, all the necessary entries and/or supporting documents shall be reproduced by the Liquidation & Billing Division and copies thereof be furnished the Bonds Division and the Collection Service. The original copy of all entries shall be considered as security documents to be kept in a security storage area at the Liquidation & Billing Division (for consumption entry) and the WDRD (for warehousing entry) which shall be handled and controlled by an officer solely designated to manage said restricted area;

2. Upon maturity of the bond, the Bonds Division shall retrieve/recall the entry and the supporting documents thereof from the LBD (for consumption entries) or the WDRD (for warehousing entries);

3. In case of lost entries and/or supporting documents, the provision of CMO 70-89 shall be followed. Otherwise, the Bureau should initiate the reconstitution of said documents motu proprio or produce the customs copy of the bond policy.

4. The District Collector of Customs of the port of entry shall notify both the obligor and the surety about the maturity of the bonds for payment and/or submission of documents to satisfy the conditions of the bond for cancellation. In the absence of such settlement or submission of required documents mentioned in No. 4.6, II Administrative and Legal Provisions of CMO No. 70-89 to the District Collector of Customs, forfeiture proceedings shall follow.

II. Forfeiture

1. The Bonds Division shall submit to the Commissioner of Customs (Attn.: Chief Legal Service) and the District Collector of Customs (Attn.: Chief, Law Division) for evaluation, review and possible court action a report of bonds for forfeiture which remain outstanding after ninety (90) days from maturity thereof within ten (10) working days from the lapse of said period of ninety (90) days.

2. Copies of the entries and the supporting documents retrieved/recalled by the Bonds Division in accordance with No. 2, Title I-Pre-Forfeiture hereof as well as copies of the bonds or surety contract/policy should be forwarded by the Bonds Division along with the report stated in No. 1 of this title.