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MEMORANDUM OF AGREEMENT REGARDING RELEASE OF DONATED USED CLOTHINGS

BC CUSTOMS MEMORANDUM CIRCULAR NO. 358-96, July 10, 1996

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Attached herewith, for your information and guidance, are excerpts of the Memorandum of Agreement entered into by and between the Economic Intelligence and Investigation Bureau and the Department of Social Welfare and Development dated December 28, 1995 referring to release and delivery of used clothings from customs custody.

Customs Memorandum Order No. 25-92 and BOC — DSWD Joint Memorandum Order No. 1-92, more particularly Item Nos. 5 and 6, respectively, on transfer/movement of forfeited/abandoned used clothings, etc. shall remain in force and effect.

All concerned shall be guided accordingly.

Adopted: 10 July 1996

(SGD.) RAY M. ALLAS
Deputy Commissioner
For Internal Administration Group

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement entered into this 28th day of December 1995 at Manila, Philippines by and between:

The ECONOMIC INTELLIGENCE & INVESTIGATION BUREAU, organized and created under Executive Order No. 127 as amended by Executive Order No. 292, otherwise known as the Administrative Code of 1987, with office address at Camp Aguinaldo, Quezon City, represented herein by Hon. SERVANDO V. LARA, Commissioner, EIIB, and hereinafter referred to as EIIB;

and

The DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT, a government agency with office address at Batasan Hills, Quezon City, represented herein by Hon. LINA B. LAIGO, Secretary, DSWD, and herein referred to as DSWD.

WITNESSETH

WHEREAS, under Republic Act 4653, an act to safeguard the health of the people and maintain the dignity of the nation by declaring it a national policy to prohibit the commercial importation of textile articles commonly known as used clothings and rags, except importations pursuant to Section 105 sub-section "I" of the TCCP.

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WHEREAS, under Section 23 of Republic Act 4373, the Social Welfare Administration now known as Department of Social Welfare and Development shall issue the registration and accreditation certificate of social work agency;

WHEREAS, sub-section (l) of Section 105 of the TCCP provides that imported articles donated to any duly registered relief organization upon certification of MSSD or MEC may be admitted entry free of duty;

WHEREAS, under Section 1 & 2 of PMO No. 36 dated 09 September 1992, provided for the importations and donations of clothings and other items for the relief and rehabilitation efforts of national and local government.

WHEREAS, it has been observed that commercial volume of used clothings proliferate in the local market nationwide and are actually being sold instead of the original intention of having these used by the intended beneficiaries.

WHEREAS, under Section 17, Title II of Administration Code of 1987 (E.O. No. 292), the EIIB is mandated to receive, gather and evaluate intelligence reports information and evidence on the nature, modes and extent of illegal activities affecting the national economy, such as, but not limited to, economic sabotage, smuggling, tax evasion and dollar salting, investigate the same and aid in the prosecution of cases.

WHEREAS, under aforementioned Order, EIIB is likewise mandated to coordinate with external agencies in monitoring the financial and economic activities of persons and entities, whether domestic or foreign, which may adversely affect national financial interests with the goal of regulating, controlling or preventing said activities.

NOW, THEREFORE, for and in consideration of the aforementioned premises, the undersigned have entered into an agreement as herein defined:

GENERAL PROVISIONS:

1. That the DSWD and EIIB have agreed to render mutual assistance to curb smuggling and illegal activities of unscrupulous entities utilizing tax-free importation of used clothings granted to licensed social work agencies under existing laws.

2. That the EIIB and DSWD have agreed to form a Task Force named "Balikatan", with the aim of monitoring the movement of donated commodities from the port/outside the BOC zone down to the designated warehouses of consignees' licensed social work agency or to designated transshipment point.

3. That the said Task Force shall provide underguarding/escorting of the donated commodities from outside Customs zone to the consignees' warehouse or DSWD's warehouse or in a place designated as transshipment point as the case maybe, to salvage the goods from possible hi-jackers and to prevent illegal diversion of duty-free donations/importations under Section 105 par. 1, TCCP and PMO 36.

