

**[ DE DEPARTMENT CIRCULAR NO. 96-03-006,  
March 27, 1996 ]**

**PROCEDURE IN THE ROUTING AND PROCESSING OF  
IMPORTATIONS COVERED BY CERTIFICATES OF QUALIFICATION  
FOR TAX EXEMPTION (TEC) ISSUED BY THE DOE IMPLEMENTING  
SECTION 12 (B) OF PD 87 (OIL), SECTION 16 (B) OF PD 972  
(COAL) AND SECTION 4 (A) OF PD 1442 (GEOTHERMAL)**

WHEREAS, it has been observed that quite a number of Certificates of Qualification for Tax Exemption (TEC) issued by the Department of Energy (DOE) for its Petroleum, Coal and Geothermal Contractors in the importation of machinery, equipment, materials and spare parts to be used in its petroleum, coal and geothermal operations, have been disallowed by the Bureau of Customs (BOC) or endorsed to the Department of Finance (DOF) by BOC for instruction or "en consulta" with the information that the importations were not within the ambit of PDs 87, 972 or 1442, as the case may be;

WHEREAS, as a result, the release of the imported machinery, equipment, materials and spare parts under TECs has been unduly delayed causing serious disruptions in the contractors' operations;

WHEREAS, in order to expeditiously resolve the pending TECs referred by the BOC to the DOF, the DOE, DOF and BOC have agreed to change the routing and processing procedure, or prompt and speedy processing of the said TECs;

NOW, THEREFORE, the following procedure shall be observed in the routing and processing of TECs:

*SECTION 1.* The Contractor shall, after payment of processing fee, file an application with the DOE for the issuance of a Certificate of Qualification for Tax Exemption (TEC) for the importation of machinery, equipment, materials and spare parts.

*SECTION 2.* After the evaluation and formal issuance of the TEC, the DOE shall officially transmit the TEC to the DOF-Revenue Operations Group for processing through its Mabuhay Lane. Should there be any additional requirements, the DOF shall, accordingly, promptly inform the DOE.

*SECTION 3.* Upon completion of the processing the DOF shall endorse the TEC to the BOC for the immediate release of the imported machinery, equipment, materials and spare parts.

*SECTION 4.* All circulars, rules and regulations governing the routing and processing of TECs previously issued by then Bureau of Energy Development (BED) and Office of Energy Affairs (OEA), which are contrary and/or inconsistent with this circular are hereby repealed, amended or superseded.