

[BOC MEMORANDUM ORDER NO. 13-2005, March 01, 2005]

IMMEDIATE COLLECTION AT THE PORT OF DISCHARGE OF DUTIES, TAXES AND OTHER CHARGES, INCLUDING EXCISE TAX DUE ON ALL IMPORTATIONS OF ALCOHOL AND TOBACCO PRODUCTS DESTINED FOR DUTY FREE SHOPS AND FREE-PORT ZONES PURSUANT TO RA NO. 9334 AND BIR REGULATION NO. 12-2004

I. OBJECTIVES

1. To effectively enforce the provisions of Republic Act No. 9334, particularly Section 6 thereof as implemented by the Bureau of Internal Revenue Regulation No. 12-2004 dated December 28, 2004 and the Memorandum from BIR Commissioner Guillermo L. Parayno, Jr. dated February 3, 2005
2. To ensure the proper collection of duties, value-added tax, excise taxes and other charges due on importations of alcohol and tobacco products into the Philippines.
3. To prevent circumvention of customs laws, rules and regulations through the anomalous scheme of using the Duty-Free shops and freeport zones as conduits for smuggling of goods, especially of alcohol and tobacco products.
4. To protect the interest of the government against abuses in the exercise or utilization of the privilege in the transshipment of goods from one port to another, and
5. To obtain statistical data on the volume of tobacco and alcohol products imported into the country through the duty-free and freeport zones and the frequency of these transactions as well as the amount of duties, taxes and other charges due thereon.

II. SCOPE

This Customs Memorandum Order shall apply to all importations of cigars, cigarettes, distilled spirits, fermented liquors and wines even if destined for Duty-free shops and freeport zones.

III. GENERAL PROVISIONS

1. All importations of cigar and cigarettes, distilled spirits, fermented liquors and wines, even if destined for tax and duty free shops and free-port zones shall be subject to all applicable taxes, duties and other charges, including excise taxes due thereon.