4. That the EIIB and DSWD unanimously adopt the coordination process flow chart on foreign donations, copy of which is attached as annex to this agreement.

5. That the EIIB and DSWD shall observe proper coordination and discipline in the implementation of this Agreement in order to attain the optimum efficiency of the operation and effectively achieve the goals and aspiration embodied herein.

6. That the EIIB and DSWD Task Force shall jointly undertake random monitoring/witnessing of actual distribution of imported duty-free used clothing and other relief items processed under this agreement.

7. That supplementary and amplifying notes shall from time to time be jointly issued as will ensure the smooth

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implementation of this Joint Undertaking and be considered as integral parts hereof.

8. That EIIB and DSWD shall strictly observe and implement the following specific duties and functions, to wit:

EIIB (Outside BOC Zone)

1. Upon receipt of official notification from DSWD of duty free importation of licensed social welfare agency under Section 105 (L) of the TCCP and national and local government units under PMO 36 of used clothings and other relief goods, will coordinate with BEA Director and/or her duly designated personnel.

2. Verify with the BOC and the consignee the records of their intended importation, regarding its status and date of arrival, withdrawal and release from the Customs zone.

3. Coordinate with BEA Director the status and date of withdrawals and releases from the BOC.

4. Provide personnel to underguard the importations/donations from BOC gate down to consignee's/social work agency's designated warehouse or the transshipment point.

5. Witness the unloading of goods upon arrival at designated warehouse, or in case of containerized shipment, until 50% of container stripping is done, and 100% unloading inside the warehouse or designated place of delivery in case of breakbulk shipment.

6. In case of donations for LGU's endorsed under PMO 36 and DSWD shipment, underguard/escort to DSWD-VABROC (DSWD official warehouse) located at Pasay City, and turn-over the commodities to VABROC Officer-in-Charge.

7. EIIB will inform their regional office to underguard the shipment upon arrival and unloading of the cargo up to the place of destination.

8. To render accomplishment report to Director of Task Force within 30 days period upon termination of the underguarding, copy furnish the EIIB Commissioner.

DSWD

1. Notify EIIB on the release of imported donations by licensed social work agency endorsed by the Department for tax exemption to the Department of Finance or Presidential Action Center, as the case may be.

2. Provide EIIB with duly certified documents on importation duly endorsed by the Department, such as.

    1. DSWD endorsement to DOF/PACE
    2. Bill of Lading/Air Waybill/Registry Notice
    3. Deed of Donation
    4. Deed of Acceptance
    5. Packing List
    6. License Certificate

3. Witness release from BOC and underguard the imported donations from the BOC gate down to the consignee's/licensed agency's designated warehouse.

4. Provide personnel to underguard the imported donations from BOC gate down to consignee's/social work agency's designated warehouse or the transshipment point as case maybe.

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5. Witness the unloading of goods upon arrival at designated warehouse, or in case of containerized shipment, until 50% of container striping is done, and 100% unloading inside the warehouse or designated place of delivery in case of breakbulk shipment.

6. In case of donations for LGU's endorsed under PMO 36 and DSWD shipment, underguard to DSWD-VABROC (DSWD official warehouse) located at Pasay City, and turn-over the commodities to VABROC Officer-In-Charge.

7. DSWD will inform their regional office to escort the shipment upon arrival and unloading of the cargo up to the place of destination.

This MOA shall take effect immediately upon the execution hereof by the parties.

IN WITNESS WHEREOF, we have hereunto set our signatures this 28th day of December 1995 at Manila, Philippines.

Adopted: 10 July 1996

ECONOMIC INTELLIGENCE & INVESTIGATION BUREAU

BY:

(SGD.) HON. SERVANDO V. LARA

DEPARTMENT OF SOCIAL WELFARE & DEVELOPMENT

BY:

(SGD.) HON. LINA B. LAIGO

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