

[BSP CIRCULAR NO. 638, S. OF 2009, January 09, 2009]

CIRCULAR AMENDING CIRCULAR NO. 909-83 DATED 6 JANUARY 1983

Pursuant to Monetary Board Resolution No. 1732 dated 23 December 2008, the following rules and regulations are hereby promulgated in connection with the collection of advance deposits and final payments of duties and taxes on imports cleared thru Customs offices operating the e2m Customs System and for other purposes:

SECTION 1. Collection of Deposits of Import Duties. All financial institutions shall, prior to opening of the letters of credit (LC) covering imports, collect from the applicant/ importer a deposit equivalent to the full amount of advance import duties due on the importation covered by such letters of credit. The deposit which shall be effected through an electronic Import Entry Declaration (IED) lodged thru a Value Added Service Provider (VASP), shall not be withdrawable and shall be utilized only by crediting the same to the import duties, taxes and other charges due on the importation.

SECTION 2. Amount of Advance Deposit. The import duties due shall be computed by the e2m system based on the applicant's declared descriptions, ASEAN Harmonized Tariff Nomenclature (AHTN), quantities and values in the IED. The LC applicant must ensure that the particulars of the LC application and the supporting pro-forma invoice correspond to those declared in the IED and any undervaluation, misclassification and misdeclaration in the IED shall subject the LC applicant to the penalties prescribed under Section 2503 of the Tariff and Customs Code, as amended. The amount payable to the AAB, which shall be the full advance duty payable on the importation taking into account exemptions obtained, shall be notified to the AAB thru an electronic Advance Deposit Payment Instruction (ADPI).

The net amount payable must be paid within the IED validity period which is reckoned as seven calendar days from date the payment instruction is generated by the e2m system. Beyond the validity period, the IED status will be indicated as expired. For expired IEDs, AABs shall not accept payment. Importers will have to file a new IED.

SECTION 3. Duty Exempt Imports. If the importer/applicant declares in the IED that the importation is exempt from duties, such claim shall be taken at face value in the determination by the Bureau of Customs (BOC) of the amount of advance deposit. However, AABs shall, as a requirement for the opening of the LC require from the applicant a sworn statement to the effect that it is duty-exempt and citing the specific basis / authority