

REVISED RULES AND REGULATIONS ON THE ACCREDITATION AND STOCK REPORTING OF MANUFACTURERS, ASSEMBLERS, IMPORTERS, REBUILDERS, DEALERS AND OTHER ENTITIES AUTHORIZED TO IMPORT MOTOR...

LTO ADMINISTRATIVE ORDER NO. AVT-2014-023, January 23, 2014

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Adopted: 23 January 2014

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In accordance with Republic Act No. 4136, otherwise known as “The Land Transportation and Traffic Code,” as amended, and Republic Act No. 6539, otherwise known as the “Anti-Carnapping Act of 1972,” the rules and regulations on accreditation and stock reporting of Manufacturers, Assemblers, Importers, Rebuilders, Dealers and Other Entities Authorized To Import Motor Vehicles and/or its Components (MAIRDOEs) are hereby promulgated for the compliance, information and guidance of all concerned.

1. SCOPE

1.1

This Order revises all rules and regulations governing the accreditation and stock reporting of MAIRDOEs.

1.2

This Order defines the objectives, structure, guidelines and procedure in order to ensure the efficient implementation of accreditation and stock reporting of MAIRDOEs.

1.3

The following shall also be included in the coverage of other individuals/entities that may be accredited:

1.3.1

A returning resident or immigrant who owns a motor vehicle for personal use and who is covered by an authority to import under the No-Dollar Importation Program.

1.3.2

Officials and members of the Administrative and Technical Staff of the different embassies, consulates, legation and different international organizations in the Philippines.

1.3.3

Tax-exempt imported motor vehicles or motor vehicles under Written Commitment indorsed by the Department of Finance for use in various projects in the Philippines.

1.3.4 Government agencies authorized to import motor vehicles.

1.3.5 Individual persons authorized to import motor vehicles for the purpose of personal use, provided that the same shall be covered by a written undertaking not to sell the vehicle for a period of three (3) years from the time of importation.

2. DEFINITION OF TERMS

The following definitions shall apply to acronyms, phrases and words that are used in this Order:

2.1

Applicant - a natural or juridical person seeking accreditation to engage in manufacturing, assembling, importing, rebuilding, and dealership of motor vehicles and/or components.

2.2

Application Fee - shall mean the amount to be collected upon filing of an application for accreditation.

2.3

Accreditation Fee - shall mean the amount to be collected upon approval of the application for accreditation.

2.4

Authorized Representative - the person/s duly authorized by the applicant/grantee to represent the MAIRDOEs in all of its transactions with the Land Transportation Office (LTO). He is the official contact person of the MAIRDOEs.

2.5

Certificate of Accreditation - is an authority granted by LTO for MAIRDOEs to transact with the former relative to stock reporting, sales reporting and registration of motor vehicles and/or its components.

2.6

Validity of Accreditation - shall mean the period of effectivity of the accreditation from approval until expiration.

2.7

Operations Division (Central Office) - refers to the division of the LTO Central Office responsible for the receipt, evaluation and recommendation of applications for accreditation, including its suspension or revocation of accreditation after due notice and hearing.

2.8

Operations Division (Regional Office) - refers to the division of the LTO Regional Office responsible for the initial receipt, inspection, evaluation and recommendation of all new applications of MAIRDOEs within their territorial jurisdiction, including monitoring its continuing compliance with all relevant laws, rules and regulations.

2.9

Component - refers to the engine/motor, chassis and/or body of a motor vehicle.

2.10

Manufacturer - refers to an LTO accredited natural or juridical person engaged in the local manufacture of chassis and/or body of a motor vehicle.

2.11

Assembler - refers to an LTO accredited natural or juridical person engaged in the local assembly of a brand new motor vehicle engine/motor, chassis and/or body to make brand new motor vehicles, and is a member of the Motor Vehicle Development Program (MVDP) of the Department of Trade and Industry (DTI).

2.12

Importer - refers to an LTO accredited natural or juridical person engaged in the importation of motor vehicles and/or its components.

2.13

Rebuilder - refers to an LTO accredited natural or juridical person engaged in the business of assembly of motor vehicles with one or more used major components, duly accredited by the DTI.

2.14

Dealer - refers to an LTO accredited natural or juridical person engaged in selling of motor vehicles and/or its components.

