

[BC MEMORANDUM, February 15, 1996]

Further to the memorandum of this Office dated December 5, 1995, copy attached, reiterating the "seating capacity rule" in determining whether or not an imported motor vehicle is subject to Ad Valorem Tax under Section 149, National Internal Revenue Code (NIRC), the following guidelines are hereby prescribed:

1. No motor vehicle with a seating capacity less than ten (10) shall be released without payment of ad valorem tax (AVT) unless the vehicle is covered by an Authority to Release Imported Goods (ATRIG) specifically exempting the same from the payment of AVT.
2. The indorsement for the issuance of ATRIG to the Bureau of Internal Revenue (BIR) containing the initial computation of taxes and duties payable on the motor vehicle shall always be based on the "seating capacity rule" It is up to the BIR to accept or reject the initial computation based on the "seating capacity rule".
3. Except at the Manila international Container Port (MICEP) where there is an assigned BIR official at the One-Stop Processing Center (OSPC), the indorsement for the issuance of ATRIG shall be sent to the BIR only through official channels: at the Port of Manila, by the official messenger of the Formal Entry Division who shall hand-carry the same to the BIR Revenue District Office No. 33, in all other ports, by the official messenger of the port to the respective BIR Revenue District Office (RDO) whose jurisdiction covers such port of entry.
4. Only those ATRIGs issued and officially transmitted by the above BIR offices may be honored and given due course.
5. The receiving Customs office shall ensure the genuineness and due execution of ATRIGs by verifying the same with the issuing BIR office.
6. In case of ATRIGS not subjecting a motor vehicle to ad valorem tax (AVT), a copy of the same and the referral indorsement to BIR shall be furnished to the Commissioner of Customs thru the Customs Internal Audit.

This Order shall take effect immediately.

For compliance.

Adopted: 15 Feb. 1996

(SGD.) GUILLERMO L. PARAYNO, JR.
Commissioner

"Attachment"