



Republic of the Philippines  
**Department of Education**

22 AUG 2014

DepEd O R D E R  
No. **38**, s. 2014

**GUIDELINES AND PROCEDURES ON CUSTOMS CLEARANCE OF INTERNATIONAL DONATIONS AVAILING OF DUTY AND/OR TAX EXEMPTION DURING CALAMITIES**

To: Undersecretaries  
Assistant Secretaries  
Bureau Directors  
Directors of Services, Centers and Heads of Units  
Regional Directors  
School Division Superintendents  
All Others Concerned

1. For the information and guidance of all concerned, enclosed is a copy of Bureau of Customs (BOC) issuance dated August 1, 2014 entitled **Guidelines and Procedures on Customs Clearance of International Donations Availing of Duty and/or Tax Exemption During Calamities**. The Department of Education (DepEd) supports the initiative of the BOC to streamline the guidelines and procedures on granting duties and/or tax exemption for donating entities abroad and whose donations are intended for affected schools in calamity-declared areas.
2. These guidelines and procedures aim to enhance the participation of overseas potential donors in addressing the immediate needs of schools and to ensure DepEd representation in BOC established One-Stop-Shop, an office that facilitates and expedites processing of importation of relief goods, rehabilitation equipment and other articles intended for delivery and distribution to calamity-declared areas.
3. Immediate dissemination of and strict compliance with this Order is directed.

**BR. ARMIN A. LUISTRO FSC**  
Secretary

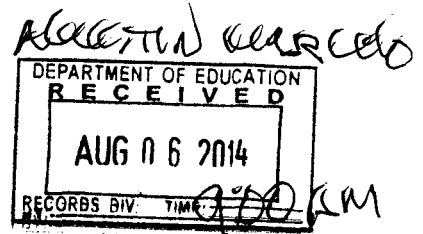
Encl.: As stated  
Reference: N o n e  
To be indicated in the Perpetual Index  
under the following subjects:

CALAMITY  
DONATIONS  
POLICY  
TAX

SMA, DO Guidelines and Procedures on Customs Clearance  
0569/August 12, 2014

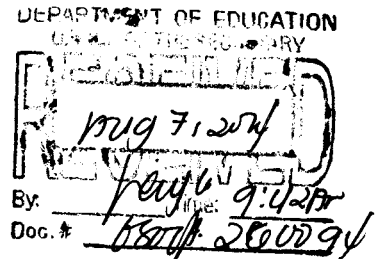


Republic of the Philippines  
Department of Finance  
**Bureau of Customs**  
1099 Manila



REC-080614-1202

**FOR :** Sec. Cesar V. Purisima, DOF  
Sec. Corazon Juliano-Soliman, DSWD  
Sec. Enrique T. Ona, DOH  
Sec. Albert F. del Rosario, DFA  
Sec. Voltaire T. Gazmin, DND  
Sec. Armin A. Luistro, DepEd  
Usec. Alexander P. Pama, NDRRMC  
DG Kenneth Hartigan-Go, FDA



**FROM :** Comm. JOHN P. SEVILLA

**SUBJECT :** FINALIZED GUIDELINES AND PROCEDURES ON CUSTOMS CLEARANCE OF INTERNATIONAL DONATIONS AVAILING OF DUTY AND/OR TAX EXEMPTION DURING CALAMITIES

**DATE :** 01 August 2014

After the several meetings and numerous correspondences with your respective offices, we are glad to inform you that we have finalized the "Guidelines and Procedures on Customs Clearance of International Donations Availing of Duty and/or Tax Exemption during Calamities".

Attached is a copy of the guidelines and procedures for your reference. We are also sending a soft copy of the file to your respective One-Stop Shop (OSS) representatives.

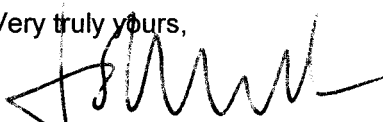
With this development, we are once again requesting for your support by doing the following:

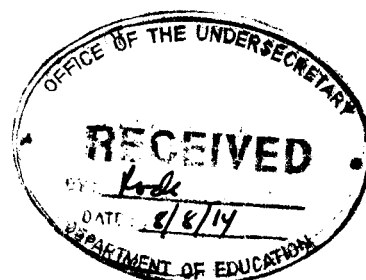
1. Having the file uploaded on your respective agency websites on or before 15 August 2014; and
2. Ensuring that amendments to the guidelines and procedures are coursed through BOC to maintain the uniformity of information among all our agencies.

