



CUSTOMS ADMINISTRATIVE ORDER (CAO)

NO. 01-2021

SUBJECT: SECURITY TO GUARANTEE PAYMENT OF DUTIES AND TAXES AND OTHER OBLIGATIONS

Introduction. This Customs Administrative Order (CAO) implements Sections 1506 and 1507, Chapter 2 of Title XV, other related provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), and all other pertinent laws, rules and regulations.

Section 1. Scope. This CAO applies to all forms of security required to guarantee payment of duties and taxes and other obligations provided for under the CMTA and other existing rules and regulations.

Section 2. Objectives.

- 2.1. To provide guidelines in the posting and utilization of security to guarantee the payment of duties and taxes, and other obligations provided for under the CMTA and other existing rules and regulations.
- 2.2. To ensure that the interests of the government are amply protected with the securities posted.
- 2.3. To provide a mechanism for the monitoring, accounting, enforcement and prompt settlement of bonded obligations.
- 2.4. To establish and implement a security management and control system making full use of Information and Communications Technology (ICT).

Section 3. Definition of Terms. For purposes of this CAO, the following terms shall be defined as follows:

- 3.1. **Authorized Agent Bank (AAB)** — shall refer to commercial banks authorized by the Bureau to accept payment of duties and taxes.¹

¹ cf. Manual on Cargo Clearance, Definition of Terms, page vii.

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- 3.2. Bureau** — shall refer to the Bureau of Customs.²
- 3.3. Co-loading** — shall refer to an agreement between two (2) or more international or domestic sea carriers whereby a sea carrier bound for a specified destination agrees to load, transport, and unload the container van or cargo of another carrier bound for the same destination.⁴
- 3.4. Dormant Receivable Accounts** — shall refer to accounts which balances remained inactive or non-moving in the books of accounts for ten (10) years or more and where settlement or collectability could no longer be ascertained.⁵
- 3.5. Express Consignment** — shall refer to consolidated air shipments of articles or goods which are time-sensitive in character, usually under a door-to-door service arrangement with on-time delivery commitment, which are shipped under a master air waybill (MAWB) consigned to an Express Cargo Operator (ECO).⁶
- 3.6. Free Zones** — shall refer to special economic zones registered with the Philippine Economic Zone Authority (PEZA) under Republic Act No. 7916, as amended; duly chartered or legislated special economic zones and freeports such as Clark Freeport Zone; Poro Point Freeport Zone; John Hay Special Economic Zone and Subic Bay Freeport Zone under Republic Act No. 7227, as amended by Republic Act No. 9400; the Aurora Special Economic Zone under Republic Act No. 9490, as amended; the Cagayan Special Economic Zone and Freeport under Republic Act No. 7922; the Zamboanga City Special Economic Zone under Republic Act No. 7903; the Freeport Area of Bataan under Republic Act No. 9728; and such other freeports as established or may be created by law.⁷
- 3.7. Free Zone Locator** — shall refer to a sole proprietorship, partnership, corporation or entity duly registered with the Free Zone Authorities and issued a Certificate of Registration and/or Tax Exemption that is not expired or has not been revoked, suspended or cancelled.⁸
- 3.8. General Fund** — shall refer to a fund that is available for any purpose to which the Congress may choose to apply and is

² cf. CMTA, Title I, Chapter 2, Section 102 (i).

⁴ Republic Act No. 10668, Section 2 (a).

⁵ cf. Commission on Audit Circular no. 2016 – 005.

⁶ CMO No. 46-1998, Section 3.1.1.

⁷ CMTA, Title I, Chapter 2, Section 102 (w).

⁸ CAO No. 11-2019, Section 3.5.

