



TARIFF AND CUSTOMS CODE OF THE PHILIPPINES

2001

Ref

387.2
T186
2001

Volume II

Philippine Tariff Commission
East Avenue, Quezon City

CONTENTS
BOOK II – CUSTOMS LAW

TITLE 1 – THE BUREAU OF CUSTOMS

	Page
PART 1 – ORGANIZATION, FUNCTION AND JURISDICTION OF THE BUREAU	
Section 601 - Chief Officials of the Bureau of Customs	1
Section 602 - Functions of the Bureau	1
Section 603 - Territorial Jurisdiction	1
Section 604 - Jurisdiction Over Premises Used for Customs Purposes	1
Section 605 - Enforcement of Port Regulation of Bureau of Quarantine	2
Section 606 - Power of the President to Subject Premises to Jurisdiction of Bureau of Customs	2
Section 607 - Annual Report of Commissioner	2
Section 608 - Commissioner to Make Rules and Regulations	2
Section 609 - Commissioner to Furnish Copies of Collector's Liquidated Duplicates	2

PART 2 – COLLECTION DISTRICT AND PORTS OF ENTRY

Section 701 - Collection Districts and Ports of Entry Thereof	2
Section 702 - Power of the President to Open and Close Any Port	2
Section 703 - Assignment of Customs Officers and Employees to Other Duties	2
Section 704 - Seal of Collector of Customs	3
Section 705 - Authority of Deputy Collectors of Customs	3
Section 706 - Appointment of Special Duties with Limited Powers	3
Section 707 - Succession of Deputy Collector to Position of Acting Collector	3
Section 708 - Designation of Official as Customs Inspector	3
Section 709 - Authority of Collector to Remit Duties	3
Section 710 - Records to be Kept by Customs Officials	3
Section 711 - Port Regulations	3
Section 712 - Reports of Collector to Commissioner	3

TITLE II – COASTWISE TRADE

Section 906 - Requirement of Manifest in Coastwise Trade	3
Section 907 - Manifest Required Upon Departure from Port of Entry	3
Section 908 - Manifests Required Prior to Unloading at Port of Entry	4
Section 909 - Departure of Vessel Upon Detailed Manifest	4

TITLE III – VESSELS AND AIRCRAFTS IN FOREIGN TRADE

PART 1 – ENTRANCE AND CLEARANCE OF VESSELS

Section 1001 - Ports Open to Vessels Engaged in Foreign Trade – Duty of Vessel to Make Entry	4
Section 1002 - Control of Customs Official Over Boarding or Leaving of Incoming Vessel and Over Other Vessels Approaching the Former	4
Section 1003 - Quarantine Certificate for Incoming Vessel	4
Section 1004 - Documents to be Produced by the Master Upon Entry of Vessel	4
Section 1005 - Manifest Required of Vessel from Foreign Port	5
Section 1006 - Translation of Manifest	5
Section 1007 - Manifests for Commission on Audit and Collector	5
Section 1008 - Transit Cargo	5
Section 1009 - Clearance of Foreign Vessels To and From Coastwise Ports	5
Section 1010 - Requirement as to Delivery of Mail	5
Section 1011 - Production of Philippine Crew	6
Section 1012 - Record of Arrival and Entry of Vessels	6
Section 1013 - Arrest of Vessel Departing Before Entry Made	6
Section 1014 - Discharge of Ballast	6
Section 1015 - Time of Unlading of Cargo	6
Section 1016 - Entrance of Vessel Through Necessity	6

Section 1017	- Unlading Vessel in Port from Necessity	6
Section 1018	- Entry and Clearance of Vessels of a Foreign Government	6
Section 1019	- Clearance of Vessel for Foreign Port	6
Section 1020	- Detention of Warlike Vessel Containing Arms and Munitions	7
Section 1021	- Manifest of Export Cargo to be Delivered to Chairman, Commission on Audit	7
Section 1022	- Oath of Master of Departing Vessel	7
Section 1023	- Extension of Time for Clearance	7
Section 1025	- Export Product to Conform to Standard Grades	7