2.15

Other Entities - refers to an LTO accredited person authorized to import motor vehicles for purposes of personal use, and not intended for sale.

2.16

e-CP - refers to the electronic transmission of Certificate of Payment by the Bureau of Custom (BOC).

2.17

Manufacturers, Assemblers, Importers, Rebuilders, Dealers and Other Entities Reporting System - refers to the system that processes stock reports of LTO accredited MAIRDOEs.

2.18

Certificate of Stock Reported - refers to the certificate issued for each unit of motor vehicle and/or its components reported to the LTO.

3. ACCREDITATION

3.1

Applicants shall comply with all the requirements provided in this Order.

3.2

All applications for accreditation, together with the complete documentary requirements, shall be submitted to the LTO. The Checklist of Requirements (MAIRDOEs- Form No. 1, Form No. 2, and Form No. 3) are attached herewith and made an integral part hereof as Annexes "A," "B" and "C".

3.3

A Certificate of Accreditation shall be issued to a MAIRDOE that meets all the requirements for accreditation.

3.4

The Operations Division-Regional Office is responsible for the initial review and evaluation of all applications within their respective areas of jurisdiction and the renewal thereof as well as the inspection of all new applications within their area of jurisdiction.

3.5

The Operations Division-Central Office is responsible for the final review and evaluation of all applications for accreditation and renewal thereof.

4. DUTIES AND RESPONSIBILITIES

4.1

LTO OPERATIONS DIVISION - CENTRAL OFFICE

The LTO Operations Division CO shall have the following functions:

4.1.1

Formulates and prescribe policy guidelines for the transparent, efficient and effective implementation of the MAIRDOEs Accreditation Program.

4.1.2

Evaluates, reviews and validates all applications for accreditation of MAIRDOEs.

4.1.3

Issues Certificates of Accreditation to applicants who comply with all the requirements for accreditation.

4.1.4

Monitors the performance of all accredited MAIRDOEs.

4.1.5

Maintains a Registry of all accredited MAIRDOEs.

4.1.6

Performs other duties and functions relevant to MAIRDOEs accreditation.

4.2

LTO OPERATIONS DIVISION - REGIONAL OFFICE

4.2.1

Evaluates applications for accreditation of MAIRDOEs within their respective regions.

4.2.2

Inspects new applications for accreditation of MAIRDOEs and/or its branches within their respective regions.

4.2.3

Recommend MAIRDOEs applications for approval/disapproval.

4.2.4

Monitors the performance of all accredited MAIRDOEs within their respective regions.

4.2.5

Performs other duties and functions relevant to MAIRDOEs accreditation.

5. REQUIREMENTS FOR MAIRDOEs ACCREDITATION

Application requirements shall be as follows:

5.1

QUALIFICATIONS OF AN APPLICANT

5.1.1

Any natural person who is at least 18 years old of age or any juridical person who is not disqualified by any existing law or regulation to engage in the manufacturing, assembly, importation, sale and rebuilding of motor vehicle shall be qualified to apply for accreditation.

5.2

DOCUMENTARY REQUIREMENTS

5.2.1

New Applications

5.2.1.1

Duly accomplished application form, under oath. Only one (1) application shall be filed for each natural or juridical person, indicating the branch/es applied for.

5.2.1.2

Certified true copy/ies of the following for each natural or juridical person:

- For sole proprietorships, Certificate of Business Name Registration (DTI);
- For corporations/partnerships, Securities and Exchange Commission Certificate of Registration, , Articles of Incorporation/Partnership and By-Laws, and Board Resolution issued by the Corporate Secretary, specifying the name of, authorized representative who must be an officer of the corporation/ partnership;
- For cooperatives, Cooperative Development Authority Certificate of Registration, Articles of Cooperation and By-Laws, and Board Resolution, issued by the Corporate Secretary, specifying the name of authorized representative who must be an officer of the cooperative.

5.2.1.3

Certified true copy/ies of Mayor's Permit/s in all the places applied for by the person, firm, partnership, corporation or cooperative, specifying the classification of business or Business Permit for:

5.2.1.3.1

Plant, if applying for manufacturer, assembler and rebuilder

5.2.1.3.2

Warehouse, if applying for importer

5.2.1.3.3

Display Center, if applying for dealer

5.2.1.4

BIR Certificate of Registration

5.2.1.5

SSS Certificate of Membership of Corporation/ Partnership/ Single Proprietorship in the name of company.