We hope to receive your response indicating your commitment to the two (2) items indicated above on or before 15 August 2014.

We are grateful for your continued support on this endeavor and we look forward to further cooperation among our agencies especially during calamities.

Very truly yours,

  
**JOHN P. SEVILLA**  
Commissioner  
14-02802  
AUG 01 2014



**GUIDELINES AND PROCEDURES ON CUSTOMS CLEARANCE OF  
INTERNATIONAL DONATIONS AVAILING OF DUTY AND/OR TAX EXEMPTION  
DURING CALAMITIES**

As a general rule, importations into the Philippines are subject to customs duties and taxes unless there is a specific legal basis for exemption from duties and/or taxes. Importation of goods donated from abroad are only exempt from duties and/or taxes under certain circumstances. These guidelines explain those circumstances, and the procedures which must be followed to avail of duty and/or tax exemptions. They are meant as a guide for senders and recipients of donated goods from abroad. Importation of donated goods which do not meet the criteria explained in these guidelines are not exempt from duties or taxes, and must follow the normal Customs laws, rules, regulations, and procedures for processing of imports.

**A. Circumstances at which donated imported goods can be duty- and/or tax-exempt:**

All of the following conditions must be fulfilled for the donated imported goods to be duty-free or both duty- and tax-free:

1. **The Consignee of the imported goods must fall into one of the categories listed below.** The procedures to be followed depend on which category the Consignee falls into. The Bill of Lading (B/L) or Airway Bill (AWB) of any import transaction identifies who the Consignee on the shipment is and the corresponding procedures are followed.

<b>If the Consignee is:</b>	<b>Duty and Tax Treatment</b>
a. National Government Agency (NGA)	1. Duties and taxes are automatically charged to the NGA's account. Donor need not pay any duties and taxes. Procedures described in Section C.
b. DSWD-registered, licensed, and/or accredited Social Welfare Development Agency (SWDA)	1. Duty-exempt if procedures are followed. Not tax-exempt. Procedures described in Section C.
c. Foreign Embassies and International Organizations / Specialized Agencies*	1. Duty-and tax-exempt if procedures are followed. Coordinate with the Department of Foreign Affairs (DFA) or Philippine Embassy/Consular Office in the country of origin for the procedures.
d. Others	1. Duties and taxes are charged to the Donee NGA's account if the Consignee donates the goods to a National Government Agency and procedures described in Section D are followed.  2. Duty-exempt if the Consignee donates the goods to a DSWD-registered, licensed, and/or accredited SWDA and procedures described in Section D are followed. Not tax-exempt.

	3. Neither duty-exempt nor tax-exempt if the Consignee does not donate to either a National Government Agency or a DSWD-registered, licensed, and/or accredited SWDA, or if procedures in Section D are not followed.
--	---

\* See Appendix I for list of international organizations / specialized agencies

For all the scenarios above, other charges such as storage, demurrage, arrastre, wharfage, trucking / transportation, warehousing, stripping / stuffing, etc. are not covered by the privileges. As such, unless prior arrangements are made with the donee to shoulder these costs, the consignee is still required to settle the mentioned charges for goods to be released.

2. **The donated imported goods must not be prohibited imports.** The Tariff and Customs Code of the Philippines, Section 101, other laws, and other regulations issued by different government agencies, define certain goods whose importation into the Philippines is prohibited. Examples include adulterated or misbranded food and drugs. Moreover, the following are also prohibited:
  - a. Used clothing
  - b. Medicines
    - i. without English translations in their immediate labels
    - ii. not listed in the Philippine National Formulary (<http://www.ncpam.doh.gov.ph/index.php/pnfl/approved-pnf-medicines-samp>) or registered in an FDA-counterpart agency in the country of origin
    - iii. with expiry date less than six (6) months upon arrival
  
3. **If the donated imported goods are regulated imports, the Consignee must obtain an import permit or clearance from the relevant Philippine government agency which regulates importation of these goods.** Various laws and other regulations issued by different government agencies define certain goods whose importation into the Philippines are restricted or regulated. Some examples of commonly donated goods, and the government agencies which issue the import permits for such goods, are given below:

Regulated Goods	Issuer of Import Permit / Clearance	Contact Details
Medicine, medical devices and equipment	Food and Drug Administration	<b>DRUGS / MEDICINES:</b> <b>Ms. Maria Lourdes Santiago</b> OIC, Center for Drug Regulation and Research Tel #: 857.19.00 loc. 1331  <b>MEDICAL DEVICES &amp; EQUIPMENT:</b> <b>Dir. Agnette P. Peralta</b> Center for Device Regulation, Radiation Health and Research Tel #: 749.94.43/711.68.24

Rice	National Food Authority	<b>Mr. Christopher T. Patdo</b> Grains Operation Officer  <b>Ms. Lisette C. Pineda</b> Economist  Tel #: 454.18.90
Toys	Food and Drug Administration	<b>Ms. Maria Theresa Gutierrez</b> OIC, Center for Cosmetics Regulation and Research Tel #: 857.19.00 loc. 8113
Processed Food	Food and Drug Administration	<b>Ms. Pilar Marilyn Pagayunan</b> OIC, Center for Food Regulation and Research Tel #: 857.19.00 loc. 8105
Telecommunication Equipment	National Telecommunication Commission	<b>Mr. Gil M. Meriño</b> OIC, Special Radio Services Division Tel #: 924.40.79

## B. The One-Stop Shop

The One-Stop Shop is an office with locations at the Ninoy Aquino International Airport (NAIA), Port of Mactan, and port nearest the calamity area, designed to facilitate and expedite processing of importations of relief goods, rehabilitation equipment, and other articles intended for delivery and distribution to calamity-declared areas.

All government agencies which have roles to perform in processing availment of duties and/or taxes exemptions and releasing goods are represented in the OSS. The following are the contact persons for each location (current as of July 2014)

Government Agencies	Contact Persons	
	NAIA	Port of Mactan
Bureau of Customs (BOC)	<b>Atty. Agnes D. Dominez</b> Chief, Law Division (02) 879.50.88 (02) 831.34.21	<b>Mr. Roy R. Gonzaga</b> Warehouseman III +63.916.552.87.38
	<b>Ms. Maria Teresita Juliet G. Malco</b> Asst. Customs Operations Officer / BOC Point Person for Foreign Donations +63.917.746.11.68	

Department of Social Welfare & Development (DSWD)	<p><b>Mr. Patrick John G. Reyes</b> Administrative Officer V</p> <p><b>Mr. Charles Kevin J. Ronda</b> Administrative Officer IV</p> <p>(02) 851.26.81 (02) 852.80.81</p>
Department of Health (DOH)	<p><b>Ms. Maylene M. Beltran</b> Director IV Bureau of International Health Cooperation Dept. of Health (02) 651.78.00 local 1302</p>
Department of Finance (DOF)	<p><b>Internal Revenue Division</b> (02) 526.84.76</p>
Department of Education (DepEd)	<p><b>Ms. Zeny Lastimoza</b> Adopt a School Program Secretariat (02) 638.86.37-39</p>
Department of Foreign Affairs (DFA)	<p><b>Office of Protocol</b> (02) 834.40.00</p>
National Disaster Risk Reduction and Management Council (NDRRMC) Office of Civil Defense (OCD)	<p><b>Ms. Shelby A. Ruiz</b> Civil Defense Officer III (02) 911.14.06 / (02) 911.50.61-65 (02) 912.56.68 / +63.917.512.25.23</p>
Food and Drug Administration (FDA)	<p><b>Ms. Nemia T. Getes</b> 857.19.00 local 2141</p> <p><b>Atty. Emilio Polig, Jr.</b> 857.19.00 local 8104 / 8106</p>

The OSS is activated, with the National Disaster Risk Reduction and Management Council (NDRRMC) as the lead agency, upon the declaration of the President of the Philippines of a national state of calamity. Sections C and D below indicate the procedures that should be followed if OSS is activated.

If OSS is not activated, duties and/or taxes exemptions can be availed of by following the steps under “Pre-Arrival Activities” and “Port of Discharge Activities” of Sections C or D, whichever is applicable, and the alternative procedures to “OSS Location Activities” indicated in Section E.