PART 2 – ENTRANCE AND CLEARANCE OF AIRCRAFT IN FOREIGN TRADE

Section 1101	- Designation of Airports of Entry	8
Section 1102	- Advance Notice of Arrival	8
Section 1103	- Landing at International Airports of Entry	8
Section 1104	- Report of Arrival and Entry	8
Section 1105	- Documents Required in Making Entry	8
Section 1106	- Manifest for Commission on Audit	9
Section 1107	- Delivery of Mail	9
Section 1110	- Manifest for Transit Cargo	9
Section 1111	- Clearance of Aircraft for Foreign Port	9
Section 1112	- Oath of Person in Charge of Departing Aircraft	10

TITLE IV – ASCERTAINMENT, COLLECTION, AND RECOVERY OF IMPORT DUTY

PART 1 – IMPORTATION IN GENERAL

Section 1201	- Article to be Imported Only Through Customhouse	10
Section 1202	- When Importation Begins and Deemed Terminated	10
Section 1203	- Owner of Imported Articles	10
Section 1204	- Liability of Importer for Duties	10
Section 1205	- Importations by the Government	10
Section 1206	- Jurisdiction of Collector Over Importation of Articles	10
Section 1207	- Jurisdiction of Collector Over Articles of Prohibited Importation	11
Section 1210	- Disposition of Imported Articles Remaining on Vessel After Time for Unlading	11
Section 1211	- Handling of Articles on Which Duty Has Not Been Paid	11

PART 2 – ENTRY AT CUSTOMHOUSE

Section 1301	- Persons Authorized to Make Import Entry	11
Section 1302	- Import Entries	11
Section 1303	- Entry of Article in Part for Consumption and in Part for Warehousing	12
Section 1304	- Declaration of the Import Entry	12
Section 1305	- BY Whom to be Signed	12
Section 1306	- Forms and Contents of Import Entry	12
Section 1307	- Description of Articles	12
Section 1308	- Commercial Invoice	12
Section 1309	- (Repealed by E.O. 736)	13
Section 1310	- (Repealed by P.D. 1679, March 6, 1980)	13
Section 1311	- (Repealed by P.D. 1679, March 6, 1980)	13
Section 1312	- (Repealed by P.D. 1679, March 6, 1980)	13
Section 1313	- Information Furnished on Classification and Value	13
Section 1314	- Forwarding of Cargo and Remains of Wrecked Vessel or Aircraft	14
Section 1315	- Derelicts and Articles From Abandoned Wrecks	14

PART 3 – EXAMINATION, CLASSIFICATION AND APPRAISAL OF IMPORTED ARTICLES

Section 1401	- Conditions for Examination	15
Section 1402	- Ascertainment of Weight and Quantity	15
Section 1403	- Duties of Customs Officer Tasked to Examine, Classify and Appraise Imported Articles	15
Section 1404	- (Repealed by R.A. 7650, April 6, 1993)	16
Section 1405	- Proceedings and Report of Appraisers	16

Section 1406	- Appraisers' Samples	16
Section 1407	- Readjustment of Appraisal, Classification or Return	16
Section 1408	- Assessment of Duty on Less Than Entered Value	16
Section 1409	- Employment and Compensation of Persons to Assist in Appraisal or Classification of Articles	16

PART 4 – DELIVERY OF ARTICLES

Section 1501	- Delivery of Articles to Holder of Bill Lading	17
Section 1502	- Delivery of Articles Without Production of Bill of Lading	17
Section 1503	- Cash Deposit Upon Delivery of Unexamined Packages	17
Section 1504	- Delivery Upon Order of Importer	17
Section 1505	- Withholding Delivery Pending Satisfaction of Lien	17
Section 1506	- Customs Expenses Constituting Charge on Articles	17
Section 1507	- Fine or Surcharge on Articles	17
Section 1508	- Authority of the Collector of Customs to Hold the Delivery or Release of Imported Articles	17

