

**[BOC MEMORANDUM ORDER NO. 39-97,
December 22, 1997]**

**RULES AND REGULATIONS ON THE IPSO FACTO FORFEITURE OF
MISDECLARED/UNDECLARED GOODS IMPLEMENTING SEC. 2503
OF THE TCCP, AS AMENDED**

**1.0
Objectives**

- 1.1 To fully implement the provision of Sec. 2503 of the TCCP as amended by RA 7651 on the IPSO FACTO forfeiture of any misdeclared or undeclared imported item.
- 1.2 To derive optimum revenue for the government from such goods.

**2.0
Scope**

This Order shall apply to the whole or a portion of a shipment found to have been misdeclared or undeclared because of which they have been recommended seized and, by operation of law, IPSO FACTO FORFEITED in favor of government.

Shipment recommended seized for having quantities in excess of the declared quantities shall no be covered by this Order.

**3.0
General Provisions**

3.1 It shall be responsibility of the head of the apprehending unit (ex. Chief, CIID; Director ESS, Deputy Commissioner, Intelligence and Enforcement Group; Chief, Anti-Circumvention Unit, Office of the Commissioner or the District Collector of Customs) to make a determination as to whether or not a shipment or a portion thereof has been misdeclared or undeclared by reason of which the IPSO FACTO provision of Sec. 2503 of the TCCP as amended governs.

3.2 In making such determination, opportunity must be given by the apprehending unit to the consignee to submit written explanation why the goods is not subject to IPSO FACTO FORFEITURE. The following elements must obtain for an article/item to be undeclared/misdeclared and therefore subject to the IPSO FACTO FORFEITURE provision of the TCCP:

3.2.1 The item is not declared/listed in the import entry.

3.2.2 If the non-declaration/misdeclaration or non-listing in the entry