

[BC CUSTOMS MEMORANDUM ORDER NO. 023-2007, September 04, 2007]

IMPLEMENTING SECTION 2532 OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES (TCCP), AS AMENDED, IN RELATION TO THE MEMORANDUM OF AGREEMENT (MOA) BETWEEN THE LAND TRANSPORTATION OFFICE (LTO) AND THE BUREAU OF CUSTOMS (BOC), ON LOCAL BUYERS IN GOOD FAITH OF REGISTERED IMPORTED MOTOR VEHICLES

Pursuant to Section 608 of the TCCP, as amended, in relation to Section 2532 of the same Code and the MOA referred to above, the following rules and regulations are hereby promulgated to guide customs officials and the private sector alike on the treatment and disposition of motor vehicles registered in due course in the name of buyers in good faith but found upon review to have been released from customs without payment of duties and taxes or otherwise with defective Certificate of Payment (CP):

I. Objectives:

1. To provide local buyers in good faith of imported motor vehicles registered in due course but found upon review to have defective registration status involving CP's the opportunity to correct such deficiency and enable the proper and valid registration of such motor vehicles with LTO.
2. To generate additional government revenue

II. Scope:

This Order covers all imported motor vehicles (brand new and used Completely Built Units) with genuine Certificate of Registration (CR) issued by the LTO in due course but found upon review to have defective customs CP.

Excluded from this Order are motor vehicles imported pursuant to the Motor Vehicle Development Program of the government; those imported by embassies, consulates, and other diplomatic missions; trucks and buses covered by CP which indicated the payment of duties and taxes for the whole vehicle by the Department of Trade and Industry or DTI-accredited builders.

III. Administrative Provisions:

1. A special office, under the Valuation Reference Information System Office of the Commissioner (VRIS-OCOM) Unit established under Customs Special Order (CSO) No. 4-2006, is hereby created to coordinate with the LTO and review the CP's issued by BOC as against the CR's of imported motor vehicles in the LTO file. It shall be known as the CP Verification Office (CPVO). Its composition and specific functions

shall be defined in a separate CSO.

2. A registered owner who, as a result of his CP verification, may be in doubt as to the efficacy or validity of his Certificate of Registration, but who still qualifies as a buyer in good faith, may, without awaiting notification from the Bureau of Customs to go the Office of the CPVO which shall refer to the proper office of the Collector of Customs having jurisdiction over the motor vehicle to verify the status of his CP and, when appropriate, avail of the payment facility to validate the registration of the motor vehicle in accordance with the procedure laid down in this Order.

3. When the registered owner of the imported motor vehicle is able to show that he is a buyer in good faith, the same shall not be subject to any punitive action conformably with Section 2532 of the TCCP, as amended. He shall, however, be required to pay duties and taxes and other charges due on the motor vehicle, if any is found due. Should he refuse or fail to pay the same, his CR shall through the LTO be cancelled for lack of a valid CP, without prejudice to any other legal action BOC may pursue to enforce its lien over the motor vehicle for unpaid duties and taxes.

4. A "buyer in good faith" is one who is not the importer of the vehicle nor has acted as agent for the importer in effecting the importation thereof; or who at the time of purchase of the imported motor vehicles, has verified the existence/genuineness of its Certificate of Registration issued by the LTO and, after having verified the same to be genuine, has relied thereon; or otherwise did not know or could not have known that the motor vehicle was imported without payment of duties and taxes or with defective CP.

5. When the registered owner is unable to show that he is a buyer in good faith, the motor vehicle shall be subject to such legal action to enforce the pertinent provisions of the TCCP, as amended, and the government lien thereon.

6. All actions at the level of the Collector of Customs arising from this Order shall be coordinated with the CPVO.

7. This Order shall be without prejudice to the conduct of formal investigation into cases where imported motor vehicles were released from Customs Custody and/or registered with LTO with spurious or improper CP's or with payment of duties and taxes, or otherwise imported through fraudulent means.

IV. Operational Provisions:

1. The CPVO shall coordinate with the LTO in matching the CP's issued by the Bureau of Customs against those actually used in support of the issuance of a CR to ensure (a) that each CR is supported by a genuine and validly issued CP and/or (b) that the data/ information in the CP, e.g., identification and description motor vehicle, actually used in the LTO registration match in every detail those found in the customs file copy of the CP.

2. The registered owner, on his own, shall go to the office of the CPVO which shall refer the case to the Office of the Collector of Customs having jurisdiction over the motor vehicle or in such other office as the Commissioner may direct in special cases, and there to validate whether indeed the motor vehicle has or does not have a CP or that the CP is spurious or irregular as to form or otherwise to prove that he