[BOC CUSTOMS ADMINISTRATIVE ORDER NO. 07-2014, October 29, 2014]

REVISED DEPRECIATION SCHEDULE FOR IMPORTED MOTOR VEHICLES

Adopted: 29 October 2014
Date Filed: 11 November 2014

Pursuant to Section 608 of the Tariff and Customs Code of the Philippines (TCCP), as amended, in relation to Section 149 of the Tax Code of 1997 as amended by Republic Act 9224, and DOF Joint Order pertaining to the disposition of tax-exempt vehicles registered or owned by Diplomatic Mission and Consular Offices/Officials enjoying tax and duty free privilege, the following guidelines in the determination of the rate of depreciation for motor vehicles are hereby issued for the guidance and uniform implementation of all concerned:

1. No-Dollar Importations of Motor Vehicles (NDI). The rates of depreciation for No-Dollar importations of motor vehicles shall follow the schedule prescribed below:

Depreciation Table (Straight Line Method)

Automobile Year Model	Allocated Depreciation	Depreciation rate (Multiplier)
Current Year	0 %	None
1 year old	10 %	x 0.90
2 years old	20%	x 0.80
3 years old	30 %	x 0.70
4 years old	40 %	x 0.60
5 years old	50 %	x 0.50

2. For tax-exempt vehicles registered in the name of a Diplomatic Mission, Consular Office or owned by Diplomatic Officials, Consular Offices and their administrative and technical staff members enjoying tax and duty privilege disposed or transferred by way of sale or donation to non-privileged persons or entities, the rate of depreciation shall be as follows:

2.1 For purposes of computing the duties due where either Methods 2, 3, and 6 are used to determine the value of the motor vehicle based on the Japanese or Red Book as the case may be, the rate of depreciation shall be computed using the straight line method at ten percent (10%) for every year but not exceeding fifty percent 50%.

2.2 For purposes of computing the ad valorem tax where the value is based on the depreciated value of the automobile at the time of sale or transfer, the depreciation rate shall be at ten percent (10%) per year but