5.2.1.6

Statement of Assets and Liabilities or Financial Statement duly certified by a Certified Public Accountant (If corporation, consolidated FS is applicable to all branches)

5.2.1.7

Location Map/s of establishment/s.

5.2.1.8

Picture/s of establishment/s

5.2.1.9

Contract/s of Lease, if the establishment/s is not owned by the applicant.

5.2.1.10

Undertaking under oath by sole proprietor or highest ranking company official in the Philippines that all stocks to be reported and sold are compliant with all Philippine laws, rules and regulations relating to manufacture, assembly, importation, sale, registration and/or use in the Philippines.

Additional requirement/s if applying for:

5.2.1.11

Assemblers - Certified true copy/ies of DTI Board of Investment (BOI) Certificate of Membership.

5.2.1.12

Rebuilders - Certified true copy/ies of DTI Certificate of Accreditation of Rebuilding Center.

5.2.2

Renewal

5.2.2.1

Duly accomplished application form, under oath.

5.2.2.2

Original LTO Certificate of Accreditation

5.2.2.3

Latest certified true copy/ies of Mayor's Permit/s of the establishment/s in the place/s where it is doing business.

5.2.2.4

Duly notarized Affidavit attesting to its continuing compliance with all the requirements for accreditation, stock and sales reporting and registration, unless there are changes thereto in which case the applicant shall submit the applicable documents.

5.3

DOCUMENTARY REQUIREMENTS FOR OTHER ENTITIES AUTHORIZED TO IMPORT MOTOR VEHICLES AND OR ITS COMPONENTS

5.3.1

Duly accomplished application form, under oath

5.3.2

Commercial Invoice of the vehicle from the country of origin/ Certificate of Title

5.3.3

Certificate of Payment (BOC)

5.3.4

Packing List

5.3.5

Import Entry Declaration

5.3.6

Bill of Lading

5.3.7

Tax Exemption Certificate for tax-exempt vehicles

5.3.8

Undertaking under oath by sole proprietor or highest ranking company official in the Philippines that all stocks to be reported and sold are compliant with all Philippine laws, rules and regulations relating to manufacture, assembly, importation, sale, registration and/or use in the Philippines.

6. FEES AND CHARGES

6.1 The following fees and charges shall be collected per branch:

Application Fee (non-transferable and non-refundable, payable upon filing of application)

Php500.00

Legal Research Fund (LRF)

10.00

Accreditation Fee (New) per classification

Plus LRF

3,000.00

10.00

Accreditation Fee (Renewal) per classification

Plus LRF

1,000.00

10.00

Other Fees

Expired accreditation per classification, per year

Plus LRF

1,000.00

10.00

Change of Address

Plus LRF

500.00

10.00

Certified copy of Certificate of Accreditation in case of lost
Plus LRF

500.00

10.00

Any other certification

100.00

Accreditation/Certification Fee for Other Entities

Plus LRF

1,000.00

10.00

6.2 Collection of all fees and charges shall be paid at the Collection Unit, LTO Central Office/Regional Office.

7. ACCREDITATION PROCESS

7.1

FILING OF APPLICATION

7.1.1

All new applications shall be filed with the Operations Division- Central Office while applications for renewal shall be filed with the Operations Division-Regional Office. In the case of new applications, the Operations Division-Central Office shall endorse the same to the appropriate Regional Office for inspection.

7.1.2

Upon receipt of the application, the appropriate LTO Operations Division shall check the documents submitted based on the Checklist of Requirements.

7.1.3

After all the required documents are submitted, the Secretariat shall indicate receipt thereof in space provided in the application form. Only those applications with complete documents shall be accepted/processed.

7.1.3.1

The Secretariat shall record in the logbook the following:

7.1.3.1.1

Name and address of applicant

7.1.3.1.2

Classification applied for

7.1.3.1.3

Date of filing

7.1.3.1.4

Name and signature of the person who submitted the application

7.1.3.1.5

O.R. No. showing payment of application fee

7.2

PERIOD FOR PROCESSING COMPLIANT APPLICATIONS

Receipt, initial evaluation and ocular inspection for new applications

- 10 days

Receipt, initial evaluation for renewal applications

- 5 days

Final evaluation and validation in the Central Office

-Operations Division

- 5 days

Recommendation by the Executive Director

- 2 days

Approval/Disapproval of Accreditation by the Assistant Secretary

- 2 days

Release of signed Certificate of Accreditation

- 1 day

7.3

INSPECTION PROCESS

7.3.1

Only new applications with complete documents shall be scheduled for inspection.

