

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

April 25, 2013

REVENUE MEMORANDUM CIRCULAR NO. 37-2013

SUBJECT : Publishing the Full Text of the Department Order No. 17-2013 dated April 11, 2013 of the Department of Finance.

TO : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all concerned, quoted hereunder is the full text of the Department Order No. 17-2013 dated April 11, 2013 of the Department of Finance:

“Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

DEPARTMENT ORDER NO. 17-2013
11 April 2013

To protect revenue integrity, restrain smuggling and ensure attainment of collection targets, the following are hereby identified as priority measures and therefore the Bureau of Customs (BOC) shall immediately work towards the implementation thereof:

- a. **Port Accreditation.** Only particular ports will be accredited for sensitive commodities such as oil, steel, grains, tiles, gold and vehicles, subject to standards, technical requirements and applicable laws, rules and regulations.

Accredited ports are to submit to the DOF monthly trade statistical reports that will be cross-checked with data from the Department of Energy (DOE), Philippine Ports Authority (PPA), and other relevant agencies, on a per-volume and per-vessel basis to eliminate discrepancies in import and consumption data.

The BOC shall immediately conduct a study, consult relevant stakeholders, and submit a report with recommendations to the DOF, accompanied by the appropriate draft administrative issuance to cover details of the implementation. This measure shall initially be implemented on the importation of oil beginning May 2013.

This measure shall later on be expanded to include other sensitive commodities.

- b. Submission of a Rolling Import Plan.** In order to better anticipate imports, the BOC shall require all importers of sensitive commodities to submit their annual rolling import plan indicating quantity, type, source and location of intended port arrival.

The Commissioner of Customs shall pre-authorize importation of sensitive commodities in accordance with the annual import plan.

The BOC shall immediately conduct a study, consult relevant stakeholders, and submit a report with recommendations to the DOF with the appropriate draft administrative issuance to cover details of the implementation. This measure shall be implemented beginning May 2013 to cover importations for the second half of 2013.

- c. Trade Statistics Reconciliation.** Ports shall submit to the BOC and the DOF a monthly list of importations arriving per port, whether sea or airport, international or domestic, and shall include details such as date of arrival, name of country/port of origin, capacity of vessel/aircraft, type of commodities, and consignee details.

Collected data from the ports shall be cross-checked with data from the DOE, PPA, and other relevant agencies, on a per-volume and per-vessel basis.

Monthly list of importations from January 2013 should be submitted within ten (10) days from the date of this Order.

The Commissioner of Customs shall also issue the relevant administrative issuance to formalize this directive.

d. Other Measures

1. Strict implementation of Revenue Regulation No. 2-2012 which requires importers to pay value-added tax and excise tax on all oil imports upon arrival in the Philippines.
2. Submission of Income Tax Return as received by the Bureau of Internal Revenue (BIR) as one of the requirements for accreditation of importers with the BOC.
3. Conduct of post-audit examinations on importation of sensitive commodities.

4. BOC shall work closely with the BIR and the respective local government unit, subject to existing laws on exchange of information with regard to importers of sensitive commodities.
5. Improve reporting forms and administrative support to the BOC Statistics Office and the Management Information System and Technology Group to capture data required.

The Commissioner of Customs shall issue the relevant administrative issuance formalizing all of the above changes and reiterations in policy.

- e. **Regular monitoring of cases filed against oil smugglers.** Cases involving oil smuggling shall be established and pursued. Aside from the monthly Run After The Smugglers (RATS) report, BOC shall submit to the DOF a bi-monthly status report of oil smuggling cases.

This Order shall be effective immediately.

(Original Signed)
CESAR V. PURISIMA
Secretary”

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

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