

**[BOC CUSTOMS MEMORANDUM CIRCULAR NO.
512-99, December 06, 1999]**

**BOC AND BIR ORDER NO. 1-99, SIMPLIFYING, CONSOLIDATING
AND AMENDING THE RULES AND REGULATIONS IMPLEMENTING
TAX INCENTIVES ON IMPORTATIONS BY ACCREDITED AND
QUALIFIED JEWELRY ENTERPRISES AS PROVIDED UNDER
REPUBLIC ACT NO. 8502, OTHERWISE KNOWN AS THE
"JEWELRY INDUSTRY DEVELOPMENT ACT 1998**

Attached is the Bureau of Customs and Bureau of Internal Revenue Joint Order No. 1-99, Simplifying, Consolidating and Amending the Rules and Regulations Implementing Tax Incentives on Importations by Accredited and Qualified Jewelry Enterprises as Provided Under Republic Act No. 8502, Otherwise Known as the "Jewelry Industry Development act of 1998."

For your information and guidance.

Adopted: 06 Dec. 1999

(SGD.) JULITA S. MANAHAN
Deputy Commissioner
Internal Administration Group

Bureau of Internal Revenue
Bureau of Customs
Joint Order No. 1-99

Simplifying, Consolidating and Amending the Rules and Regulations Implementing Tax Incentives on Importations by Accredited and Qualified Jewelry Enterprises as Provided Under Republic Act No. 8502, Otherwise Known as the "Jewelry Industry Development act of 1998."

COVERAGE:

This order intends to simplify, consolidate and amend BIR Revenue Regulations No. 1-99 and Joint DOF-BOC Order No. 1-99 covering the grant of tax and duty incentives for importations covered by the "Jewelry Industry Development Act of 1998".

SECTION 1. RULE 3 of Revenue Regulations No. 1-99 (IMPLEMENTATION OF THE EXCISE TAX EXEMPTION OF QUALIFIED JEWELRY ENTERPRISES PURSUANT TO SECTION 3(B) AND (D) OF RA 8502) and RULE 4 of Joint DOF- BOC Order No. 1-99 (CONDITIONS FOR AVAILMENT OF DUTY-FREE AND/OR TAX-FREE IMPORTATION OF

RAW MATERIALS, SUPPLIES CAPITAL EQUIPMENT. MACHINERY, TOOLS OR SPARE PARTS) are hereby amended to read as follows:

"RULE(3/4). PROCEDURES FOR AVAILMENT OF FISCAL INCENTIVES BY QUALIFIED JEWELRY ENTERPRISES UNDER SECTION 3 (a), (b), (c) AND OF REPUBLIC ACT NO. 8502

Section 1. PROCEDURE FOR EXEMPTION OF IMPORTED ARTICLES COVERED BY LETTER OF CREDIT (L/C)

"a. The importer need not secure a Permit to Import from the concerned Bureau of Internal Revenue Office where his principal place of business is located/registered; however, the Qualified Jewelry Enterprise shall comply with relevant provisions of Chapter VII, Title II NIRC, such as but not limited to the keeping of records and registration of business premises with the BIR-RDO concerned.

"b. Upon application for L/C, the importer shall present to the bank the following supporting documents, among others:

i) Filled up import Entry Declaration; and

ii) Copy of Accreditation Certificate issued by the BOI that the importer is an Accredited and Qualified Jewelry Enterprise or an Import Consolidator entitled to import raw materials, supplied and capital equipment under RA 8502.

"c. The bank will stamp/validate the IED indicating that the shipment is duty and/or excise tax exempt; provided, that, such indication shall be subject to DOF approval of the request for tax and/or duty exemption under the next paragraphs (d) and (e).

"d. Upon arrival of the shipment, the importer shall apply for exemption from customs duty and/or excise tax with the Revenue Office, Department of Finance. The following documents will be required:

"i) Certified true copy of the BOI Certificate of Accreditation;

"ii) Sworn Statement that the importation shall be for the exclusive use of the qualified jewelry enterprise;

"iii) CRF in the case of capital equipment. Importation of precious stones and precious metals and imitations thereof are exempt from Pre-Shipment Inspection (PSI) pursuant to amended Joint Order 1-91 5(e) and will not require a CRF; and

"iv) Other commercial documents such as Invoice, Bill of Lading and Packing List.

"e. If the importer claims exemption from import duties and taxes under Republic Act No. 7844 (Export Development Act of 1995), Republic Act No. 7916 (Special Economic Zone Act of 1995), Executive Order No. 226

(Omnibus Investment Code) or other special laws granting incentives to exporters, the importer shall, in addition, submit to DOF a certification from the concerned incentive administering agency attesting that:

- i) The importer is a registered export-oriented enterprise and the grant of exemption under the invoked special law for exporters shall not result to double availment of the same incentive; and
- ii) The articles being imported are entitled to exemption under the special law for exporters.

"f. The DOF shall transmit its original indorsement of exemption to the Tax Exempt Division, Bureau of Customs, either directly or through the importer or his duly authorized representative.

"g. Upon arrival of the shipment, the importer or his duly designated representative shall prepare his Import Entry and Internal Revenue Declaration (IEIRD) and pay import processing fees, if any, and Value-Added Tax (VAT) to the agent bank. The IEIRD will be lodged either thru the Entry Encoding Center (EEC) or electronically thru the Direct Traders Input (DTI) with the following documents:

- i) DOF Indorsement;
- ii) CRF, if necessary; and
- iii) Commercial/Shipping documents.

"h. For articles specifically mentioned as subject to excise tax and/or value-added tax under Sections 150(a) and 107(A), respectively, of the NIRC, the importer shall apply for the issuance of an Authority to Release Imported Goods (ATRIG) with the BIR-National. Office (Excise Tax Service) if the head office or principal place of business of taxpayer is located within Revenue Region Nos. 4 (San Fernando, Pampanga), 5 (Valenzuela, Metro Manila), 6 (Manila), 7 (Quezon City), 8 (Makati City) and 9 (San Pablo City), or with the RDO concerned for taxpayers situated outside of aforementioned Revenue Regions pursuant to Revenue Memorandum Order No. 55-99 dated July 6, 1999. The application for ATRIG shall be accomplished by the following documents:

- i) Letter of Credit (L/C);
- ii) Commercial Invoice, Bill of Lading, Packing List and other commercial documents; and
- iii) Import Entry and Internal Revenue Declaration.

"i. The BIR Official concerned shall assign a Revenue Officer to verify the imported goods and compute the taxes due thereon. Upon finding payment of the proper amount of taxes and/or exemption therefrom, the concerned BIR Official shall issue and transmit the ATRIG to the Port Collector concerned. Where, appropriate, the ATRIG issued pursuant