PART 5 – LIQUIDATION OF DUTIES

Section 1601	- Liquidation and Record of Entries	17
Section 1602	- Tentative Liquidation	18
Section 1603	- Finality of Liquidation	18
Section 1604	- Treatment of Fractions in the Liquidation	18

PART 6 – ABATEMENTS AND REFUNDS

Section 1701	- Abatement for Damage Incurred During Voyage	18
Section 1702	- Abatement or Refund of Duty on Missing Package	18
Section 1703	- Abatement or Refund for Deficiency in Contents of Packages	18
Section 1704	- Abatement or Refund of Duties on Articles Lost or Destroyed After Arrival	18
Section 1705	- Abatement of Duty on Dead or Injured Animals	19
Section 1706	- Investigation Required in Case of Abatements and Refunds	19
Section 1707	- Correction of Errors – Refund of Excess Payments	19
Section 1708	- Claim for Refund of Duties and Taxes and Mode of Payment	19

PART 7 – ABANDONMENT OF IMPORTED ARTICLES

Section 1801	- Abandonment, Kinds and Effects of	19
Section 1802	- Abandonment of Imported Articles	19
Section 1803	- (Repealed by R.A. 7651, June 4, 1993)	20

TITLE V – WAREHOUSING OF IMPORTED ARTICLES

PART 1 – WAREHOUSING IN GENERAL

Section 1901	- Establishment and Supervision of Warehouses	20
Section 1902	- Responsibility of Operators	20
Section 1903	- Bonded Warehouses	20
Section 1904	- Irrevocable Domestic Letter of Credit or Bank Guarantee or Warehousing Bond	20
Section 1905	- Discontinuance of Warehouses	20
Section 1906	- Entry of Articles for Warehousing	20
Section 1907	- Withdrawal of Articles from Bonded Warehouse	21
Section 1908	- Limit to Period of Storage in Bonded Warehouse	21
Section 1909	- Charges of Storage in Bonded Warehouse	21

PART 2 – BONDED MANUFACTURING AND SMELTING WAREHOUSE

Section 2001	- Establishment of Bonded Manufacturing Warehouses	21
Section 2002	- Exemption from Duty	21
Section 2003	- Procedure for Withdrawal	21
Section 2004	- Verification by the Commissioner	22
Section 2005	- Bonded Smelting Warehouses	22

PART 3 – TRANSPORTATION IN BOND

Section 2101	- Entry for Immediate Transportation	22
Section 2102	- Bonding of Carrier Transporting Articles Under the Preceding Section	22
Section 2103	- Articles Entered for Immediate Exportation	23

TITLE VI – ADMINISTRATIVE AND JUDICIAL PROCEEDINGS

PART 1 – SEARCH, SEIZURE AND ARREST

Section 2201	- Trespass or Obstruction of Customs Premises	23
Section 2202	- Special Surveillance for Protection of Customs Revenue and Prevention of Smuggling	23
Section 2203	- Persons Having Police Authority	23
Section 2204	- Place Where Authority May Be Exercised	23
Section 2205	- Exercise of Power of Seizure and Arrest	24
Section 2206	- Duty of Officer or Official to Disclose Official Character	24
Section 2207	- Authority to Require Assistance	24
Section 2208	- Right of Police Officer to Enter Inclosure	24
Section 2209	- Search of Dwelling House	24
Section 2210	- Right to Search Vessels or Aircrafts and Persons or Articles Conveyed Therein	24
Section 2211	- Right to Search Vehicles, Beasts and Persons	24
Section 2212	- Search of Persons Arriving From Foreign Countries	24

