

[BOC CUSTOMS ADMINISTRATIVE ORDER NO. 01-2014, January 22, 2014]

**GUIDELINES ON THE IMPOSITION OF SURCHARGE UNDER
SECTION 2503 OF THE TARIFF AND CUSTOMS CODE, AS
AMENDED**

1. Repealing Clause

By authority of Section 608 of the Tariff and Customs Code of the Philippines (TCCP) as amended, and in order to ensure a uniform implementation of Section 2503 of the TCCP, CAO 10-93 and CMO 64-1993 are repealed. All references to CAO 10-93 and CMO 64-1993 shall be construed to refer to CAO 01-2014. Other rules, regulations, orders and rulings inconsistent herewith are hereby modified and amended accordingly. If any part of this Order is declared by courts as unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force.

2. Amount of Surcharge

The Collector of Customs shall impose the surcharge in Section 2503 of the TCCP in accordance with the following:

a. For Misclassification.

Where the percentage difference in misclassification is ten per cent (10%) or more but not exceeding thirty per cent (30%) the amount of surcharge shall be as follows:

- i. When the percentage difference is ten per cent (10%) or more but not exceeding twenty per cent (20%), a one time surcharge of the difference in customs duty shall be imposed.
- ii. When the percentage difference exceeds twenty per cent (20%) but not exceeding thirty per cent (30%) a two times surcharge of the difference in customs duty shall be imposed.

b. For Undervaluation, Misdeclaration in Weight, Measurement or Quantity

When the percentage difference in undervaluation/misdeclaration in weight, measurement or quantity is ten per cent (10%) or more, but not exceeding thirty per cent (30%), a surcharge of two times of the difference in customs duty shall be imposed.

An undervaluation, misdeclaration in weight, measurement or quantity of more than thirty per cent (30%) between the value, weight, measurement or quantity declared in the entry, and the actual value, weight, measurement or quantity shall constitute a *prima facie* evidence