

[EXECUTIVE ORDER NO. 142, November 02, 2002]

**REQUIRING OWNERS OF TAXABLE IMPORTED MOTOR VEHICLES
TO SECURE CLEARANCES FROM THE BUREAU OF CUSTOMS AND
BUREAU OF INTERNAL REVENUE AS A PRECONDITION FOR
THEIR INITIAL REGISTRATION OR RENEWAL OF REGISTRATION
WITH THE LAND TRANSPORTATION OFFICE**

WHEREAS, imported motor vehicles, unless entered duty-and-tax-free pursuant to existing laws, are subject to excise tax and value-added tax under the National Internal Revenue Code, as amended, and duties and other fees under the Tariff and Customs Code of the Philippines, as amended;

WHEREAS, there have been reports that an undetermined number of taxable imported motor vehicles have not been registered with the Land Transportation Office, or, have been registered without the correct taxes, duties and fees collectible thereon being paid; and

WHEREAS, there is a need for the Bureau of Customs, Bureau of Internal Revenue, and the Land Transportation Office to pursue a joint plan of action to collect the unpaid taxes, duties and fees due on imported motor vehicles, to be assessed pursuant to the Tariff and Customs Code of the Philippines, as amended.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. This Order shall cover taxable imported motor vehicles, except those imported under the Car Development Program of the Philippines by car manufacturers and assemblers duly registered with the Board of Investments.

SECTION 2. The Land Transportation Office shall not allow the initial or renewal of the registration on any imported motor vehicle covered by this Order, unless the appropriate clearances have been issued by the Bureau of Internal Revenue and the Bureau of Customs certifying that the correct/proper taxes, duties and fees accruing thereon have been previously paid, or subsequently satisfied in accordance with this Order.

SECTION 3. The Bureau of Customs and the Bureau of Internal Revenue shall adopt a uniform compromise payment schedule fixing the compromise amounts to be paid by the registered owner of taxable imported motor vehicles subject of this Order, in lieu of the taxes, duties and fees collectible thereon under the aforementioned Codes, which schedule shall be promulgated by the Secretary of Finance through a Department Order.

SECTION 4. The requirement to secure clearances from the Bureau of Customs and the Bureau of Internal Revenue shall be a one-time requirement, such that the