

**[CUSTOMS MEMORANDUM ORDER NO. 25-99,
January 01, 2000]**

**PROCEDURES FOR THE PROCESSING OF CONSUMPTION ENTRY
UNDER THE WTO VALUATION SYSTEM**

Pursuant to section 201 of the tariff and customs code of the philippines, as amended, as implemented by customs administrative order no. 2-99, and to provide an import clearance process which conforms with the wto valuation system, the following regulations are hereby promulgated:

I. OBJECTIVES

1. To align the import clearance process with the WTO Valuation System; and
2. To facilitate the clearance of legitimate commerce while protecting government revenue.

II. SCOPE

This Order shall cover the processing of Consumption Entries in all ports, except with respect to shipments subject to Comprehensive Import Supervision Service (CISS), which during the effectivity of the CISS shall be governed by CMO 24-99 as well as by existing rules and regulations as may be applicable on the premises, provided that any reference to value shall be construed to mean the dutiable value as defined in Section 201 of the Tariff and Customs Code of the Philippines, as amended by Section 1 and other pertinent provisions of Republic Act No. 8181 and implemented by Customs Administrative Order No. 2-99.

III. GENERAL PROVISIONS

1. Definition of Terms — All acronyms used in this Order are defined in Annex 1 "Glossary of Acronyms"
2. Documentation Requirements

The following documents shall be used in clearing importations entered under a consumption entry:

- 2.1 Import Entry and Internal Revenue Declaration (EIRD) Form — BC Form 236, which will include the Supplemental Declaration on Valuation (SDV) form. The guidelines for the proper accomplishment thereof are prescribed by CMO 1-96 A;
- 2.2 Bill of Lading or Air Waybill or House Bill of Lading, where applicable;
- 2.3 Commercial Invoice;
- 2.4 Packing List.

2.5 Others. Additional documents as maybe required depending on the circumstances of a particular shipment (e.g. Tax Exempt Certificate from DOF, CEPT Certificate in case of preferential claims, IED in case of shipment covered by LC, etc.).

3. The IEIRD together with all its supporting documents shall, from hereon; be referred to as Entry.

4. The import entry declaration shall be based on a self-assessment system. As such, the importer and the customs broker shall make a complete and correct declaration of the particulars of the importation on the Entry and the SDV, which declaration shall be under oath and subscribed to by the importer and the Customs broker before a notary public or a Customs officer authorized to administer such oath under Section 3503 of the Tariff and Customs Code of the Philippines, as amended, under pain of prosecution for perjury in case of any misrepresentation. However, in the case of SDV, the Customs broker may only sign under oath if he has personal knowledge of the information declared in said SDV.

5. Under the self-assessment scheme, the declarant shall compute the duties and taxes using the applicable valuation method as prescribed in Section I of CAO No. 2-99.

6. The procedures on payment of the self-assessed amount, in accordance with Section III.5 above, shall be governed by CAO 2-95.

7. All Entries may be subject to post entry audit to verify the truth or accuracy of any statement, document or declaration presented.

8. There is hereby created for each Collection District a Valuation Review Committee (VRC) directly under the respective District Collector of Customs to be composed of the following:

- Deputy Collector for Assessment — Chairman
- Chief, FED or equivalent unit — Vice Chairman
- Concerned COO III and COO V — Members
- A COO V as designated by the District Collector of Customs on a rotation basis — Member

The VRC shall have the following function:

8.1 Determine if there is a genuine valuation issue;

8.2 When valuation issue exists, determine whether delay will ensue in the determination of customs value;

8.3 Process request for tentative release, when applicable;

8.4 To re-route Entry when necessary to red channel;

8.5 Recommend applicable method of valuation including computation of duties and taxes for the approval of the District Collector of Customs;

8.6 Such other functions as may be necessary to effectively carry out its mandate.

The VRC shall be supported by a permanent Secretariat which shall perform such functions as may be assigned by the District Collector.

9. Reporting System

9.1 The District Collector of Customs, through the VRC shall maintain and update a file/database of:

9.1.1 Entries referred to VRC for resolution of valuation issues;

9.1.2 Entries under tentative release including a process to determine, among others, the following:

9.1.2.1 Aging of cases; and

9.1.2.2 Status

9.2 The Chief, Collection Division or its equivalent unit shall maintain and update a file of all cash bonds/security posted under the tentative release system and their status.

For this purpose, the Director, Collection Service shall put up an effective system to monitor the status of the guaranties filed under the tentative release scheme, as well as the implementation of resolution issued by the District Collector of Customs through the VRC.

IV. OPERATIONAL PROVISIONS

After payment of the self-assessed duties and taxes at the AAB, the following procedure shall apply:

A. ENTRY LODGMENT BY THE DECLARANT

1. For ports where ACOS is in operation, lodgment of Entries shall be made through any of the following as may be applicable:

1.1 Entry Encoding Center (EEC)

1.2 Direct Traders Input (DTI)

1.3 Electronic Data Interchange (EDI)

2. For ports, which are not equipped with ACOS, lodgment shall be at the Entry Processing Division or equivalent unit. In these ports, provisions pertaining to ACOS and Selectivity shall not apply.

3. Upon lodgment, Selectivity is triggered.

3.1 If Green Channel — The Entries shall be submitted together with the ACOS generated Assessment Notice (AN), to the Collection Division.

3.2 If Selected Channel — The Entry shall be forwarded together with the ACOS generated Temporary Assessment Notice (TAN) to the Formal Entry Division (FED) through the EPU.

B. ASSESSMENT (for Selected Entries)

4. At the Entry Processing Unit —