GUIDELINES ON THE ISSUANCE OF FAVORABLE INDORSEMENT FOR THE TAX AND DUTY FREE IMPORTATION OF MACHINERIES, EQUIPMENT AND SPARE PARTS (BOA RESOLUTION NO. 50, S. 1996 DATED FEBRUAR...

Read online (full-text search, related cases, audio case brief): https://batas.org/library/064830ae7e99/

To facilitate the evaluation of requests of cooperatives for the tax and duty free importation of machineries, equipment and spare parts under Article 62 (1) of R.A. 6938, otherwise known as the Cooperative Code of the Philippines, and in consonance with the procedural guidelines enunciated in DOF-CDA Joint Circular No. 1-90 dated November 7, 1990, the following guidelines are hereby prescribed and promulgated for the compliance and information of all concerned:

SECTION 1. Documentary Requirements — Every applicant-cooperative for tax and duty-free importation shall submit, in five (5) copies, the following documentary requirements to the CDA:

a) Letter of intent to import machineries, equipment or spare parts duly signed by the majority of the members of the Board of Directors of the cooperative.

b) Proforma Invoice/Deed of Donation and Acceptance of Donation.

c) Letter-request for a Certificate of Good Standing (CGS) for the purpose of importation. The letter-request, duly endorsed by the extension office where the cooperative is under operational jurisdiction, shall be addressed to the Central Office through the Legal and Registration Department and shall contain the following items:

> i. Letter-application duly signed by the chairman or authorized officer of the cooperative, stating the reason for the request of the CGS;
>
> ii. Copy of the Annual Report of the preceding year together with the Audited Financial Statements;
>
> iii. Copy of the updated bond of accountable officers/employees of the cooperative;
>
> iv. Minutes of the late General Assembly Meeting and the results of election of directors;
>
> v. Certification that the cooperative has no pending case with the CDA duly certified by the Legal Officer of the extension office and/or Legal Division of the CDA Central Office, as the case may be;
>
> vi. Board Resolution authorizing the representative to follow-up the request for CGS wit the CDA; and

The CGS shall be valid for a period of one (1) year reckoned from the date of issuance thereof.

d) A sworn undertaking that the imported items shall be used exclusively by the cooperative and its members.

SECTION 2. CDA Issuance of a Favorable Indorsement — After the CDA has completed its evaluation of the application and has found the applicant cooperative to be qualified, the Central Office shall immediately issue the favorable indorsement in favor of the requesting cooperative and the same shall be forwarded together with the remaining four (4) copies of the documents cited in Section 2 hereof to the Department of Trade and Industry

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

(DTI) for its issuance of Certificate of Non-Local Availability, meaning the items requested to be imported are not manufactured or immediately available locally.

SECTION 3. Inspection Before Issuance of Indorsement — (a) The CDA, through the Legal Officer of the extension office where the machineries, equipment or spare parts are to be installed or used, shall conduct a pre-inspection of the premises and the pertinent documents of the applicant-cooperative. The Legal Officer shall be accompanied by the CDS II assigned in that particular area where the applicant-cooperative is located.

(b) Authority to Pre-Inspect — Under no circumstance shall any extension office legal officer/CDS II conduct the pre-inspection without the necessary order or authority to do so either from the area director or from the Central Office.

(c) Manner of Pre-Inspection — The inspection shall be conducted in the presence of the general manager or any key officer of the cooperative during office hours.

(d) Submission of Pre-Inspection Report — The Pre-Inspection Report shall be submitted to the Administrator In-Charge of the importation of all cooperatives through the Area Director, the LRD Director and the Executive Director, within twenty-four (24) hours after the conduct of the subject inspection.

SECTION 4. Post Inspection of the Imported Articles — (a) The CDA, through the Legal Officer of the extension office together with the CDS II assigned in the area where the articles are installed or utilized, shall conduct the post-inspection of the items and released tax and duty free pursuant to Article 62 (1) of R.A. 6938.

(b) Submission of Post-Inspection Report — The Legal Officer/CDS II shall submit their findings/report to the Administrator In-Charge of the importation of all cooperatives through their Area Director, copy furnished the Department of Finance (DOF).

(c) Undertakings of the Cooperative that Applied for Tax and Duty-Free Importation of Machineries, Equipment or Spare Parts — The Inspection Team shall see to it that the following undertakings are faithfully complied with by the cooperative that applied for tax and duty-free importation:

> i. That the body of the imported articles bear the printed words “Entered Tax and Duty-Free Under R.A. 6938”;
>
> ii. That these articles are actually possessed and exclusively used by the cooperative as reflected in its books of accounts; and
>
> iii. That they shall not be transferred to any other person or entity for a period of five (5) years from the date of their importation.

(d) Violation of Article 62 (1) and DOF-CDA Joint Circular No. 1-90 — Any violation found in the course of the post inspection, especially of the provision of Article 62 (1) and DOF-CDA Joint Circular 1-90, shall be a ground for the cancellation or suspension of the privileges to import machineries, equipment and spare parts duty and tax-free, without prejudice to whatever administrative, civil or criminal liability that maybe initiated by the CDA or by any other appropriate government agency concerned.

SECTION 5. Non-Waiver by the CDA of the Pre and Post Inspection Requirements — In no case shall the pre- and post-inspection requirements be waived by the Authority in favor of the applicant cooperative.

SECTION 6. Effect on Other Issuances — The provisions of existing rules and administrative issuances not otherwise repealed, modified or inconsistent with this Circular shall continue to have full force and effect.

SECTION 7. Effectivity — These guidelines shall take effect immediately.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Adopted: 12 Feb. 1996

(SGD.) EDNA E. ABERILLA
Chairman

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.