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composed of all receipts or revenues which are not otherwise accruing to other funds.⁹

3.9. Irrevocable Letter of Credit — shall refer to a letter of credit in which the specified payment is guaranteed by the AAB if all terms and conditions are met by the drawee and which cannot be revoked without joint agreement of both the buyer and the seller.¹⁰

3.10. Provisional Goods Declaration — shall refer to the lodgment of goods declaration by a declarant who does not have all the information or supporting documents required to complete the goods declaration. Provided, that it substantially contains the necessary information required by the Bureau and the declarant undertakes to complete the information or submit the supporting documents within forty-five (45) days from the filing of the Provisional Goods Declaration, which period may be extended by the Bureau for another forty-five (45) days for valid reasons.¹¹

3.11. Security — shall refer to any form of guaranty such as surety bond, cash bond, Standby Letter of Credit or Irrevocable Letter of Credit which ensures the satisfaction of an obligation to the Bureau.¹²

3.12. Trust Fund Account — shall refer to a fund which accounts for the receipts by any agency of government or by a public officer acting as trustee, agent, or administrator for the fulfillment of some obligations.¹³

3.13. Standby Letter of Credit — shall refer to any arrangement, however named or described, whereby the AAB, acting at the request and on the instructions of the importer/exporter to make a payment to or to the order of the Bureau, or is to accept and pay bills of exchange drawn by the Bureau or authorizes another bank to effect such payment, provided that the terms and conditions of the credit are complied with.¹⁴

3.14. Tentative Assessment of Provisional Goods Declaration — shall refer to the assessment of a Provisional Goods Declaration pending final readjustment and submission by the declarant of the additional information or documentation required to complete the

⁹ Department of Budget Management Glossary of Terms.


¹⁰ cf. Glossary of Customs and Trade Terms.

¹¹ cf. CMTA, Title IV, Chapter 1, Section 403.

¹² CMTA, Title I, Chapter 2, Section 102 (mm).

¹³ cf. Department of Budget Management Glossary of Terms.

¹⁴ cf. The Uniform Customs and Practice, Article 2, UCP 500.

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declaration within the period provided in Section 403 of the CMTA.¹⁵

3.15. Transit — shall refer to the customs procedure under which goods, in its original form, are transported under customs control from one customs office to another, or to a Free Zone.¹⁶

Section 4. General Provisions.

4.1. Form of Security. Unless specifically prescribed under this Order or other existing rules and regulations, any party required to provide security to guaranty the payment of duties and taxes and other obligations shall have the option to choose from any of the following forms of security:¹⁷

4.1.1. Cash Bond;

4.1.2. Standby Letter of Credit or Irrevocable Letter of Credit;

4.1.3. Surety Bond; and

4.1.4. Any other acceptable forms of Security such as written commitment¹⁸ in case of low risk and/or low value goods.

4.2. Amount of Security to be Posted. Unless otherwise provided under this CAO or other existing rules and regulations, the required amount of Security shall be the lowest possible and shall not exceed the imposable duties, taxes and other charges.¹⁹

4.3. General Security. In cases where securities are required to be given under the provisions of this CAO and related customs laws, the District Collector, instead of requiring separate special securities where transactions of a particular party are numerous, may accept a one-time general security extending over such period of time and covering such transactions of the party in question as may be satisfactory to the District Collector.

4.4. The District Collector may accept a general security only from declarants who regularly declare goods at different offices in customs territory if satisfied that an obligation to the Bureau will be fulfilled and under such terms and conditions as may be


¹⁵ cf. CMTA, Title IV, Chapter 3, Section 426.

¹⁶ cf. CMTA, Title I, Chapter 2, Section 102 (err).

¹⁷ cf. CMTA, Title XV, Section 1507.

¹⁸ cf. CMTA, Title VIII, Section 800 (h).

¹⁹ cf. CMTA, Title XV, Section 1507.

