

**[ BC CUSTOMS MEMORANDUM ORDER NO. 024-  
2007, September 10, 2007 ]**

**POST ENTRY AUDIT ON IMPORTED MOTOR VEHICLES COVERED  
BY THE MEMORANDUM OF AGREEMENT BETWEEN THE BUREAU  
OF CUSTOMS AND THE LAND TRANSPORTATION OFFICE DATED  
AUGUST 7, 2007**

**I. Objectives:**

1. To implement the Memorandum of Agreement (MO), dated August 7, 2007, between the Land Transportation Office (LTO) and the Bureau of Customs (BOC) by providing a clear and concise guideline in the post entry audit of motor vehicles covered by the said MOA.
2. To promote customs and trade compliance by importers and other customs stakeholders as mandated in RA 9135 by demonstrating and emphasizing their statutory obligations and the adverse consequences of non-compliance thereof.
3. To generate, in the process, additional customs revenue by recapturing, thru post entry audit, unpaid duties and taxes on imported motor vehicles.

**II. Scope**

1. This Order covers:
  - a. All imported brand new and used Completely Built Units (CBUs);
  - b. All CBUs assemble from imported replacement parts indicating duties and taxes paid based only on the engine and or chassis/vehicle identification number (VIN) of said parts, and
  - c. All motor vehicles covered by the MOA and imported within (3) years prior to August 7, 2007, the date of this MOA are hereby covered under post entry audit.
2. The following imported motor vehicles are excluded from the coverage of this Order:
  - a) Motor vehicles imported pursuant to the Motor Vehicle Development Program (MVDP) of the government;
  - b) Motor vehicles imported by embassies, consulates and other diplomatic missions and,

c) Trucks and buses covered by CP which indicates the payment of taxes and duties for the whole motor vehicle by the Department of Trade and Industry (DTI) accredited rebuilders.

### **III. Administrative Provisions**

1. To minimize the inconvenience to the transacting public the Certificate of Payment Verification Office (CPVO) shall hereby be established to properly evaluate the cases involving the audit on imported motor vehicles utilizing the expertise and resources of different BOC offices.

2. The CPVO shall be composed of a composite customs personnel team from the Post Entry Audit Group (PEAG) to implement the provisions of RA 9135, Vehicles Importation Compliance Monitoring Unit (VICMU) shall act as the liaison office of the BOC with the LTO, Value Reference Information System (VRIS) shall provide the reference values which shall be used as basis for the computation of duties and taxes, plus penalties, if any of the imported motor vehicle and representatives from the Section 5-Formal Entry Division (FED) to the actual computation of the duties and taxes of the imported motor vehicle and such other BOC offices as the Commissioner of Customs may deem appropriate.

### **IV. Operational Provisions**

1. The CPVO shall conduct a post entry audit of imported motor vehicles covered by this Order, consistent with Republic Act No. 9135 as well as relevant customs rules and regulations. In order to expedite the post entry audit, the PEAG, VICMU, VRIS, FED and other BOC offices shall coordinate and cooperate with the CPVO by providing the latter data on imported motor vehicles subjected to post entry audit.

2. In the event the post entry audit reveals that proper duties and taxes have been paid on a particular imported motor vehicle, CPVO shall also recommend to the Office of the Commissioner that a Clearance be issued thereon.

3. When the post entry audit reveals that there is a deficiency in the duties and taxes paid on a particular imported vehicle, the following procedure shall be observed by the CPVO

a) The CPVO shall write a letter to the LTO to get the details of the imported motor vehicle specifically the pertinent BOC documents on file at the LTO specifically the copy of the Certificate of Payment issued by the BOC, Official Receipt (OR) and Certificate of Registration (CR).

b) Thereafter, CPVO shall write a discrepancy letter, sending the same by registered mailed to the registered importer of the motor vehicle to pay within the specified period the deficiency tax and duty as well as the appropriate penalty and surcharge. The letter shall be basically in the same form as Annex "A"\* , hereof.

c) When the importer timely asks for a reconsideration addressed c/o the