7.3.2

The basic objective of the ocular inspection is to confirm that the requirements of the accreditation guidelines are

followed to ensure that the applicant can competently perform the accreditation applied for.

7.4

REVIEW AND EVALUATION PROCESS

7.4.1

All applications shall be evaluated to ensure the completeness of application based on the checklist of accreditation requirements.

7.4.2

Applicants that are ready for an on-site inspection shall be informed of the schedule of the on-site inspection. Those not considered shall be notified accordingly.

7.5

APPROVAL/DISAPPROVAL OF APPLICATION

7.5.1

Upon evaluation of the application, the Operations Division-Regional Office through the Regional Director shall recommend the approval/disapproval of the authorization to the Assistant Secretary through Operations Division-Central Office. Thereafter, the Operations Division-Central Office shall recommend the approval/disapproval of the accreditation to the Assistant Secretary, through the Office of the Executive Director.

7.5.2

In case of disapproval of accreditation, the Assistant Secretary shall notify the applicant in writing stating the grounds for the disapproval.

7.5.3

The decision of the Assistant Secretary approving or disapproving the application shall be final.

7.6

CERTIFICATE OF ACCREDITATION

7.6.1

LTO Assistant Secretary shall approve the Certificate of Accreditation for MAIRDOEs.

7.6.2

The Certificate of Accreditation shall include the following information:

MAIRDOE

- a. The name and address/es of the establishment
- b. The classification of accreditation

- c. The accreditation number
- d. The effectivity of accreditation

7.6.3

Any accredited MAIRDOE that intends to renew its accreditation shall file an application for renewal at least one (1) month before the expiration of the accreditation.

7.6.4

In case the Certificate of Accreditation is lost or destroyed, the applicant may request for a certified true copy based on the records and upon payment of the prescribe fee.

7.6.5

An accredited MAIRDOEs shall continuously comply with all the requirements for accreditation and shall notify the LTO, through its Operations Division at least five (5) days before effecting change of:

7.6.5.1

Location

7.6.5.2

Classification

7.6.6

Transfer of location shall be allowed regardless of the area applied for.

7.7

VALIDITY OF ACCREDITATION

The accreditation shall be valid for one year effective on the date of approval unless sooner suspended or revoked.

8. MONITORING

The LTO shall have visitorial powers over MAIRDOEs anytime during office hours to ensure compliance with this Order and other related laws, rules and requirements pertinent to accreditation upon written instructions of the Regional Directors in their respective territorial jurisdictions or the Assistant Secretary.

9. PENALTIES

9.1

After due notice and hearing, LTO shall impose, when warranted, any of the following applicable administrative penalties:

First Offense

- Php 100,000.00

Second Offense

- Php 500,000.00 and a suspension of not more than six (6) months

Third Offense

- Cancellation of Certificate of Accreditation and blacklisting and cancellation of the Certificate of Stocks Reported (CSR), sales report and registration, if warranted.

9.2

Whenever the Assistant Secretary finds a justifiable ground, that

9.2.1

Commission of fraud and misrepresentation in the filing of the application and its operations, including stock and sales reporting.

9.2.2

Failure to comply with the standard requirements herein provided in this Order and other laws and their implementing rules and regulations.

9.2.3

Submission of fraudulent, fake or falsified stock/sales periodic reports as required by law, rules and regulations.

9.2.4

The accredited MAIRDOE allowed the use of its accreditation by non-accredited persons or entities.

In items 9.2.1 and 9.2.3 hereof, the LTO reserves the right to institute criminal actions against the concerned persons or entities.

10. CLOSURE

Accredited MAIRDOEs are required to inform LTO in writing, under oath, of its closure stating the reason/s therein. A notice of cease of operations will be sent to a person or entity in case of closure. Should the MAIRDOE desire to resume operations, it shall comply with the requirements for new applications.