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prescribed by regulation.²⁰

- 4.5.** General security may also be accepted to cover for duties and taxes due on lost or damaged goods while in transit or stored inside an off-dock or off-terminal Customs Facilities and Warehouses (CFW), in accordance with the provisions on the CAO on Establishment, Maintenance and Operations of Customs Facilities and Warehouses.²¹
- 4.6. Request for Extension to Re-export.** In cases where request for extension to re-export or pay duties taxes and other charges is allowed under Section 800 paragraphs (b), (h), (j), (k) and (z) of the CMTA, and other laws, rules and regulations, the application must be received by the Bureau at least three (3) working days prior to the expiration of the original period to re-export. Provided, that the security required to cover the extended period shall be attached to the application. Provided further, that the extended period shall retroact to the day immediately after the expiration of the original period.
- 4.7. Cancellation of Security.** When the obligations under which the security was required has been satisfied, the security shall be cancelled immediately.²²
- 4.8. General Fund.** All final payments of additional duties and taxes and other charges shall be receipted and remitted to the General Fund of the Bureau of Treasury through authorized government banks following the accounting and auditing rules and regulations on revenue collections.

Section 5. When Security is Required. To guarantee the payment of duties and taxes and other obligations to the Bureau, the District Collector shall require the posting of security under the following:

- 5.1. Release of Shipment under Provisional Goods Declaration.** Goods under Provisional Goods Declaration may be released upon posting of the required security equivalent to the amount ascertained to be the applicable duties and taxes.²³
- 5.2. Release of Goods Pending Ascertainment of the Accuracy of the Declared Value and Classification.**²⁵ The District Collector may allow the release of the shipment under Tentative

²⁰ cf. CMTA, Title XV, Chapter 2, Section 1507, 2nd paragraph.

²¹ cf. CAO No. 09-2019, Section 5.15.

²² cf. CMTA, Title XV, Chapter 2, Section 1507, 3rd paragraph.

²³ cf. CMTA, Title IV, Chapter 1, Section 403 and Chapter 3, Section 426.

²⁵ cf. CMTA, Title IV, Chapter 3, Section 425 in relation to Title VII, Chapter I, Section 707

Assessment upon payment of the self-assessed amount of duties and taxes and the posting of security equivalent to the disputed amount of duties and taxes due on goods if it becomes necessary to delay the determination of the final assessment of the goods in the following instances:

- 5.2.1.** There are issues in determining the accuracy of the declared value;
- 5.2.2.** There are issues in ascertaining the correct classification of imported goods; or
- 5.2.3.** When the Bureau requires laboratory analysis of samples, detailed technical documents, or written expert opinion.²⁶

However, prohibited goods shall not be released under any circumstance.²⁷

- 5.3.** The Bureau shall not allow the release of shipments for laboratory analysis under the above section if the reason for the laboratory analysis is to determine whether the goods are subject to the issuance of permits, license or clearances from regulatory agencies. Provided further that prohibited goods shall not be released under any circumstance.
- 5.4. Express Shipment.** Express shipments of accredited air express cargo operators may be released prior to the payment of the duty, tax and other charges upon posting of a sufficient security.²⁸
- 5.5. Shipment under Warehousing Entries.** For goods declared in the entry for warehousing in customs bonded warehouses, the District Collector shall require the importer to post a sufficient security equivalent to the computed duties and taxes and other charges conditioned upon the withdrawal of the goods within the period prescribed under Section 811 of the CMTA or the payment of the duties and taxes and other charges and compliance with all the importation requirements.²⁹
- 5.6. Carrier's Security.** Carriers that transport imported goods that shall be placed under customs transit from a port of entry to other ports including to Free Zones,³¹ shall post a general transportation security amounting to at least Fifty Thousand Pesos (Php 50,000.00). Such security shall ensure the complete and

²⁶ cf. CMTA, Title IV, Chapter 3, Section 431.
²⁷ cf. CMTA, Title VII, Chapter 1, Section 707.
²⁸ cf. CMTA, Title IV, Chapter 4, Section 439.
²⁹ CMTA, Title VIII, Chapter 2, Section 808.
³¹ cf. CMTA, Title VI, Chapter 1, Section 602



