

**[ BC CUSTOMS MEMORANDUM CIRCULAR NO. 358-96, July 10, 1996 ]**

**MEMORANDUM OF AGREEMENT REGARDING RELEASE OF  
DONATED USED CLOTHINGS**

Attached herewith, for your information and guidance, are excerpts of the Memorandum of Agreement entered into by and between the Economic Intelligence and Investigation Bureau and the Department of Social Welfare and Development dated December 28, 1995 referring to release and delivery of used clothings from customs custody.

Customs Memorandum Order No. 25-92 and BOC — DSWD Joint Memorandum Order No. 1-92, more particularly Item Nos. 5 and 6, respectively, on transfer/movement of forfeited/abandoned used clothings, etc. shall remain in force and effect.

All concerned shall be guided accordingly.

Adopted: 10 July 1996

(SGD.) RAY M. ALLAS  
*Deputy Commissioner  
For Internal Administration Group*

**MEMORANDUM OF AGREEMENT**

**KNOW ALL MEN BY THESE PRESENTS:**

This Memorandum of Agreement entered into this 28th day of December 1995 at Manila, Philippines by and between:

The ECONOMIC INTELLIGENCE & INVESTIGATION BUREAU, organized and created under Executive Order No. 127 as amended by Executive Order No. 292, otherwise known as the Administrative Code of 1987, with office address at Camp Aguinaldo, Quezon City, represented herein by Hon. SERVANDO V. LARA, Commissioner, EIIB, and hereinafter referred to as EIIB;

and

The DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT, a government agency with office address at Batasan Hills, Quezon City, represented herein by Hon. LINA B. LAIGO, Secretary, DSWD, and herein referred to as DSWD.

**WITNESSETH**

WHEREAS, under Republic Act 4653, an act to safeguard the health of the people and maintain the dignity of the nation by declaring it a national policy to prohibit the commercial importation of textile articles commonly known as used clothings and rags, except importations pursuant to Section 105 sub-section "I" of the TCCP.

WHEREAS, under Section 23 of Republic Act 4373, the Social Welfare Administration now known as Department of Social Welfare and Development shall issue the registration and accreditation certificate of social work agency;

WHEREAS, sub-section (I) of Section 105 of the TCCP provides that imported articles donated to any duly registered relief organization upon certification of MSSD or MEC may be admitted entry free of duty;

WHEREAS, under Section 1 & 2 of PMO No. 36 dated 09 September 1992, provided for the importations and donations of clothings and other items for the relief and rehabilitation efforts of national and local government.

WHEREAS, it has been observed that commercial volume of used clothings proliferate in the local market nationwide and are actually being sold instead of the original intention of having these used by the intended beneficiaries.

WHEREAS, under Section 17, Title II of Administration Code of 1987 (E.O. No. 292), the EIIB is mandated to receive, gather and evaluate intelligence reports information and evidence on the nature, modes and extent of illegal activities affecting the national economy, such as, but not limited to, economic sabotage, smuggling, tax evasion and dollar salting, investigate the same and aid in the prosecution of cases.

WHEREAS, under aforementioned Order, EIIB is likewise mandated to coordinate with external agencies in monitoring the financial and economic activities of persons and entities, whether domestic or foreign, which may adversely affect national financial interests with the goal of regulating, controlling or preventing said activities.

NOW, THEREFORE, for and in consideration of the aforementioned premises, the undersigned have entered into an agreement as herein defined:

#### GENERAL PROVISIONS:

1. That the DSWD and EIIB have agreed to render mutual assistance to curb smuggling and illegal activities of unscrupulous entities utilizing tax-free importation of used clothings granted to licensed social work agencies under existing laws.
2. That the EIIB and DSWD have agreed to form a Task Force named "Balikatan", with the aim of monitoring the movement of donated commodities from the port/outside the BOC zone down to the designated warehouses of consignees' licensed social work agency or to designated transshipment point.
3. That the said Task Force shall provide underguarding/escorting of the donated commodities from outside Customs zone to the consignees' warehouse or DSWD's warehouse or in a place designated as transshipment point as the case maybe, to