PART 2 – ADMINISTRATIVE PROCEEDINGS

Section 2301	- Warrant for Detention of Property-Cash Bond	25
Section 2302	- Report of Seizure to Commissioner and Chairman, Commission on Audit	25
Section 2303	- Notification to Owner or Importer	25
Section 2304	- Notification to Unknown Owner	25
Section 2305	- Description, Appraisal and Classification of Seized Property	25
Section 2306	- Proceedings in Case of Property Belonging to Unknown Parties	25
Section 2307	- Settlement of Case by Payment of Fine or Redemption of Forfeited Property	25
Section 2308	- Protest and Payment Upon Protest in Civil Matters	26
Section 2309	- Protest Exclusive Remedy in Protestable Case	26
Section 2310	- Form and Scope of Protest	26
Section 2311	- Samples to be Furnished by Protesting Parties	26
Section 2312	- Decision or Action of Collector in Protest and Seizure Cases	26
Section 2313	- Review of Commissioner	26
Section 2314	- Notice of Decision of Commissioner	27
Section 2315	- Supervisory Authority of Commissioner and Secretary of Finance in Certain Cases	27
Section 2316	- Authority of Commissioner to Make Compromise	27
Section 2317	- Government's Right of Compulsory Acquisition	27

PART 3 – JUDICIAL PROCEEDINGS

Section 2401	- Supervision and Control Over Criminal and Civil Proceedings	27
Section 2402	- Review of Court of Tax Appeals	27

PART 4 – SURCHARGES, FINES AND FORFEITURES

Section 2501	- Failure to Pay Liquidated Charges	28
Section 2501-A	- Unauthorized Withdrawal of Imported Articles From Bonded Warehouse	28
Section 2502	- (Repealed by P.D. 1679, March 6, 1980)	28
Section 2503	- Undervaluation, Misclassification and Misdeclaration in Entry	28
Section 2504	- Failure or Refusal of Party to Give Evidence or Submit Documents for Examination	28
Section 2505	- Failure to Declare Baggage	28
Section 2506	- Breach of Bond	29
Section 2513	- Vessel or Aircraft Departing Before Entry Made	29

Section 2514	- Obstruction to Boarding Official	29
Section 2515	- Unlawful Boarding or Leaving of Vessel or Aircraft	29
Section 2516	- Failure to Deliver or Receive Mail	29
Section 2517	- Unlading of Cargo Before Arrival at Port of Destination	29
Section 2518	- Unlading of Cargo at Improper Time or Place After Arrival	29
Section 2519	- Failure to Exhibit or Deposit Documents	29
Section 2520	- Bringing of Unmanifested Arms, Explosives or War Equipment	30
Section 2521	- Failure to Supply Requisite Manifests	30
Section 2522	- Disappearance of Manifested Article	30
Section 2523	- Discrepancy Between Actual and Declared Weight of Manifested Article	30
Section 2524	- Delivery of Cargo Not Agreeing with the Master's or Pilot's In Command Report	30
Section 2525	- Breaking of Seal Placed by Customs Official	30
Section 2526	- Breaking of Lock or Fastening Placed by Customs Officials	30
Section 2527	- Disappearance of Trunk or Package Specially Noted by Customs Official	30
Section 2528	- False Statement of Vessel's or Aircraft's Destination	30
Section 2529	- Other Offenses	31
Section 2530	- Property Subject to Forfeiture Under Tariff and Customs Laws	31
Section 2531	- Properties Not Subject to Forfeiture in the Absence of Prima Facie Evidence	32
Section 2532	- Conditions Affecting Forfeiture of Article	32
Section 2533	- Enforcement of Lien, Administrative Fines, and Forfeitures	32
Section 2534	- Seizure of Vessel or Aircraft for Delinquency of Owner or Officer	32
Section 2535	- Burden of Proof in Seizure and/or Forfeiture	33
Section 2536	- Seizure of Other Articles	33

