



**TRANSMODAL**  
**International, Inc.**

## **CUSTOMS FREQUENTLY ASKED QUESTIONS**

### **CHAPTER 1. IMPORTATION**

#### **1. WHAT ARTICLES ARE SUBJECT TO DUTY?**

All articles, when imported to the Philippines, are subject to duty upon each importation, even though previously exported there except as otherwise specifically provided for in the Tariff and Customs Code, as amended, or in other laws.

#### **2. WHEN DOES IMPORTATION BEGIN AND DEEMED TERMINATED?**

Importation begins when the carrying vessel or aircraft enters the jurisdiction of the Philippines with the intention to unload therein. Importation is deemed terminated upon payment of the duties, taxes and other charges due upon the articles, or secured to be paid, at a port of entry and the legal permit for withdrawal shall have been granted, or in case said articles are free of duties, taxes and other charges, until they have legally left the jurisdiction of Customs.

#### **3. WHEN TO FILE AN ENTRY?**

Entry must be filed in the Customs house within 30 days from the date of discharge of the last package from the vessel, which shall not be extendible. Failure to file the entry constitutes implied abandonment.

#### **4. WHAT ARTICLES ARE SUBJECT TO DUTY?**

There are two kinds of import entry, to wit: Formal and the Informal Entry.

##### *Informal Entry*

- a) Articles of a commercial nature intended for sale, barter or hire, the dutiable value of which does not exceed PHP2,000.00; and,
- b) Personal and household effects or articles, not in commercial quantity, imported In passenger's baggage, mail, or otherwise for personal use

##### *Formal Entry*

- a) Articles of a commercial nature intended for sale, barter, or hire, the dutiable value of which is more than PHP2,000.00; and,
- b) Articles for, which the Collector may, upon the recommendation of the Tariff Commission for the protection of a local industry, or the revenue, require formal entry regardless of value and whatever purpose and nature of the importation.

All imported articles are subject to Formal and Informal entry except importation admitted free of duty for the official use of embassies, legation and other agencies of foreign governments who accord like privileges to corresponding agencies of the Philippines.

## **CHAPTER II. PRIVILEGES**

### **1. WHO ARE ENTITLED TO CONDITIONALLY DUTY AND TAX FREE PRIVILEGES?**

Section 105 of the Tariff and Customs Code of the Philippines as amended by Executive Order No. 206 provides duty and tax free privileges to the following Individuals, the extent of which depends on their particular status:

1. Returning Resident. A Returning Resident is a Filipino national who has gone abroad and is now returning. Only those Returning Residents who have an uninterrupted stay abroad for at least six (6) months prior to their return to the Philippines are entitled to duty and tax free privileges. Provided their used and household goods and personal effects should arrive within 60 days prior or after his/her arrival in the Philippines. And that the total dutiable value of which shall not exceed PHP10,000.00
2. Overseas Filipino worker (OFW) is a Filipino national who worked in a foreign country under an employment contract. Only OFWs who have an uninterrupted stay abroad for more than six (6) months are entitled to duty and tax free privileges. Provided their used and household goods and personal effects should arrive within 60 days prior or after his/her arrival in the Philippines. And that the total dutiable value of which shall not exceed PHP10,000.00

3. Former Filipino. A Filipino national who has acquired foreign citizenship abroad and is now returning. Only former Filipinos who are coming to settle permanently in the Philippines and have stayed abroad for at least six months are entitled to the duty and tax exemption privileges holder of 13G VISA. The exemption applies only to their used household goods and personal effects.
4. Foreign national, who is married to a Filipina/Filipino, and a holder of 13A VISA. The exemption applies only to their used household goods and personal effects.

## **2. ARE BALIKBAYANS ALSO ENTITLED TO CERTAIN DUTY AND TAX FREE PRIVILEGES?**

BALIKBAYAN is another term for an OFW or a former Filipino. A returning resident is also a BALIKBAYAN when he has stayed abroad for at least one year. Balikbayans are entitled to duty and tax-free privileges, subject to the condition as provided for returning residents.

## **3. WHAT IS THE EXTENT OF DUTY AND TAX FREE PRIVILEGE OF RETURNING FILIPINOS/BALIKBAYANS?**

The extent varies as follows:

1. Returning Resident. Personal effects and household goods used by him abroad for at least six (6) months and the dutiable value of which is not more than Ten Thousand Pesos (10,000.00) are exempt from duties and taxes. Any amount in excess of P10,000.00 is subject to 50% duty to the first P10,000.00 exemption across the board as provided for under Section 105 (F) of the TCCP.
2. Overseas Filipino Worker (OFW). In addition to the privileges granted to Returning Residents as described above, an OFW may be allowed to bring in, duty and tax free Ten Thousand (P10,000.00) of USED home appliances, provided:
  - a) the quantity is limited to one of each kind;
  - b) the privilege has not been enjoyed previously during the calendar year which fact must be declared under oath by the owner;
  - c) the owner's passport is presented at the port/airport of entry;
  - d) any amount in excess of P10,000.00 will be subject to duty and tax.
3. Former Filipino. Professional instruments and implements, tools of trade occupation or employment, wearing apparel, domestic animals, and personal household effects shall be exempt from payment of Customs duties and taxes. Provided that the change of residence was bonafide, the privilege of free entry was never availed of before and that the articles are brought from their former place of abode.

#### **4. WHAT ARE THE CONDITIONS AND LIMITATIONS ATTACHED TO TAX EXEMPTION PRIVILEGES?**

The following are the conditions for availment of duty and tax privileges;

1. Presentation to the Bureau of Customs of a favorable written endorsement which which department controls the availment of duty and tax free exemptions.
2. The goods extended duty and tax free privilege are not to be sold, bartered nor Traded.
3. The quantity is not commercial.
4. The goods are not prohibited importations.
5. For regulated items, endorsements from the proper regulatory agency.

### **CHAPTER III. MOTOR VEHICLES, BOATS & YACHTS**

#### **1. CAN ANYONE BRING IN A MOTOR VEHICLE?**

Yes, provided that the motor vehicle is brand new. Under Bangko Sentral ng Piliipinas (BSP) Circular 92, Series of 1995, dated October 15, 1995, the importation of a brand new motor vehicle of all types, including motorcycles has been liberalized and would no longer thus require prior authority to import.

#### **2. WHEN IS A MOTOR VEHICLE BRAND NEW?**

A motor vehicle is brand new if and only if the following criteria are satisfied:

- a. That the motor vehicle is of current or advance year model;
- b. It has never been registered or used;
- c. It is covered by a certificate of first ownership;
- d. Of the year of the immediate preceding year in the country of origin and/or manufacture provided that:
  1. The motor vehicle has a mileage of not more than 50 kilometers and;
  2. The motor vehicle has been acquired by the importer from the dealer as first owner.

### **3. HOW ABOUT MOTOR VEHICLES NOT OF CURRENT OR ADVANCE YEAR MODEL?**

They shall be processed as in used motor vehicle.

### **4. WHAT ABOUT USED MOTOR VEHICLES?**

Only qualified individuals may bring in a used motor vehicle, which shall be duly covered by a prior authority to import. Under appendix 1-D of BSP Circular-Letter, Series of 1995, dated October 19, 1995, the importation of used vehicles continue to be regulated and would therefore require prior authority from the Bureau of Import Services (BIS), Department of Trade and Industry (DTI).

### **5. WHO IS QUALIFIED TO IMPORT USED MOTOR VEHICLES?**

Under Executive Order No. 284 as implemented by BIS, in relation to BSP Circular-Letter, Series of 1995, dated October 19, 1995, the following individuals may be allowed to bring in used motor vehicles:

1. A returning Filipino or a former Filipino citizen who has stayed abroad for more than a year;
2. An immigrant to the Philippines (shall be at least a holder of a 13G Visa duly Issued by the Bureau of Immigration and Deportation).

Provided further that:

1. Only one (1) unit motor vehicle per family is allowed to be brought in. (A motorcycle is considered a motor vehicle for this purpose).
2. The vehicle is registered in his name for at least six (6) months prior to shipment to the Philippines;
3. Proof can be presented that the vehicle was acquired out of the earnings abroad.

### **6. IS PERSONAL PRESENCE OF THE CAR-OWNER NECESSARY?**

Personal presence by the car-owner of the used motor vehicle is required.

### **7. IS THE IMPORTED VEHICLE SUBJECT TO TAXES AND DUTIES?**

Yes. Whether brand-new or used, purchased or donated, the imported vehicle is subject to 40% Customs duty, 10% VAT and Ad Valorem Tax from 15% to 100% depending on its piston displacement. Its book value serves as the tax base and not the purchase price nor the acquisition cost. The book value is sourced from university accepted motor vehicle reference books such as the Red Book blue Book, World Book depending on the origin of the imported vehicle.

**8. IS THERE ANY OTHER RESTRICTION ON THE MOTOR VEHICLE THAT MAY BE BROUGHT IN?**

Yes. Whether brand-new or not, the motor vehicle should be left-hand drive.

**9. ARE SPARE PARTS SENT WITH THE MOTOR VEHICLE ALSO TAXABLE?**

Yes. These are taxed separately.

**10. ARE THERE OTHER CHARGES ASIDE FROM TAXES AND DUTIES?**

Yes. There are other non-customs charges that may be due on the shipment such as: storage and arrastre fees which may be collected by the privately-owned arrastre operator; by the shipping line and wharfage dues by the Philippine Ports Authority (PPA).

**11. HOW IMPORTANT IS THE PRIOR IMPORT AUTHORITY (PIA)?**

It is very important if the vehicle would not qualify as brand-new as herein defined. A used motor vehicle not covered by PIA shall be seized and may only be released upon payment of heavy penalties on top of the taxes and duties due thereon.

**12. HOW IS PIA OBTAINED?**

By submitting to BIS a duly accomplished application form, which may be obtained from it and the following documents duly authenticated by the nearest Philippine Consulate abroad where the car-owner resides:

1. Proof of his continuous stay abroad for at least one (1) year;
2. Copy of the registration papers showing that the vehicle is registered in his name for at least six (6) months;
3. Proof that the car was acquired out of the earnings abroad.

**13. IS DEPRECIATION IN VALUE ACCORDED TO IMPORTED VEHICLES?**

Yes, if the imported motor vehicle is an older model or an earlier than the current year model. The depreciation schedule is 10% per year counted downwards from current year, which has a depreciation rate of zero percent (0%). Motor vehicles with a piston displacement of 2000 cc and above may be given a maximum depreciation of 50%, while those below 2000 cc, up to the maximum of 70%.

**14. IS THE IMPORTATION OF MOTOR VEHICLE SUBJECT TO PRE-SHIPMENT INSPECTION (PSI) BY SGS IN THE COUNTRY OF EXPORTATION?**

Under Joint-Order 1-91, individually owned motor vehicle is not subject to pre-shipment inspection by SGS. The importation thereof need not be covered by a Clean Report of Findings (CRF) issued by SGS. Non-individually-owned vehicles or those imported for commercial purposes should therefore undergo PSI and their importation should be covered by CRF.

**15. ARE IMPORTATIONS OF BOATS, YACHTS AND MOTORIZED FARM IMPLEMENTS ALLOWED?**

Yes, subject to payment of taxes and duties and import clearance for the Government agency concerned.

## **CHAPTER IV. PET/ANIMALS & HOUSEHOLD PLANTS**

**1. ARE THERE RESTRICTIONS OR CONDITIONS TO THE ENTRY OF PETS/ANIMALS AND HOUSEHOLD PLANTS?**

Yes, there are quarantine and regulatory agency restrictions and conditions to the Importations of pets/animals and household plants.

**2. WHAT IS THE VETERINARY QUARANTINE REQUIREMENT PRIOR TO THE SHIPMENT OF PET ANIMALS?**

A health certificate must be obtained from the concerned government agency at the port of origin. The certificate will be required by the Veterinary Quarantine Officer at the airport/port of disembarkation. Any pet without such a certificate will be detained by Bureau of Animal Industry (BAI) until cleared.

**3. ARE THERE REQUIREMENTS PRIOR TO SHIPMENT OF HOUSEHOLD PLANTS?**

Yes, a Phytosanitary Certificate must be obtained from the concerned Government Agency at the port of origin and presented to the plant Quarantine Officer. Plants arriving in the country without this certificate as well as those falling in the alert list may be detained.

# CHAPTER V. PROHIBITED/RESTRICTED IMPORTATIONS

## 1. WHAT ARE PROHIBITED/REGULATED IMPORTATIONS?

Prohibited importations are generally those not allowed to be brought into the country except when given permission under high controlled conditions as provided for in the laws prohibiting them. Some of these prohibited items are the following:

1. Dynamite, gunpowder, ammunitions and other explosives, firearms and weapons of War, and parts thereof;
2. Written or printed articles in any form containing any matter advocating or inciting treason, or rebellion, insurrection, sedition or subversion against the government of the Philippines, or containing any threat to take the life of, or inflict bodily harm upon any person in the Philippines.
3. Written or printed articles, negatives or cinematographic film, photographs, engravings, lithographs, objects, paintings, drawing or other representations of an obscene or immoral character.
4. Articles, instruments, drugs and substances designed, intended or adapted for Producing unlawful abortion, or any printed matter which advertises or describes or gives directly or indirectly information where, how and by whom unlawful abortion is produced.