11. STOCK REPORTING

11.1

Manufacturer/Assembler/Importer of Brand New Motor Vehicles

11.1.1

Authorized representatives of accredited Manufacturers/ Assemblers/ Importers (MAIs) shall submit the documentary requirements for stock reporting to LTO Central Office-Operations Division.

11.1.2

After submission of the requirements, accredited MAI shall proceed to the LTO-CSR Processing Room to directly report their motor vehicle stocks to the LTO using their electronic storage devices/USB. No stocks shall be uploaded in the LTO system unless the same has been validated in the system.

11.1.3

The accredited MAI shall personally evaluate and upload their stock reports in the LTO system. Thereafter, the MAI shall scan stencil images and the same shall be validated against the uploaded stocks.

11.1.4

If the stocks validation is correct, a transaction summary will be generated together with the transaction ID and Payment Order Slip (POS) per transaction. The MAI authorized representative shall print the said transaction and proceed to the LTO Collection Unit for payment of Certificate of Stock Reported (CSR).

11.1.5

If the validation of data is incorrect or has a discrepancy, the transaction is terminated and will be voided. The MAI authorized representative will be advised to conduct further validation with the BOC to rectify the discrepancy.

11.1.6

After payment, the MAI authorized representative shall print the Certificate of Stock Reported at the MAI/CSR Processing Room.

11.1.7

MAIs shall be solely responsible/liable for any and all stocks reported in the system.

11.1.8

All MAIs should generate a monthly inventory report of their respective CSRs using the LTO prescribed template to be submitted to the Office of the Assistant Secretary through the Operations Division Central Office. Likewise, a monthly inventory report should be generated by the Registration Section of the Operations Division Central Office at the MAIRDOEs Core Application to monitor and ensure the efficiency of the facility.

11.1.9

Documentary Requirements

11.1.9.1 Stock Report in soft and hard copies

11.1.9.2 Stencils of engine and chassis

11.1.9.3 Certificate of Payment from BOC

11.1.9.4 Certificate of Conformity (DENR)

11.2

Rebuilder of Motor Vehicles, Importer of Second Hand Motor Vehicles and Used Components

11.2.1

All accredited rebuilders of motor vehicles, importers of second hand motor vehicles and used components shall proceed to the Registration Section/Operations Division of LTO Central Office for stock reporting.

11.2.2

Documentary Requirements

11.2.2.1 Stock Report (in hard and soft copies)

11.2.2.2 Stencils for Engine and or Chassis

11.2.2.3 BOC Certificate of Payment (CP)/Certification

11.3

Registration Section, Operations Division Central Office shall be responsible for the following:

11.3.1

Evaluates/validates the encoded data of motor vehicle applied for stock report using the electronic storage device/USB flash drive of the accredited rebuilder of motor vehicles and importer of used motor vehicles and components against the retrieved/uploaded electronically transmitted details of Certificate of Payment (e-CP).

11.3.2

If the validation of data is correct, Registration Section shall scan the stencils images, checks and validates the scanned images against the uploaded, and approved/fails the report of transaction.

11.3.3

Registration Section shall print and release Payment Order Slip if approved or issue rejection letter if disapproved. If disapproved the accredited rebuilder of motor vehicles, importer of used motor vehicles and used components authorized representative will be advised to conduct further validation at BOC to rectify the discrepancy.

11.3.4

After payment at the LTO Collection Unit, Certificate of Stock Reported will be printed and release to the authorized representative of the accredited rebuilder of motor vehicles, and importer of motor vehicles and use components.

11.3.5

The Registration Section should generate a monthly inventory report of the CSR using LTO prescribe template to be submitted to the Office of the Assistant Secretary, through the Operations Division Central Office.

11.4

The Registration Section, Operations Division Central Office shall conduct post audit of all stocks reported and shall submit the same to the Internal Audit Division (IAD).

12. SANCTION

Any official and/or employee violating this Order shall be subject to appropriate administrative action in accordance with the existing Civil Service Rules and Regulations.

13. REPEALING CLAUSE

All prior orders, circulars and memoranda as well as any related issuances or part thereof inconsistent with these provisions are hereby repealed or amended accordingly.

14. EFFECTIVITY

This Order shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

Recommending Approval:

(SGD) ATTY. ALFONSO V. TAN, JR.
Assistant Secretary

Approved:

(SGD) HON. JOSEPH EMILIO A. ABAYA
Secretary, Department of Transportation and Communications

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