**C. Procedures to be Followed if the Consignee is a National Government Agency or a DSWD-Registered, Licensed, and/or Accredited Social Welfare Development Agency (SWDA) (Scenarios a and b in Section A.1)**

**Pre-Arrival Activities:**

1. The Sender advises the Consignee of the donation to ensure that the Consignee is willing and prepared to receive it.
2. The Sender of the goods prepares a Deed of Donation to the Consignee. The Deed of Donation must be consularized or authenticated by the Philippine Consulate in the domicile of the Sender.
3. The Consignee executes a Deed of Acceptance of the donation from the Sender.
4. If any of the goods being imported is a Restricted or Regulated Good, the Consignee obtains an Import Permit or Clearance from the relevant Philippine Government Agency.

**OSS Location Activities:**

5. Once the goods arrive in the Philippines, the Consignee or its authorized representative submits the following documents to the One-Stop Shop:
  - a. Consularized Deed of Donation
  - b. Deed of Acceptance
  - c. Bill of Lading or Airway Bill (*endorsed by shipping agent or airline*)
  - d. Itemized Packing List (*for medicines - including Lot No. and Expiry Date*)
  - e. Invoice (*required for calculation of duties and taxes*)
  - f. Import Permit or Clearance (*if any of the goods being imported is a restricted or regulated good*)
  - g. Filled-up Informal Import Declaration Entry (IIDE, a form available at the BOC Administrative Division or Collection Division at the Port of Discharge)
  - h. Filled-up Permit to Deliver Imported Goods (PDIG, a form available at the BOC Administrative Division or Collection Division at the Port of Discharge, *applicable to sea freight cargoes only as endorsed by shipping agent*)
6. The One-Stop Shop (OSS) representatives of each agency take charge of issuance of Deed of Acceptance, coordination with other concerned agencies, and overall facilitation for immediate release of donated goods.
7. Depending on who the Consignee is, either of the following happens:
  - a. If the Consignee is an NGA, duties and taxes are automatically charged to the Donee NGA's account.
  - b. If the Consignee is a DSWD-registered, licensed, and/or accredited SWDA, the OSS representative of DSWD issues an indorsement to DOF for duty exemption. The OSS representative of DOF then facilitates issuance of approval of request.
8. Once processing is completed, OSS team returns Consignee's copies of the documents. Approval for duty exemption (Scenario b of Section A.1) is indicated in the filled-up IIDE Form (*No DOF approval required for Scenario a of Section A.1*).

**Port of Discharge Activities:**

9. The Consignee or its authorized representative files for an Informal Import Declaration and Entry (IIDE) at the BOC Informal Entry Division of the Port of Discharge.

10. BOC Informal Entry Division at the Port of Discharge examines and appraises the goods. Any prohibited goods are seized and forfeited in favor of the government. Moreover, restricted or regulated goods without Import Permit or Clearance found during examination are likewise seized and forfeited in favor of the government.
11. After examination and assessment, the BOC Informal Entry Division's Customs Examiner issues an Order of Payment to the Consignee indicating the applicable Customs charges for settlement.
12. Consignee or its authorized representative settles the Customs charges at the designated or in-house bank.
13. Consignee or its authorized representative presents the Proof of Payment to the Customs Examiner.
14. Consignee or its authorized representative settles other charges of private entities, i.e. storage, demurrage, trucking / transportation, arrastre, warehousing, stripping / stuffing, etc.
15. Goods are released.

**D. Procedures to be Followed if the Consignee is neither a National Government Agency nor a DSWD-Registered, Licensed, and/or Accredited Social Welfare Development Agency (SWDA), but donates the imported goods to a National Government Agency or a DSWD-Registered, Licensed, and/or Accredited Social Welfare Development Agency (SWDA) (Scenario d as described in Section A.1)**

**Pre-Arrival Activities**

1. The Sender advises the Donee of the donation to ensure that the Donee is willing and prepared to receive it.
2. The Consignee prepares a notarized Deed of Donation to either an NGA, DSWD-registered, licensed, and/or accredited SWDA.
3. The Donee executes a Deed of Acceptance of the donation from the Consignee.
4. If any of the goods being donated is a Restricted or Regulated Good, the Consignee obtains an Import Permit or Clearance from the relevant government agency.

