

**[ BOC MEMORANDUM ORDER NO. 25-95,  
September 08, 1995 ]**

**IMPLEMENTING RULES AND REGULATIONS TO CAO 2-95**

I  
Objective

To provide clear rules to implement CAO 2-95 requiring the mandatory filing of entries and payment of duties, taxes and charges thru authorized agent banks (AAB).

II  
Operational Provision

2.1 *Distribution of the Import Entry Declaration (IED)* form which comes in five (5) copies per set and required in the opening of Letters of Credit and for the payment of advance customs duty pursuant to PD 1853 shall be distributed by the AABs after processing as follows:

Original	-	Importer
Duplicate	-	Importer
Triplicate	-	Importer
Quadruplicate	-	S G S
Quintuplicate	-	AAB

2.2 *Filing of Import Entry and Internal Revenue Declaration (IEIRD, BOC Form 236)*  
- Subject to paragraph 2.1 of CAO 2-95, the original and duplicate copy of the IED given to the importer by the bank upon opening of the letter of credit and which shows the advance duty paid (if any) shall be attached to the IEIRD which must be presented to the AABs for payment before filing with the Bureau of Customs.

2.3 *Responsibility for determining and declaring amount payable to the AABs* - It shall be the responsibility of the importers to determine the amount payable to the AAB and declare the same, together with the amount of the advance deposit he is deducting from the amount payable. The following declaration shall be made in the "Free Disposal" portion at the back of the working copy (Copy No. 1) of the IEIRD:

"NET AMOUNT PAYABLE ..... x x x x  
ADVANCE DEPOSIT FOR DEDUCTION ... x x x x"

Failure to properly declare the amount payable and advance deposit for deduction shall be penalized pursuant to pertinent provisions of the TCCP.

2.4 *Rules in the determination of the amount payable*

2.4.1 Box 44 shall contain the total duties, taxes and other charges

payable on the shipment. It must be equal to the summation of the amount in Boxes 45, 46, 47 and 48.

2.4.2 Box 48 shall indicate the corresponding amount of duty for the particular shipment declared in the entry.

2.4.3 The amount payable to the bank for final duties, taxes and charges shall be as follows:

*2.4.3.1 Advance Deposit in IED must be Completely Applied ONE TIME.*

Regardless of whether or not the shipment is a ONE-TIME SHIPMENT (as against PARTIAL SHIPMENTS, i.e., shipments against an LC with partial shipments allowed), the entire amount of advance deposit per IED must be applied in FULL one time against the amount payable per Box 44. This departure from the previous practice of utilizing only a portion of the advance deposit equal to the computed Customs duty for a partial shipment is to do away with the complicated accounting process for advance duty utilization.

In the rare occasion that the total amount of the advance deposit is greater than the amount in Box 44 and shipment is a one time shipment, the importer must file for a REFUND of the overpayment following existing procedures with the Chief, Collection Division or related offices.

*2.4.3.2 Partial Shipments*

In the rare occasion when the advance deposit in IED is greater than the amount in Box 44 and there are still partial shipment/s arriving, the entry papers (IEIRD) must be referred to the Chief, Collection Division of the port where the first shipment arrived, who after ascertaining the balance on the advance deposit issue a CERTIFICATE OF BALANCE which may be applied against incoming partial shipments covered by the same LC.

Upon receipt of the entry covering succeeding partial shipments at the Collection Division, the same shall be referred to the Chief for verification of the Certificate of Balance which must have been capitalized at the Entry Receiving Units.

2.5 *Basis of AAB Collection* - The AABs shall collect the amount declared in 2.3 and checkwrite/machine validate the amount collected and other pertinent information on the IEIRD.

In the preparation of the Abstract of Collection, the amount actually collected by the AAB and check written on the IEIRD broken down as to the nature of collection (IPF, Customs duties, Comp. Sales Tax/VAT, Specific Tax and Other charges) and the declared advance deposit for deduction as provided in 2.3 must be encoded.

For shipments applied for RELEASE UNDER TENTATIVE LIQUIDATION under CMO 3-95 as provided in 3.1 of this Order, the amount in Box 44 less the advance duty payment will not be equal to the amount payable as reflected in 2.3. This is because the difference will be covered by a GUARANTEE directly lodged with the Bureau