



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA
BOX NO. 443
ZIP CODE NO. 1099

"1"

May 3, 1995

CUSTOMS MEMORANDUM ORDER

NO. 9-95

TO : All Collectors, Division and Section Chiefs,
Examiners/Appraisers,
SGS-Manila Liason Office (SGS-MLO),
Importers, Brokers and
All Others Concerned

SUBJECT : Revised Procedures on the Tentative Release of Shipments lacking the required
SGS-CRF.

I. OBJECTIVES

1. To avoid delays in the processing and releasing of shipments arising from the lack of SGS-CRF in relation to Joint Order No. 1-91, as amended.
2. To further facilitate trade and provide adequate security to government revenue.
3. To enable the prompt collection of revenue due the government.

II. COVERAGE

This order shall cover all shipments requiring Pre-shipment Inspections under the CISS scheme which entered the country without the required SGS-CRF.

III. GENERAL PROVISIONS:

1. Shipments requiring Pre-shipment Inspections under the CISS which arrived in the country and entered in a Customhouse but without the requisite CRF (NON-CRF SHIPMENTS or NCS) must be treated as shipments made in circumvention of CISS and therefore seized pursuant to CMO 71-90, unless otherwise cleared following the provisions of this memorandum order.

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2. The importer/broker concerned must, in availing of the TENTATIVE RELEASE scheme for lack of requisite CRF, explain under oath why the shipment must not be seized. The explanation must, among others, touch on the following:
 - 2.1 Why Customs should not consider the violation as INTENTIONAL and meant to circumvent the CISS;
 - 2.2 Whether or not the importer obtained an Import Advice Notice (IAN). If there is no IAN, why was it not obtained;
 - 2.3 Who was responsible for making shipment without the CRF. If it is the shipper, attach a certification in the shipper's letter head and by a responsible official of the shipper's company why they and not the importer was responsible; and
 - 2.4 How many times the importer has committed this infraction.
3. The Chief, FED of the Port must evaluate whether to allow Tentative Release or recommend the shipment for seizure. Seizure must be the action whenever the circumstances of the case point to a deliberate circumvention of CISS.
4. Circumvention must be considered deliberate whenever any of the following are obtains :
 - 4.1 There is misdeclaration, undervaluation or mis-classification evidencing prima facie fraud;
 - 4.2 The importer cannot prove that the failure to obtain an IAN/CRF was unintentional; and
 - 4.3 The firm is a recidivist (three or more offenses).
5. Approval of Tentative Release for lack of CRF must comply with the following terms and conditions:
 - 5.1 One hundred percent (100%) examination in the presence of representatives from SGS and the concerned local industry (if any).
 - 5.2 Payment of full duty, tax and penalty based on the value information available in VALSEE.
 - 5.3 Posting of a bank guaranty in an amount equivalent to 120% of landed cost of shipment.
 - 5.4 Payment of a CISS inspection fee to the Bureau of Customs.
6. On the basis of 5.1 and 5.4 above SGS Manila Liason Officer must refer the case to their concerned affiliate abroad for value verification.

IV. ADMINISTRATIVE PROVISION

1. The Chief, Formal Entry Division (FED) or equivalent unit, shall be authorized to approve request for tentative release of shipments. Subject to the compliance with all the requirements, conditions and procedural steps prescribed under this order.

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2. To secure government revenue, the importer shall be required to issue a bank guaranty payable to the Bureau of Customs, which shall be deposited with the Cash Division under a provisional receipt. The bank guaranty shall be equivalent to that provided for in par. 5.3 of the General Provisions.
3. Where the valuation and classification results of the SGS-CRF are contested by the importer, he can proceed with tentative liquidation under CMO 3-95 provided:
 - 3.1 The cost incurred in securing an SGS-CRF to cover said shipment has been fully paid.
 - 3.2 The shipment conforms with the requirements of administrative provision no. 3.2 of CMO 3-95.

V. OPERATIONAL PROVISIONS

1. In cases where the value of shipment is over \$500 and lacks the requisite SGS-CRF, the following steps shall be observed:

Step 1 :

The importer shall accomplish and execute under oath the Importer's Referral/Information Sheet shown in Annex "A" hereof, the requirements therein being deemed as forming an integral part of this Order and submit the same directly to the Chief, FED/equivalent unit.

Step 2 :

The Chief, FED/equivalent unit, upon receipt of the accomplished Importer's Referral/Information Sheet, shall immediately accomplish the Memorandum shown in Annex "B" and "C" hereof, requiring/instructing, to wit :

2.1 The Entry Receiving to:

2.1.1 Immediately allow the filing and acceptance of the import entry; and

2.1.2 Immediately forward the entry together with all copies of the Order of Payment (OP) to the Examiner/Appraiser, through the Section Chief concerned.

