

**[CUSTOMS MEMORANDUM ORDER NO. 7-2006,
March 15, 2006]**

**ESTABLISHMENT OF CENTRAL VALUATION CLASSIFICATION
REVIEW AND RULING COMMITTEE**

I. Objectives

- A. To expedite the resolution of cases at the Valuation and Classification Review Committee (VCRC) of each Port which have remained pending for a considerable period of time.
- B. To provide a mechanism for the review of VCRC resolutions which are adverse to the government.
- C. To ensure uniformity and consistency in the application of the principles and rules of the Transaction Value System and the Harmonized System in the resolution of VCRC cases in all ports of entry; in the import clearance process; and by way of providing technical support to the post entry audit functions of the Bureau.
- D. To facilitate trade through prompt settlement of valuation and classification disputes or issues and at the same time protect government revenue.

II. Scope

This Order shall apply to all importations with assessment issues brought before the VCRC pursuant to CMO 37-2001 as well as to requests for customs valuation or tariff classification rulings or opinions involving no actual shipments and queries relating to the application of Transaction Value and the Harmonized Tariff Systems, including preferential or special rates.

III. Administrative Provisions

- A. Establishment of a Central Valuation Classification Review and Ruling Committee (CVCRRRC).

There is hereby created a CVCRRRC to take cognizance of the following cases:

1. VCRC cases filed in all ports of entry at the time of the effectivity of this Order which have remained pending for three (3) calendar months from the time the same were initiated in the said Port as indicated in the docket book.
2. VCRC cases filed prior to the effectivity of this Order which have remained pending for six (6) months or more from the date of filing as indicated in the docket book.
3. The VCRC resolutions issued upon the effectivity of this Order which are favorable to the importer or adverse to the government i.e in case the said

resolutions amount to the acceptance of the valuation and/or classification declared by the importer/broker. Favorable VCRC resolutions made prior to the effectivity of this Order shall only be reviewed upon the written directive of the Commissioner of Customs based on new information or evidence newly obtained. Except when there is fraud, the review of such resolution resulting in a different finding or conclusion shall apply only prospectively without prejudice to the availability of the post entry audit remedy as may still be applicable to the reviewed shipments.

4. The importer seasonably appeals the VCRC resolution within fifteen (15) days from receipt thereof subject to the condition that the importer is willing to undergo a post entry audit as provided for in Section IV C 1(c) of CAO 4-2004.

5. The Commissioner of Customs *motu proprio* or upon formal written request by any office or unit within the customs organization, deems it necessary and proper to review a case resolved by the head, VCRC-TST without formal deliberation by the VCRC as a body.

6. Requests by importers for customs valuation or tariff classification rulings or opinions or policy guidelines pertaining to the application of the Transaction Value System or the Harmonized Tariff System involving no actual importation or involving shipments that are the subject of an on-going post entry audit.

B. Composition of CVCRRRC

The CVCRRRC shall be headed by the Commissioner of Customs as chair and shall be composed of the following:

1. Deputy Commissioner for Assessment and Operations Coordinating Group (AOCG) – Chief Executive Officer (CEO). The CEO shall preside over all CVCRRRC meetings and deliberations and manage the day-to-day affairs of the body but shall submit periodic report to the Commissioner of Customs regarding cases or other matters handled and disposed of by the CVCRRRC pursuant to its mandate.

2. Director, Imports Assessment Service – Vice-CEO

3. Members

a. Deputy Collectors for Assessment of POM, MICP, and NAIA

b. Chief, Valuation and Classification Division

C. CVCRRRC Technical Support Team (CVCRRRC-TST)

To provide administrative, secretariat and technical support to the CVCRRRC, a CVCRRRC-TST shall be formed to be composed of technically competent customs officers to be designated by the Commissioner of Customs upon the recommendation of the CVCRRRC CEO. The CVCRRRC-TST shall establish a system for the effective monitoring and reporting of cases or matters received and taken cognizance of by the CVCRRRC pursuant to this Order. It shall set up transparent Committee procedures for the guidance of all concerned, write meeting agenda, record or document committee deliberations, and prepare committee decisions/resolutions/ and internal and external communications, including the sending of notices when required, distribution of agenda and copies of minutes of