

[BOC MEMORANDUM ORDER NO. 1-2003, January 07, 2003]

**PROCEDURES TO IMPLEMENT EXECUTIVE ORDER 142 IN
RELATION TO JOINT DEPARTMENT ORDER NO. 2002-82 AND
DEPARTMENT ORDER NO. 79-2002 AS CLARIFIED BY
DEPARTMENT ORDER NO. 1-2003 REQUIRING OWNERS OF
IMPORTED MOTOR VEHICLES TO SECURE BOC-BIR CLEARANCE
AS A PRECONDITION FOR THEIR INITIAL REGISTRATION OR
RENEWAL OF REGISTRATION WITH THE LAND
TRANSPORTATION OFFICE**

I. Objectives

To ensure that the payment of duties and taxes as provided for under Executive Order 142, Joint Department Order No. 2002-82 and Department Order No. 79-2002 as clarified by Department Order No. 1-2003 are properly collected before any imported vehicle covered by the Executive Order is given Customs clearance and registered.

II. Scope

This Order shall initially cover taxable completely built-up (CBU) units of imported motor vehicles, including motorcycles, except those imported under the Motor Vehicles Development Program by manufacturers and assemblers duly registered with the Board of Investments.

III. Administrative Provisions

1. For unregistered motor vehicles the provisions of this Order may be availed of only from the effectivity of E.O. 142 extended to April 30, 2003.
2. As a general rule, renewal of registration of imported motor vehicles shall be done as they fall due.

However, an owner of a registered imported motor vehicle may at any time cause the renewal of the registration of his vehicle under this scheme within the period stated herein.

3. A Customs Collection Office to be called the Customs Clearance Unit (CCU) directly under the Office of the Commissioner shall be set up at the Land Transportation Office Compound, East Avenue, Quezon City (at any other location hereinafter determined by the Secretary of Finance upon recommendation of the Commissioner of Customs taking into consideration the convenience of the transacting public).

4. All vehicles covered by Executive Order 142 whose owners fail to avail of this program within the period stated shall be issued Warrants of Seizure and Detention under Section 2503 in relation to Section 2530 of the Tariff and Customs Code in relation to Executive Order No. 142.
5. The CCU shall issue customs receipts for payment of duties and taxes and the corresponding customs clearance and BOC stickers after receipt of the payment or complete settlement of the deficiency in duty and tax.
6. LTO registered motor vehicles covered by spurious Certificate of Registration (CR), Official Receipt (OR) and/or Certificate of Payment (CP) shall be considered as unregistered motor vehicles.

IV. Operational Procedure

1. Unregistered Imported Motor Vehicles.

After receipt of the referral by CCU from LTO the following procedures shall be followed:

1.1 The owner or his duly authorized representative shall file a sworn application offering to pay duties and taxes on his imported motor vehicles together with an accomplished Informal Entry Form. (B.C. No. 177).

1.2. The assigned COO III shall examine the motor vehicle, stencil the chassis and engine numbers and assess duties and taxes based on the following:

1.2.1 Appraisal of the vehicle shall be based on existing valuation system at time of payment.

1.2.2 The straight line method of 10% per year up to 90% depreciation shall be applied.

1.2.3 An allowance not to exceed 20% of the dutiable value shall be allowed for damages other than those resulting from the ordinary wear and tear of the motor vehicle.

1.2.4 Rate of exchange shall be the rate of exchange as of the date of payment.

1.2.5 Rates of duty, ad valorem and VAT shall be the rates existing at the time of payment.

1.3 The Principal Appraiser (COO V) shall review the findings and the computation of the assessed duties and taxes.

1.4 The Head of the CCU shall approve/correct the assessment made based on the guidelines in 1.2 above.

1.5 The owner or his duly authorized representative shall pay in Manager or Cashier's check payable to Land Bank for credit to the Bureau of Customs for the account of the owner/applicant.

1.6 After issuance of the Official Receipt covering the assessed duties and taxes by the CCU Cashier, the CCU Chief shall issue the Certificate of Payment and the Certificate of Clearance. The originals shall be