PART 5 – DISPOSITION OF PROPERTY IN CUSTOMS CUSTODY

Section 2601	- Property Subject to Sale	33
Section 2602	- Place of Sale or Other Disposition of Property	33
Section 2603	- Mode of Sale	33
Section 2604	- Disqualification to Participate in Auction Sale	33
Section 2605	- Disposition of Proceeds	33
Section 2606	- Disposition of Surplus from the Proceeds of Sale of Abandoned or Forfeited or Acquired Articles	34
Section 2607	- Disposition of Articles Liable to Deterioration	34
Section 2608	- Disposition of Articles Unfit for Use or Sale or Injurious to Public Health	34
Section 2609	- Disposition of Contraband	34
Section 2610	- Disposition of Unsold Articles for Want of Bidders	35
Section 2611	- Treatment of Dangerous Explosives	35
Section 2612	- Disposition of Smuggled Articles	35

PART 7 – FEES AND CHARGES

Section 3301	- Customs Fees and Charges	35
Section 3302	- Other Charges	36
Section 3303*	- Effect of Failure to Affix Stamp Upon Document	36
Section 3304	- General Provision on the Authority to Increase or Decrease Fees and Charges	36

TITLE VII – GENERAL PROVISIONS

PART 1 – CUSTOMS BROKERS

Section 3401	- Qualifications of Applicants for Custom Broker's Certificate	36
Section 3402	- Examination by the Board of Examiners for Customs Brokers	36
Section 3403	- The Board of Examiners	37
Section 3404	- Compensation of Members of the Board	37
Section 3405	- Fees	37
Section 3406	- Annual License Fee	37
Section 3407	- Issuance, Revocation and Suspension of Certificate	37
Section 3408	- Roster of Customs Brokers	38
Section 3409	- Rules and Regulations by the Commissioner of Civil Service	38

PART 2 – MISCELLANEOUS PROVISIONS

Section 3501	- Duty of Collector to Report Rulings to Commissioner	38
Section 3502	- Application of Established Ruling or Decision	38
Section 3503	- Authority of Official to Administer Oaths and Take Testimony	38
Section 3504	- General Bonds	38
Section 3505	- Supervision Over Attorneys-in-Fact	38
Section 3506	- Assignment of Customs Employees to Overtime Work	38
Section 3510	- Reduction of Testimony to Writing	38
Section 3511	- Collector Not Liable in Respect of Ruling in Customs Cases	38
Section 3512	- Interest Prohibited to be Held by Customs Employees	38
Section 3513	- Reward to Persons Instrumental in the Discovery and Seizure of Smuggled Goods	39
Section 3514	- Requirement to Keep Records	39
Section 3515	- Compliance Audit or Examination of Records	39
Section 3516	- Scope of the Audit	39
Section 3517	- Documents in Foreign Language	40
Section 3518	- Records to be Kept by Customs	40
Section 3519	- Words and Phrases Defined	40

PART 3 – PROVISIONS ON PENALTIES

Section 3601	- Unlawful Importation	41
Section 3602	- Various Fraudulent Practices Against Customs Revenue	42
Section 3603	- Failure to Report Fraud	42
Section 3604	- Statutory Offenses of Officials and Employees	42
Section 3605	- Concealment or Destruction of Evidence of Fraud	43
Section 3606	- Affixing Seals	43
Section 3607	- Removal, Breakage, Alteration of Marks	43
Section 3608	- Removing or Repacking Goods in Warehouse	43
Section 3609	- Removing Goods from Customs Custody	43
Section 3610	- Failure to Keep Importation Records and Give Full Access to Customs Officers	43
Section 3611	- Failure to Pay Correct Duties and Taxes on Imported Goods	44
Section 3612	- Violations of Tariff and Customs Laws and Regulations in General	44

FINAL PROVISIONS

Section 3701	- Repealing Clause	44
Section 3702	- Transitory Provisions	44
Section 3703	- Separability Clause	45
Section 3704	- Effectivity Date	45