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GUIDELINES FOR THE NO-DOLLAR IMPORTATION (NDI) OF USED MOTOR VEHICLES BY LOCAL GOVERNMENT UNITS (LGUS) THROUGH DONATION, ISSUED BY THE INTER-AGENCY COMMITTEE ON USED TRUCKS AND ...

BIS, January 23, 2006

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Pursuant to Executive Order (EO) 248 (on the Vehicle Development Program) Series of 1987, Monetary Board Resolution No. 258 dated 09 March 1990 (Guidelines for the NDI of Motor Vehicles through Donation), Executive Order 156 Series of 2002 and Executive Order (EO) 443 Series of 2005, the following guidelines are hereby prescribed and promulgated for the compliance of all concerned:

STATEMENT OF POLICY AND OBJECTIVES

The government is cognizant of the need of qualified local government units to avail themselves of the privilege to import motor vehicles through donation to provide efficient services to the people and in support of the improvement of life and welfare of the less privileged segment of our society.

IMPLEMENTING AGENCY

The Department of Trade and Industry through the Bureau of Import Services (BIS) shall implement the Guidelines.

DEFINITION OF TERMS

For purposes of E.O. 443 and these Guidelines, the following definitions shall apply:

LGU - comprises Provinces, Cities, Municipalities and Barangays
DONEE - a local government unit regardless of qualification of donor abroad.
MOTOR VEHICLES - cars, motorcycles, trucks, buses, and special purpose vehicles.

QUALIFICATION OF IMPORTERS

All Local Government Units (LGUs) are qualified to avail of the privilege to import under the No-Dollar Importation of used motor vehicle under the donation scheme.

ALLOWABLE MOTOR VEHICLES

To address the need for fast and efficient delivery of services and taking into consideration their general budgetary constraints, local government units are hereby allowed to import used motor vehicles thru donation, subject to the following conditions:

1. The used motor vehicles shall be certified as roadworthy and emission compliant by the country of origin. The

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Certificate of Roadworthiness and Emission Compliance shall be in English or shall be accompanied by an English translation, if originally issued in a language other than English, and shall be duly authenticated by the Philippine Embassy or Commercial Attache in the country of origin.

2. The used motor vehicle must be left-hand drive at the time of importation, i.e. before loading on board, which shall be indicated in the bill of lading.

3. The vehicle classification shall not include luxury vehicles. For purposes of EO 443, a luxury vehicle is defined as (a) any passenger motor vehicle priced in the local market at Php 1,300,000.00 or more at the time of acquisition; or (b) any passenger motor vehicle with the following engine displacement specifications; (i) Car (sedan or hatchback) with an engine displacement exceeding 2,200 cc. if gasoline-fed or 3,000 cc. if diesel-fed (ii) Passenger van or pick-up with an engine displacement exceeding 2,200 cc. if gasoline-fed or 3,000 cc. if diesel-fed; (iii) Passenger wagon with an engine displacement exceeding 1,800 cc. if gasoline-fed or 2,500 cc. if diesel-fed; and (iv) Sport utility vehicle (SUV) with an engine displacement exceeding 2,700 cc. if gasoline-fed or 3,000 cc if diesel-fed.

4. The donated used motor vehicles must be in reasonable quantity taking into consideration the population, area and the needs of the local government unit concerned. The number of units shall be established by the concerned Local Government Unit.

5. The ownership and registration of the donated used motor vehicles shall not be disposed of, either by public auction or negotiated sale, within five (5) years from the importation thereof. In case the motor vehicle is sold within the five (5)-year period, the purchasers or recipients shall be considered the importers thereof, and shall be liable for duties and taxes due thereon, as well as the additional specific duty of Php500,000.00 as prescribed under Section 1 of Executive Order No. 418, s. 2005.

6. The donation shall be accompanied by a Deed of Donation specifically naming the local government unit donee.

7. The Sangguniang Panlalawigan, Sangguniang Panglungsod or Sangguniang Bayan concerned shall pass a resolution accepting the donation indicating the number of units to be donated.

IMPORTATION PROCEDURES

Foreign exchange from the foreign exchange reserves of the country shall not be utilized in the importation of motor vehicles under this scheme.

Prior authority to import from the DTI-BIS is required before effecting shipment of the motor vehicle. Application to import should be submitted or mailed to the DTI-BIS with the following documents:

1. Completely filled-out application form

2. Notarized Affidavit of Undertaking

3. Deed of Donation duly authenticated by the nearest Philippine Consulate abroad naming the specific local government unit as donee;

4. Notarized Deed of Acceptance;

5. Letter request for importation of recipient donee;

6. Certificate of Roadworthiness and Emission Compliance duly authenticated by the Philippine Embassy or Commercial Attache in the country of origin;

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7. Sangguniang Panlalawigan, Sangguniang Panglungsod or Sangguniang Bayan Resolution, specifically stating the number of units to be donated.

The authority to import issued for this purpose shall be valid for a period of one hundred twenty (120) days from date of issue.

Upon arrival of the motor vehicle, clearance for the release thereof shall be issued by the DTI-BIS upon submission of the following documents: (inspection, prior to re- lease, applicable only to passenger motor vehicles)

1. Bill of Lading

2. Import Entry and Internal Revenue Declaration (IEIRD) with findings duly signed by the Examiner/Appraiser.

3. Original copy of motor vehicle registration from the country of origin, when applicable.

Pre-requisites of the Land Transportation Office (LTO) prior to registration of motor vehicle:

1. Shall be subject to actual inspection

2. Should conform to left-hand drive safety standards and;
to submit

- Deed of donation
- Original copy of the motor vehicle registration from the country of origin
- PNP-TMG Motor Vehicle Clearance
- Appropriate Certificate of Cover (Insurance)

TAXES AND REGISTRATION

Qualified importations by local government units under this scheme shall not be covered by the imposition of additional specific duty under Section 1 of Executive Order No. 418, s. 2005.

The motor vehicles shall be registered at the Land Transportation Office (LTO). No right hand drive motor vehicles imported under these guidelines shall be registered by the LTO. The motor vehicle registration shall be in the name of the qualified donee.

The “NO-RESALE FOR FIVE (5) YEARS” condition shall be properly annotated and authenticated by the LTO in the original car registration certificate.

GENERAL PROVISIONS

Amendments

The DTI, may consult concerned Local Government Units in recommending amendments, to the Inter-Agency Committee on Used Trucks and Engines (IAC-UTE) pertaining to these guidelines, as deemed necessary.

Penalty

Used motor vehicles imported in violation of the provisions of Executive Order 443, (s. 2005) shall be subject to the penalties provided for in Section 5 of E.O. 156 (s. 2002).

Repealing Clause

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All guidelines that are not consistent with the provision of these guidelines are hereby repealed, amended or modified accordingly.

Separability Clause

Each provision in these guidelines is hereby declared separable and in the event any such provision is declared unconstitutional, the other provisions, which are not affected thereby shall remain in force and in effect.

EFFECTIVITY

These Guidelines shall take effect fifteen (15) days after publication in at least two (2) newspapers of general circulation in the Philippines.

Adopted: 23 January 2006

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Chairperson, IAC-UTE

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