

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

DATE: March 4, 2016

**REVENUE REGULATIONS NO. 2-2016**

**SUBJECT: ISSUANCE OF AUTHORITY TO RELEASE IMPORTED GOODS (ATRIGs) FOR IMPORTED AUTOMOBILES ALREADY RELEASED FROM CUSTOMS CUSTODY**

TO: All Internal Revenue Officers and Others Concerned

---

*I. Purpose and Objective*

This Circular is being issued to set forth guidelines and procedures in securing and issuing an Authority to Release Imported Goods (ATRIGs) for imported automobiles already released from customs custody. This Circular is likewise being issued to clarify the legal basis for the issuance of an ATRIG and the legal consequences of not securing an ATRIG prior to the release of imported automobiles.

*II. Definition of ATRIG*

An ATRIG is an authority issued by the Bureau of Internal Revenue (BIR), addressed to the Commissioner of Customs, allowing the release of imported goods from customs custody upon payment of applicable taxes, or proof of exemption from payment thereof, whichever is applicable.

*III. Legal Basis*

The National Internal Revenue Code (NIRC) of 1997, as amended mandates that excise taxes on imported goods should be paid before the release of such articles from customhouse. It provides:

***Section 131. Payment of Excise Taxes on Imported Articles.*** – (A) *Persons Liable.* – *Excise taxes on imported articles shall be paid by the owner or importer to the Customs Officers, conformably with the regulations of the Department of Finance and before the release of such articles from customhouse, or by the person who is found in possession of articles which are exempt from excise taxes other than those legally entitled to exemption.*

Moreover, Section 172 of the NIRC provides that any revenue officer may, if he has good reason to believe that the excise tax has not been paid, detain the package containing taxable articles, to wit:

**SEC. 172. Detention of Package Containing Taxable Articles.** – Any revenue officer may detain any package containing or supposed to contain articles subject to excise tax when he has good reason to believe that the lawful tax has not been paid or that the package has been or is being removed in violation of law, and every such package shall be held by such officer in a safe place until it shall be determined whether the property so detained is liable by law to be proceeded against for forfeiture; but such summary detention shall not continue in any case longer than seven (7) days without due process of law or intervention of the officer to whom such detention is to be reported.

#### *IV. When and under what circumstances ATRIG is issued*

The ATRIG shall be issued for all importations of articles subject to excise tax (whether exempt or taxable), including the raw materials in the production thereof, as well as the machineries, equipment, apparatus or any mechanical contrivances especially used for its assembly/production; and on all importations of articles exempt from VAT except on those articles specifically identified and enumerated in the Circular issued jointly by the Bureau of Internal Revenue and the Bureaus of Customs, as circulated by RMC 48-2002.

The ATRIG should be issued prior to release of the excisable product from the customhouse. Revenue Memorandum Order No. 35-2002 dated October 28, 2002 details the policies, guidelines and procedures in the processing of ATRIGs. In particular, for imported automobiles, Revenue Regulations No. 25-2003 dated September 16, 2003 mandates that all importations of automobiles whether for sale or otherwise, shall not be released without payment of ad valorem tax. Furthermore, under the Bureau of Customs (BOC) and Bureau of Internal Revenue (BIR) Joint Order which was published on the May 1, 2004, a Certificate of Payment shall be issued only when an ATRIG covering the automobile/vehicle is presented. In the event that the articles covered by the application for ATRIG have already been released from customs custody prior to issuance thereof, no ATRIG shall be allowed to be issued just to complete the documentation of the importation for Bureau of Customs (BOC) purposes<sup>1</sup>.

#### *V. Consequences of not securing ATRIG prior to the released of imported articles*

Should an excisable item be released without the requisite ATRIG, a presumption arises that the taxes due thereon were not paid or not paid properly. Thus, the excisable product, having been withdrawn from any such place or from customs custody or imported into the country without the payment or proper payment of the required taxes may be detained by any revenue officer in accordance with Section 172 of the NIRC, and if warranted, subsequently forfeited, pursuant to Section 268(C) of the NIRC. The person/s responsible for the same shall be held

---

<sup>1</sup> RMO 35-2002 dated October 28, 2002 Part II (10)

liable for unlawful possession or removal without payment of tax pursuant to Section 263 of the NIRC, as amended.

*VI. Issuance of ATRIG for imported automobiles already released from customs custody*

It has been observed that a significant number of motor vehicles were released without the required ATRIG which can be seized by the BIR under existing rules. However, for practical considerations and for lack of logistical provisions at the BIR, and in order to regularize their documents, imported automobiles that were released from customs custody may still be issued ATRIGs until March 31, 2016; Provided, that an application for ATRIG shall have been filed with the Excise LT Regulatory Division (ELTRD) and that the excise and value added taxes due thereon are paid within the same period, computed pursuant to the rates provided for in Section 4 of Revenue Regulations No. 25-03<sup>2</sup> dated September 16, 2003 based on the manufacturer's/importer's selling price as defined under Section 5 of the same issuance, at the time of importation, including 50% surcharge and 20% interest reckoned from the date of Final Import Entry and Internal Revenue Declaration.

Consequently, all imported automobiles found to have been released from customs custody after March 31, 2016 without the required ATRIG shall be subject to seizure pursuant to Section 172, 263 and 268(C) of the NIRC, as amended.

*VII. Repealing/Amendatory Clause; Effectivity*

All other issuances inconsistent herewith are hereby repealed or modified accordingly.

This Circular shall take effect immediately.

All concerned are hereby enjoined to be guided accordingly and give this Circular as wide a publicity as possible.

(Original Signed)  
**CESAR V. PURISIMA**  
Secretary of Finance

Recommending Approval:

(Original Signed)  
**KIM S. JACINTO-HENARES**  
Commissioner of Internal Revenue

---

<sup>2</sup> Amended revenue Regulations Governing the Imposition of Excise Tax on Automobiles pursuant to the Provisions of Republic Act No. 9224, An Act Rationalizing the Excise Tax on Automobiles, Amending for the Purpose the National Internal Revenue Code of 1997, and for Other Purposes.