2.2 The Examiner/Appraiser to:

2.2.1 Immediately conduct a 100% examination of the shipment;

2.2.2 Secure one sample per item and/or take photographs of said item if the size/weight makes it impractical to secure said items.

2.2.3 Submit all samples to the Valuation Center and Library for preliminary valuation as basis in the computation of duties and taxes, penalty and cost of securing an SGS-CRF which will be the basis for the value of the bank guaranty.

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- 2.2.4 Verify the correctness/sufficiency of the amount of the cash bond/bank guaranty per Valuation Center and Library's importer/broker's computation indicated in the Importer's Referral/Information Sheet.
- 2.2.5 Submit to the Chief, FED/equivalent unit, the entry and all copies of the OP; and
- 2.2.6 Render a report to the Chief, FED/equivalent unit, under a joint Inspection Report the findings of the examination.

Step 3 :

The Chief, FED/equivalent unit, after the examination of the shipment and upon receipt of the Examiner/Appraiser's report (2nd Indorsement), shall make a determination whether to approve or disapprove the tentative release of the shipment taking into consideration the following :

- 3.1 If, on the basis of the joint inspection of SGS/BOC Examiner/Appraiser's report, a discrepancy is found or established, tentative release shall only be allowed if the uncovered discrepancy or violation does not merit the issuance of a Warrant of Seizure and Detention (WSD), otherwise the matter shall be referred to the District Collector.
- 3.2 If no discrepancy is found except the lack of the requisite SGS-CRF, the tentative release of the shipment shall be allowed.
- 3.3 All approvals by the various parts of tentative releases of shipment without the requisite SGS- CRF shall be transmitted to the Commissioner of Customs for review as to whether or not requirements under the guidelines set forth under CMO No. 12-93 had been met.

Step 4:

The Chief, FED/equivalent unit, in granting the tentative release of the shipment, shall:

- 4.1 Require the importer to submit Bank guaranty in the amount described in 3.2 and verified by the Examiner/Appraiser.
- 4.2 Stamp on the face of the import entry and all copies of the OP, the following text:

TENTATIVE RELEASE ALLOWED
PER CMO NO. 9-95
(this Order).

and, thereupon, issue to the importer his copy of the OP.

- 4.3 Forward the entry and all related documents to the Cash Division.
- 4.4 Submit a copy of the Importer's Referral/Information sheet, letter to SGS, Examination Findings and all representative samples of entry subject articles to SGS-MLO for transmittal to the SGS affiliate concerned for issuance of the requisite SGS-CRF.

Step 5:

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SGS-MLO shall, upon receipt of the required documents and samples, forward the same by airfreight to the SGS affiliate on the country of exportation to process SGS-CRF pertaining to the said shipment using the data and samples available as if inspection has taken place, and transmit the electronic data to SGS- MLO for issuance of the SGS-CRF.

2. In cases of shipments valued at less than \$500, the provisions of CMO 23-93 shall govern.

VI. CANCELLATION OF SECURITY BOND

In the event that the importer agrees with the SGS-CRF, the importer shall surrender it to the Cash Division for cancellation and liquidation of shipment after payment of the proper duties, taxes, penalties, and all costs incurred in processing the SGS-CRF.

VII. REPEALING CLAUSE

All orders, rules, and regulations inconsistent herewith are deemed repealed and/or modified accordingly.

VIII. EFFECTIVITY

This Order shall take effect on 18 May 1995


GUILLERMO L. PARAYNO, JR.
Commissioner

CMO 9-95

ANNEX "A"

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IMPORTER'S REFERRAL/INFORMATION SHEET

(N.B. IMPORTER/BROKER MUST SUBMIT THIS, DULY ACCOMPLISHED, DIRECTLY TO THE CHIEF, FED/EQUIVALENT UNIT, CONCERNED.)

SUBJECT : SHIPMENT OF _____

PURSUANT TO CMO NO. _____, THIS REFERRAL/INFORMATION SHEET IS RESPECTFULLY SUBMITTED, HEREBY FURNISHING THE PARTICULARS AS FOLLOWS:

1. CONSIGNEE/IMPORTER NAME: _____
COMPLETE OFFICE ADDRESS: _____
TEL. NO. _____
BOC REGISTRATION/ACCREDITATION NO. _____
BOI REGISTRATION NO. _____ AND CAI _____
GTB REGISTRATION NO. _____ OTHERS (SPECIFY) _____
2. BROKERAGE: _____
COMPLETE OFFICE ADDRESS: _____
TEL. NO. _____
BOC LICENSE NO. _____
3. VESSEL/AIRLINE: _____ VOY/FLT. NO. _____
BILL OF LADING/AIRWAYBILL NO. _____
COUNTRY OF EXPORTATION: _____
MODE OF PAYMENT: _____
4. REQUIRED DOCUMENTS HERETO ATTACHED:
 - 4.1 IMPORT ENTRY AND INTERNAL REVENUE DECLARATION
 - 4.2 COMMERCIAL INVOICE WITH PACKING LIST
 - 4.3 BILL OF LADING/AIRWAYBILL
5. CASH BOND/BANK GUARANTY AMOUNT: (PESO) _____
(BASED ON VALUES PRESENTED BY THE VALUATION CENTER & LIBRARY)