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immediate delivery of goods to the customs officer at the port of destination and the payment of pertinent customs charges and expenses and other transfer costs. The amount of the security may be adjusted by the Commissioner, upon approval of the Secretary of Finance.³²

5.7. Transit of Goods under Co-loading Act. Goods intended for transit covered by Republic Act No. 10668, otherwise known as "An Act Allowing Foreign Vessels to Transport and Co-Load Foreign Cargoes for Domestic Transshipment and for Other Purposes", shall not be subject to the payment of duties and taxes at the port of entry. Provided, that any conditions and security required by the Bureau are complied with.³³

5.8. Release of Conditionally Tax and/or Duty-Free Importations. Upon favorable recommendation of the Department of Finance (DOF), conditionally free importations under Section 800 paragraphs (b), (d), (h), (j), (k), (n), (r), and (z) may be released upon posting of security in an amount equal to one hundred percent (100%) of the ascertained duties and taxes and other charges due conditioned upon the re-exportation within the prescribed period or payment of duties and taxes and other charges, if any.³⁵ However, in case of importations under Section 800 (h), the Bureau may allow the importer to submit a written commitment to re-export the goods within three (3) months from the date of acceptance of the goods declaration.

5.9. Conditional Release of Shipments of Returning Resident or returning Overseas Filipino Workers (OFW) arriving in Advance. Shipments of Returning Resident or returning OFW arriving in advance of their actual date of arrival and without a request for pre-verification shall be tentatively assessed and conditionally released upon the posting of a cash bond equivalent to one hundred percent (100%) of the assessed duties and taxes due, unless the shipment is entered under Section 800 (g) Chapter I, Title VIII of the CMTA.

The Returning Resident or OFW must, within forty-five (45) days from his arrival but not to exceed sixty (60) days from the release of the shipment, submit to the Bureau the Tax Exemption Certificate (TEC) issued by the DOF to support his entitlement to

³² cf. CMTA, Title VI, Chapter 1, Section 602.

³³ cf. CMTA, Title VI, Chapter 1, Section 601.

³⁵ cf. CMTA, Title VIII, Chapter 1, Section 800.

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the privilege. Failure to do so shall cause the Bureau to forfeit the bond to answer for the payment of the duties and taxes due thereon.

The same procedure may be availed of for accompanied baggage or those arriving after the date of return if the clearance is not yet secured from the Commissioner.³⁶

5.10. Release of Traveler's Accompanied Baggage with Dutiable Goods.³⁷ Dutiable goods in accompanied baggage brought in by Travelers through the airports which are intended for re-exportation may be allowed release upon posting of cash bond amounting to one hundred percent (100%) of the assessed duties and taxes or may be temporarily deposited for safekeeping in the deposit facility subject to re-exportation which shall conform to the date of departure but which shall not exceed three (3) months from the date of the acceptance of the goods.

5.11. Posting of Performance Bond with the Bureau. To protect the interest of the government, the District Collector may require any party to post security for the faithful compliance of their obligations with the Bureau under existing laws, rules and regulations.³⁸

Section 6. Cash Bond as a Form of Security.

6.1. Treatment of Cash Bond. Deposited cash bond shall be proceeded against as follows:

6.1.1. Trust Fund Account. Cash bonds shall be deposited immediately not later than the day following the date when received in a Trust Fund Account to be managed by the Bureau of Customs;³⁹

6.1.2. Upon completion of the assessment or when the final decision results in adjustments of the duties and taxes and other charges in favor of the government, or when the importer fails to comply with the conditions of the security, the following shall be observed:⁴⁰


³⁶ cf. CAO No. 6-2016, Section 9.

³⁷ cf. CAO No. 1-2017, Section 4.8.

³⁸ cf. CMTA, Title VIII, Chapter 2, Section 801.

³⁹ CMO No. 4-99, Section 3.1.

⁴⁰ cf. CMO No. 4-99, Section 3.2.1.

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- a. If the amount of the cash bond is equal to the amount of duties and taxes due, the bond shall be forfeited and remitted to the General Fund.
- b. If the amount of the cash bond is more than the amount of duties and taxes due, the amount equivalent to the duties and taxes shall be forfeited and remitted to the General Fund while the excess amount shall be released to the importer in the form of a check issued by the Bureau⁴²; and
- c. If the amount of the cash bond is less than the amount of duties and taxes due, the same shall be forfeited and remitted to the General Fund and a demand letter shall be issued for the balance thereof.

The District Collector shall recommend to the Commissioner of Customs, through the Legal Service, a course of action to ensure payment of the obligation of the importer and may take such other action for this purpose.⁴³

- 6.1.3. If the completed assessment by the assessor or the final decision arising from a dispute settlement is in favor of the importer, or when the conditions under which the cash bond was required has been satisfied, the amount shall be released to the importer in the form of a check issued by the Bureau.⁴⁴

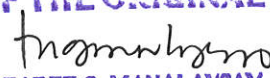
6.2. Accounting and Monitoring.

- 6.2.1. The Administrative Division or equivalent office in the port shall establish and maintain a system for the proper accounting and monitoring of all cash bonds posted as a guaranty.
- 6.2.2. The Bureau shall institute and implement internal control mechanisms for the maintenance and disposition of cash bonds and submit monthly periodic reports to the Office of the Commissioner on the status thereof.

⁴² cf. CMO No. 4-99, Section 3.2.2

⁴³ cf. CMO No. 4-99, Section 3.2.3.

⁴⁴ cf. CMO No. 4-99, Section 3.2.4.

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Section 7. Standby Letter of Credit or Irrevocable Letter of Credit as a Form of Security.

- 7.1.** Only AABs shall be allowed to issue Standby Letter of Credit or Irrevocable Letters of Credit.
- 7.2.** Treatment of Standby Letter of Credit or Irrevocable Letter of Credit in the following instances:
 - 7.2.1.** Upon completion of the assessment by the assessor or when the importer fails to comply with the conditions of the security, the amount stated in the Standby Letter of Credit or Irrevocable Letter of Credit shall be immediately settled by the bank upon notice by the District Collector without the need of a demand letter from the District Collector against the importer.
 - 7.2.2.** Upon final decision arising from a dispute settlement, the Standby Letter of Credit or Irrevocable Letter of Credit covering the adjustments in the duties and taxes and other charges in favor of the government shall immediately be settled by the issuing bank. Notice to the bank of the final decision on the dispute settlement must be a condition precedent for payment of the total assessed duties without the need of a demand letter from the District Collector against the importer.
 - 7.2.3.** Upon completion of the assessment by the assessor or when the final decision is in favor of the importer, or when the conditions under which the Standby Letter of Credit or Irrevocable Letter of Credit was required has been satisfied, the same shall be cancelled.

7.3. Accounting and Monitoring.

- 7.3.1.** The Bonds Division or equivalent office in the port shall establish and maintain a system for the proper accounting and monitoring of all Standby Letters of Credit or Irrevocable Letters of Credit posted as a guaranty.⁴⁵
- 7.3.2.** The Bureau shall institute and implement internal control mechanisms for the maintenance and disposition of Standby Letter of Credit or Irrevocable Letter of Credit and submit quarterly reports to the Office of the Commissioner

⁴⁵ cf. CAO No. 1-1999, Section 2.4.



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on the status thereof on or before the first week of the succeeding quarter.⁴⁶

Section 8. Surety Bond as a Form of Security.

8.1. Authority to Transact Business as Surety Company (ATBAS) - Only surety companies granted ATBAS by the Bureau shall be allowed to issue surety bonds.

8.1.1. Applications or Renewal of ATBAS. Applications or renewal of surety companies shall be filed with and processed by the Bonds Division of the port where the surety companies wish to be accredited at least fifteen (15) working days before the start of the quarter applied for, reviewed by the Collection Service, and upon the latter's recommendation shall be approved by the District Collector concerned within seven (7) working days from the submission of complete documents.⁴⁷

No bonds shall be honored or accepted by any port unless issued by a surety company accredited in accordance with this CAO and other relevant rules and regulations, covering transactions falling within the jurisdiction of the collection district of the port where it is accredited, and within the period covered by its accreditation.⁴⁸

8.1.2. Requirements or Qualifications. Only surety companies in good standing with the Bureau shall qualify for ATBAS in accordance with this CAO.⁴⁹ To be in good standing, a surety company:⁵⁰

- a. Must be a holder of a Certificate of Authority duly issued by the Insurance Commission, which must be valid and effective at the time of application or renewal and for the duration of the period applied for;⁵¹ and
- b. Must have settled at least eighty percent (80%) of its outstanding obligations as a surety company of persons or entities having transactions with the Bureau, if any, as of the first day of the immediately

⁴⁶ CAO No. 1-1999, Section 2.5.


⁴⁷ CMO No. 22-2003, Section 3.4.

⁴⁸ CMO No. 22-2003, Section 3.5.

⁴⁹ CMO No. 22-2003, Section 3.1.

⁵⁰ CMO No. 22-2003, Section 3.2.

⁵¹ CMO No. 22-2003, Section 3.2.2.

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preceding quarter (e.g., as of July 1 for application for accreditation for the 4th Quarter).⁵²

In the computation of the 20% threshold of unsettled obligations, all accounts on bonds of a surety firm shall be considered up to the extent of the amount unpaid or unsettled, including but not limited to accounts on bonds:

- i. That are subject of existing compromise or staggered payment arrangements;
- ii. That are subject of pending court litigation;
- iii. That have been sequestered from bond principals, importers or consignees; and
- iv. That have been issued involving valuation and classification issues or cases.⁵³

8.1.3. Application of Twenty Percent Threshold Rule. The computation of twenty percent (20%) shall apply only to the current matured accounts as of the preceding quarter.

8.1.4. Matured accounts prior to the preceding quarter are excluded and should have been settled in full. Otherwise, the application for renewal shall be denied, unless the reason for non-payment is the pendency of requests of abatement as certified by the office concerned.


8.1.5. Period of Validity and Renewal of ATBAS. The accreditation of the surety company shall be good and effective for a period of one quarter, renewable every quarter thereafter in accordance with this CAO For this purpose, a calendar year⁵⁴ is divided as follows:

Quarter	Period
1st Quarter	January-March
2nd Quarter	April-June
3rd Quarter	July-September
4th Quarter	October-December

⁵² cf. CMO No. 22-2003, Section 3.2.4.

⁵³ CMO No. 22-2003, Section 4.1.3.

⁵⁴ CMO No. 22-2003, Section 3.3.

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8.2. Treatment of Surety Bond.

8.2.1. If upon completion of the assessment or when the final decision results in the adjustment of the duties and taxes

and other charges in favor of the government, or when the importer fails to comply with the conditions of the security, the Chief of the Bonds Division or equivalent office shall cause the issuance of the demand letter addressed to the importer and surety company to be signed by the District Collector.

8.2.2. If the completed assessment or when the final decision is in favor of the importer, or when the conditions under which the surety bond was required has been satisfied, the surety bond shall be cancelled.

8.3. Penalties for Breach of Bonds.

8.3.1. Late Re-exportation or Payment of Duties and Taxes of Conditionally Duty and/or Tax-Free Goods. Temporarily admitted goods re-exported beyond the prescribed period shall be subject to the following penalties:

a. Up to thirty (30) days from the date of expiration of the bond to date of actual exportation or payment of duties and taxes — Php 5,000.00 or 2% of the collectible duties and taxes whichever is higher, plus a surcharge of 10% of the total collectible duties, taxes and other charges, which surcharge shall be increased to twenty-five percent (25%) if the delinquency lasts for more than one (1) year.⁵⁵

b. Beyond thirty (30) days to one (1) year from the date of expiration of the bond to date of actual exportation or payment of duties and taxes — Php 10,000.00 or 10% of the collectible duties and taxes whichever is higher, plus a surcharge of 10% of the total collectible duties, taxes and other charges.⁵⁷

c. Beyond one (1) year from the date of expiration of the bond to date of actual exportation or payment of duties and taxes — Php 10,000.00 or 20% of the collectible

⁵⁵ cf. CMTA, Title XIV, Chapter 1, Section 1425.