**OSS Location Activities**

5. Once the goods arrive in the Philippines, the Consignee, Donee, or their authorized representative submits the following documents to the One-Stop Shop:
  - a. Notarized Deed of Donation
  - b. Deed of Acceptance
  - c. Bill of Lading or Airway Bill (*endorsed by shipping agent or airline*)
  - d. Itemized Packing List
  - e. Invoice (required for calculation of duties and taxes)
  - f. Import Permit or Clearance (*if any of the goods being imported is a restricted or regulated good*)
  - g. Filled-up Informal Import Declaration Entry (IIDE, a form available at the BOC Administrative Division or Collection Division at the Port of Discharge)
  - h. Filled-up Permit to Deliver Imported Goods (PDIG, a form available at the BOC Administrative Division or Collection Division at the Port of Discharge, *applicable to sea freight cargoes only as endorsed by shipping agent*)



6. Depending on who the Donee is, either of the following happens:
  - a. If the Donee is an NGA, the Donee issues an indorsement to DOF. The OSS representative of DOF facilitates issuance of approval to charge duties and taxes to the Donee NGA's account.
  - b. If the Donee is a DSWD-registered, licensed, and/or accredited SWDA, the OSS representative of DSWD issues an indorsement to DOF for duty exemption. The OSS representative of DOF then facilitates issuance of approval of request.
7. Once processing is completed, OSS team returns Consignee's copies of the documents. Approval for duty and tax exemption (Scenario d.1 of Section A.1) or duty exemption (Scenario d.2 of Section A.1) is indicated in the filled-up IIDE Form.
8. The OSS representative of BOC advises the Law Division of the Port of Discharge to have the Consignee details in the manifest amended to reflect the details of the Donee. The District Collector, Deputy Collector for Operations, and Law Division of the Port of Discharge coordinate with each other for the actual amendment in the manifest.

**Port of Discharge Activities**

9. After having the manifest amended, the Consignee files for an Informal Import Declaration and Entry (IIDE) at the BOC Informal Entry Division of the Port of Discharge.
10. BOC Informal Entry Division at the Port of Discharge examines and appraises the goods. Any prohibited goods are seized and forfeited in favor of the government. Moreover, restricted or regulated goods without Import Permit or Clearance found during examination are likewise seized and forfeited in favor of the government.
11. After examination and assessment, the BOC Informal Entry Division's Customs Examiner issues an Order of Payment to the Consignee indicating the applicable Customs charges for settlement.
12. Consignee or its authorized representative settles the charges at the designated or in-house bank.
13. Consignee or its authorized representative presents Proof of Payment to the Customs Examiner.
14. Consignee or its authorized representative settles other charges of private entities, i.e. storage, demurrage, trucking / transportation, arrastre, warehousing, stripping / stuffing, etc.
15. Goods are released.

**E. Alternative Procedures to "OSS Location Activities" of Sections C and D if OSS is NOT Activated**

5. Once the goods arrive in the Philippines, depending on the Section (C or D), either of the following happens:

**Section C:**

- a. If consignee is an NGA, the consignee prepares the documents indicated in Item b below for submission to the Bureau of Customs.
- b. If consignee is a DSWD-registered, licensed, and/or accredited SWDA, the consignee submits to DSWD the following documents:
  - i. Consularized Deed of Donation

- ii. Deed of Acceptance
- iii. Bill of Lading or Airway Bill (*endorsed by shipping agent or airline*)
- iv. Itemized Packing List
- v. Invoice (required for calculation of duties and taxes)
- vi. Import Permit or Clearance (*if any of the goods being imported is a restricted or regulated good*)
- vii. Filled-up Informal Import Declaration Entry (IIDE, a form available at the BOC Administrative Division or Collection Division at the Port of Discharge)
- viii. Filled-up Permit to Deliver Imported Goods (PDIG, a form available at the BOC Administrative Division or Collection Division at the Port of Discharge, *applicable to sea freight cargoes only as endorsed by shipping agent*)

**Section D:**

- a. If Donee is an NGA, the Consignee, Donee, or their authorized representative prepares the documents indicated in Item b below for submission to DOF.
  - b. If Donee is a DSWD-registered, licensed, and/or accredited SWDA, the Consignee, