NATIONAL ADMINISTRATIVE REGISTER · OCTOBER 10, 1997

SUPPLEMENTARY PROCEDURES FOR MOTOR VEHICLES UNDER HS 87.03 AND HS 8702.10 90 AND HS 8702.90 90 BUT NOT SUBJECTED TO AD VALOREM TAX

BOC CUSTOMS MEMORANDUM ORDER NO. 31-97, October 10, 1997

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In view of the confirmation made by Commissioner Liwayway Vinzons-Chato, Bureau of Internal Revenue (BIR), in her reply of August 29, 1997, copy attached, that pending issuance of new guidelines or revenue regulations implementing Section 149, National Internal Revenue Code (NIRC), its concerned offices shall continue to issue ATRIGs not subjecting to Ad Valorem Tax (AVT) motor vehicles whose seating capacity exceeds nine (9) passengers as determined in accordance with the area specifications prescribed in RA 4136 as per its current guidelines.

To effectively monitor the motor vehicles covered by such ATRIGS for which no ad valorem tax is imposed, the following supplementary procedures are hereby prescribed to govern the processing of subject motor vehicles pending issuance of the new guidelines/revenue regulations on the matter:

1.0 Motor Vehicles declared under HS 87.03:

1.1 Under Green Lane. — All importations of motor vehicles declared in the import entry under HS 87.03 with the ad valorem tax (AVT) being paid shall be qualified for Green Lane processing subject to the Selectivity System.

1.2 However, motor vehicles declared under HS 87.03 but for which the non-imposition of ad valorem tax (AVT) is being claimed shall require the presentation of the covering Authority to Release Imported Goods (ATRIG) and shall be coursed through, at least, under the Yellow Lane or even the Red Lane.

1.3 Under Yellow Lane — In addition to the usual activities, the COO 3/5 shall, in the processing of documents under the Yellow Lane, carefully verify the ATRIG not subjecting the motor vehicle to AVT by:

> 1.3.1 Comparing the vehicle description in the ATRIG with those in the entry;
>
> 1.3.2 Ensuring that the ATRIG is duly issued and coursed through authorized channels;
>
> 1.3.3 Checking that there is no ATRIG or any information on file subjecting to AVT the same kind of vehicle.

On the basis of above evaluation, the COO 3/5 may accept the ATRIG, otherwise, the matter may either be elevated to higher authorities for further verification, or converted to Red Lane processing, as herein below provided in 1.4, stating the reasons therefor.

1.4 Under Red Lane — In addition to 1.2 above, the following activities shall also be undertaken under the Red Lane:

> 1.4.1 Physical examination of the motor vehicle in the presence of the MOVE Team, OCOM, to determine its year model and engine displacement as well as its seating capacity using as basis the current BIR regulations on the matter.

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1.4.2 If the MOVE Team determines an irregularity in the issuance of the ATRIG, the matter shall be reported to the Commissioner of Customs stating the grounds so that a proper reconsideration of the ATRIG shall be made with the Commissioner of Internal Revenue.

1.4.3 If no discrepancy is noted, the ATRIG and the entry declaration shall be accepted, and the motor vehicle concerned shall be cleared accordingly.

2. Motor Vehicles under HS 8702.10 90 and HS 8702.90 90:

2.1 Motor vehicle declared under HS 8702.10 90 and HS 8702.90 90 shall also be required the presentation of ATRIG not subjecting the vehicle to AVT which shall be validated in accordance with the Yellow Lane procedures in 1.3 above.

2.2 In the processing of subject motor vehicles coursed through the Red Lane, the physical examination shall be performed by the regularly assigned FED personnel to determine the applicable HS Code, its year model and engine displacement.

2.3 If the assigned FED personnel rejects the HS Code declared for the motor vehicle and instead reclassifies it under HS 87.03, the ATRIG shall be scrutinized following the procedures in 1.3 and 1.4 above.

Any order, memorandum or circular not consistent herewith is deemed revoked, repealed or otherwise modified accordingly.

This Order shall take effect immediately.

Adopted; 10 Oct. 1997

(SGD.) GUILLERMO L. PARAYNO, JR.
Commissioner

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