

FURTHER AMENDING SECTION OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED, CHANGING THE BASE FOR CUSTOMS VALUATION FROM HOME CONSUMPTION VALUE TO COST, PLUS INSURAN...

EXECUTIVE ORDER NO. 156, March 30, 1987

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WHEREAS, the predominant international customs valuation system is the Cost, Insurance and Freight;

WHEREAS, the Philippines has previously adopted the Home Consumption Value System of Valuation;

WHEREAS, the Cost, Insurance and Freight (C.I.F.) valuation system conforms more to existing customs administrative procedures and practices formulated to facilitate the flow of international trade;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 201 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:

“SEC. 201. Basis of Dutiable Value. – The dutiable value of an imported article subject to an ad valorem rate of duty shall be based on the cost (fair market value) of same, like or similar articles, as bought and sold or offered for sale freely in the usual wholesale quantities in the ordinary course of trade in the principal markets of the exporting country on the date of exportation to the Philippines (excluding internal excise taxes to be remitted or rebated) or where there is none on such date, then on the cost, (fair market value) nearest to the date of exportation, including the value of all containers, coverings and/or packings of any kind and all other expenses, costs and charges incident to placing the article in a condition ready for shipment to the Philippines, and freight as well as insurance premium covering the transportation of such articles to the port of entry in the Philippines.

where the fair market value or price of the article cannot be ascertained thereat or where there exists a reasonable doubt as to the fairness of such value or price, then the fair market value or price in the principal market in the country of manufacture or origin, if it is not the country of exportation, or in a third country with the same stage of economic development as the country of exportation shall be used.

When the dutiable value of the article cannot be ascertained in accordance with the preceding paragraphs or where there exists a reasonable doubt as to the cost (fair market value) of the imported article declared in the entry, the correct dutiable value of the article shall be ascertained by the Commissioner of Customs from the reports of the Revenue or Commercial Attache (Foreign Trade Promotion Attache), pursuant to Republic Act Numbered Fifty-four Hundred and Sixty-Six or other Philippine diplomatic officers or Customs Attaches and from such other information that may be available to the Bureau of Customs. Such values shall be published by the Commissioner of Customs from time to time.

When the dutiable value cannot be ascertained as provided in the preceding paragraphs, or where there exists a reasonable doubt as to the dutiable value of the imported article declared in the entry, it shall be the domestic wholesale selling price of such or similar article in Manila or other principal markets in the Philippines on the date the duty become payable on the article under appraisement, on the usual wholesale quantities and in the

ordinary course of trade, minus

(a)

not more than twenty-five (25) per cent thereof for expenses and profits; and

(b)

duties and taxes paid thereon.”

SEC. 2. The Commissioner of Customs shall, subject to the approval of the Minister of Finance, promulgate the rules and regulations necessary to implement the provisions of this Executive Order.

SEC. 3. This Executive Order supersedes Executive Order No. 71 and all laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SEC. 4. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 30th day of March, in the year of Our Lord, nineteen hundred and eighty-seven.

(Sgd.) CORAZON C. AQUINO

President of the Philippines

By the President:

(Sgd.) JOKER P. ARROYO

Executive Secretary

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