⁵⁷ cf. CAO No. 13-2019, Section 8.4.

duties and taxes whichever is higher, plus a surcharge of twenty-five percent (25%).⁵⁸

Nothing herein specified shall preclude the Collector of Customs concerned to proceed against the bond after expiration of the period stipulated if it was deemed by the

Collector of Customs to be necessary to protect the interest of the government.

8.3.2. Penalties for breach of warehousing bonds shall be governed by the CAO on Customs Bonded Warehouses (CBWs).

8.4. Accounting and Monitoring.

8.4.1. The Bonds Division or equivalent office in the port shall establish and maintain a system for the proper accounting and monitoring of all surety bonds posted as guaranty.

8.4.2. The Bureau shall institute and implement internal control mechanisms for the maintenance and disposition of surety bonds and submit periodic reports to the Office of the Commissioner copy furnished the Insurance Commission on the status thereof.

8.5. Notice of Maturity of Bonds. The Chief of the Bonds Division, through personal service or registered mail and copy furnished the Legal Service, shall write the importers and the surety companies one (1) month before the bond matures, reminding them to comply with the conditions of the bond.

8.6. Forfeiture of Bonds. Upon failure to settle the bonded obligations despite issuance of demand letters, the Chief of the Bonds Division, or its equivalent unit thru the District Collector concerned, shall recommend the immediate issuance of Order of Forfeiture of the Bonds to the Commissioner of Customs through the Director of Legal Service.⁶⁴

8.7. Other Actions or Sanctions. The District Collector shall recommend to the Commissioner of Customs through the Legal Service a course of action to ensure payment of the obligation of the importer and may take such other action for this purpose, including the filing of the collection case and/or forfeiture of the

⁵⁸ cf. CMTA, Title XIV, Chapter 1, Section 1425.

⁶⁴ cf. CMO No. 8-2007, (I) 1st paragraph.



bonds, suspension or cancellation of accreditation, or non-renewal of the accreditation of the surety company.⁶⁵

Section 9. Transitory Provisions. Pending full automation of a bonds management system that will effectively monitor the status of bonds from their posting up to their cancellation and expedite the settlement or collection of due and demandable bonds, the Bureau shall, as far as practicable and as existing processes may reasonably allow, implement the provisions of this CAO.

Provisions of existing rules and regulations in so far as the provisions on the application and issuance of ATBAS and accreditation of Authorized Agent Banks shall remain in force and effect until a new Customs Memorandum Order (CMO) for that purpose is issued.

Section 10. Periodic Review. Unless otherwise provided, this CAO shall be reviewed every three (3) years and be amended or revised, if necessary.

Section 11. Repealing Clause. This CAO specifically amends or repeals CAO No. 5-1991 and other issuances which are inconsistent with the provisions here stated.

Section 12. Separability Clause. If any part of this CAO is declared unconstitutional or contrary to existing laws, other parts not so declared shall remain in full force or effect.

Section 13. Effectivity. This CAO shall take effect thirty (30) days after its publication at the Official Gazette or a newspaper of national circulation.

The Office of National Administrative Register (ONAR) of the UP-Law Center shall be provided three (3) certified copies of this Order.


REY LEONARDO B. GUERRERO

Commissioner of Customs

JAN 13 2021

Approved:



BOC-02-03984


CARLOS G DOMINGUEZ
Secretary of Finance

JAN 27 2021



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⁶⁵ CAO No. 12-2003, Section 8.