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6. EXPLANATION UNDER OATH WHY THIS SHIPMENT MUST NOT BE SEIZED:

6.1 WHY CUSTOMS SHOULD NOT CONSIDER THE VIOLATION AS
INTENTIONAL AND MEANT TO CIRCUMVENT THE CISS:

6.2 IMPORT ADVISE NOTE (IAN): _____
IF NONE, WHY WAS IT NOT OBTAINED:

6.3 WHO WAS RESPONSIBLE FOR MAKING THE SHIPMENTS? _____

IF THE SHIPPER, ATTACH A CERTIFICATION IN THE SHIPPER'S
LETTERHEAD AND BY A RESPONSIBLE OFFICIAL OF THE SHIPPER'S
COMPANY WHY THEY AND NOT THE IMPORTER WAS RESPONSIBLE.

6.4 HOW MANY TIMES HAS THIS INFRACTION BEEN COMMITTED? _____

6.5 OTHER EXPLANATIONS:

7. U N D E R T A K I N G

CMO-9-95

I, _____, FOR AND ON BEHALF OF OUR COMPANY AND ON MY OWN, DO HEREBY CERTIFY THAT THE FOREGOING INFORMATION AND THE DOCUMENTS HERETO ATTACHED ARE TRUE, AUTHENTIC AND GENUINE TO THE BEST OF MY KNOWLEDGE AND BELIEF. WE UNDERSTAND, THAT ANY FALSE STATEMENT, MISREPRESENTATION AND/OR NON-DISCLOSURE OF ANY MATERIAL FACT IN CONNECTION HERewith AND SUBJECT SHIPMENT SHALL BE DEALT WITH ACCORDINGLY BY THE PROPER AUTHORITY, INCLUDING THE INSTITUTION OF CRIMINAL AND ADMINISTRATIVE ACTION AGAINST MYSELF AND/OR OUR HEREIN-NAMED COMPANY.

SUBMITTED HERETO ATTACHED IS THE BOARD RESOLUTION AUTHORIZING THE EXECUTION AND SUBMISSION OF THIS DOCUMENTS TO THE BUREAU OF CUSTOMS.

COMPANY NAME
BY: _____

AFFIANT
POSITION: _____

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____
19____, AFFIANT EXHIBITING TO ME HIS TIN NO. _____
ISSUED BY _____, ON _____

OFFICER AUTHORIZED TO
ADMINISTER OATH



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

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May 17, 1995

CUSTOMS MEMORANDUM ORDER
No. 9 - 95 - A

To : All Collectors, Division and Section Chiefs,
Examiners / Appraisers,
SGS Manila Liaison Office,
Importers, Brokers and
All Others Concerned

Subject: Amendment to CMO 9-95.

To better attain its objectives, certain amendments to CMO 9-95 are hereby prescribed.

SECTION 1 : COVERAGE

The paragraph is to read as follows:

"The CMO shall cover all shipments requiring Pre-Shipment Inspections (PSI) under the Comprehensive Import Supervision Service (CISS) scheme which entered the country without undergoing the same. Shipments complying with the PSI but for some reason the transmittal of the Clean Report of Finding (CRF) has been delayed, shall not be covered by the CMO."

SECTION 2 : GENERAL PROVISIONS

Section 4.3 is deleted.

SECTION 3 : OPERATIONAL PROVISIONS

3.1 Subheadings 1 and 2 are deleted.

3.2 An introductory paragraph is included as follows:

"The following are step by step procedures which shall be observed in the application for tentative release for lack of requisite CRF and the procedures to be followed in acting on the application:"

This Order shall take effect on 18 May 1995.


GUILLERMO L. PARAYNO, JR.
Commissioner



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

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07 August 1995

CUSTOMS MEMORANDUM ORDER
No. 9-95-B

TO : All Collectors,
Division and Section Chiefs,
Examiners/Appraisers,
SGS-Manila Liaison Office,
Importers, Brokers, and
All Others Concerned

SUBJECT : Supplementary Provisions for the Revised
Procedures on the Tentative Release of
Shipments Lacking the Required CRF.

In addition to the provisions stated in CMO No. 9-95 dated 03 May 1995, the following shall also apply for all shipments which did not undergo the required Pre-Shipment Inspection under the CISS scheme and which entered the country without a CRF.

A. GENERAL PROVISIONS:

1. In allowing tentative release, the importer shall be required to pay post-shipment inspection fees, the mechanics and effectivity date of which shall be covered in a separate Order.
2. In arranging for the mandatory 100% joint examination of the shipment, the Examiner/Appraiser should arrange for the presence of a PSI Surveyor Representative (PSI-SR) through the Office of the Commissioner (tel. no. 484161-69, local 289). For non-Metro Manila Ports where the presence of an PSI-SR representative is not feasible, samples/brochures/pictures shall be sent to the Office of the Commissioner (attention: The Valuation Center and Library) with a copy of the import entry and invoice.
3. The Chief, FED or equivalent unit, of the port must determine the number of infractions by the importer in order to verify the appropriate penalty pursuant to CAO No. 4-94. To assist the Chief, FED, or equivalent unit, a file of infractions shall be maintained by the Valuation Center and Library (VCL), OCOM for dissemination to all concerned.
4. A firm/importer shall be considered a recidivist after three (3) infractions have been incurred from the effectivity date of this CMO, and whose shipments lacking the requisite CRF shall henceforth be treated as shipments made in circumvention of the CISS and, therefore, subject to seizure according to CMO No. 71-90.

ANNEX "B"

CMO-9-95 "9"

(DATE)

MEMORANDUM FOR: ENTRY RECEIVING, DIVISION CONCERNED

PURSUANT TO CMO _____, YOU ARE HEREBY INSTRUCTED TO ALLOW THE FILING AND ACCEPTANCE OF THE IMPORT ENTRY AND IMMEDIATELY FORWARD THE SAME WITH ALL THE COPIES OF THE ORDER OF PAYMENT (OP) TO THE EXAMINER/APPRaiser.

CHIEF, FED
PORT OF _____

ANNEX "C"

MEMORANDUM TO: EXAMINER/APPRaiser

PURSUANT TO CMO 9-95, YOU ARE HEREBY INSTRUCTED TO:

- 1) CONDUCT 100% EXAMINATION OF THIS SHIPMENT;
- 2) SECURE ONE SAMPLE PER ITEM AND/OR TAKE PHOTOGRAPHS OF SAID ITEMS IF SIZE AND WEIGHT MAKES IT IMPRACTICAL TO SECURE SAID ITEMS;
- 3) SUBMIT ALL SAMPLES TO THE VALUATION CENTER AND LIBRARY FOR PRELIMINARY VALUATION AS BASIS IN THE COMPUTATION OF DUTIES AND TAXES, PENALTY AND COST OF SECURING AN SGS-CRF WHICH WILL BE THE BASIS FOR THE VALUE OF THE CASH BOND/BANK GUARANTY;
- 4) VERIFY THE CORRECTNESS/SUFFICIENCY OF THE AMOUNT OF THE CASH BOND/BANK GUARANTY PER VALUATION CENTER AND LIBRARY'S COMPUTATION INDICATED IN THE INFORMATION/REFERRAL SHEET;
- 5) SUBMIT TO THE CHIEF, FED/EQUIVALENT UNIT, THE FINDINGS IN THE FORM OF A JOINT INSPECTION REPORT, THE ENTRY AND ALL COPIES OF THE ORDER OF PAYMENT.

CHIEF, FED/EQUIVALENT UNIT
PORT OF _____

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2"

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5. Firms in the top 3,000 corporations as per the latest list of the Securities and Exchange Commission and those firms guaranteed by the Customs Brokers Association shall be allowed to issue a post-dated check (PDC) as provided for in CMO No. 3-95 in an amount equivalent to 120% of the landed cost of the shipment.

B. ADMINISTRATIVE PROVISIONS:

1. In order to facilitate the issuance to the importer of a post-shipment CRF, the joint inspection team may obtain photographs, brochures or catalogues following the guidelines in CMO No. 23-93. If warranted, samples may also be obtained of provided a receipt is made and subject to the condition that the same shall be returned to the importer after the case is resolved. The samples/brochures/photographs/catalogues shall be sent to the PSI-SR Surveyor's office abroad by the Valuation Center and Library for proper valuation.
2. In relation to Step 3.3 of CMO No. 9-95, the transmittal to the OCOM-ACU for post-review of import documents covering the approved tentative release shipments shall be simultaneous with the tentative release of the shipment.
3. The chief, FED or equivalent unit, of the port shall verify the amounts of full duty, tax, penalty, inspection and filing fees, and all other charges pertaining to the shipment, and endorse computation results to the Cash Division for payment by the importer.

C. EFFECTIVITY:

This Order shall take effect on 15 August 1995


GUILLERMO L. PARAYNO, JR.
Commissioner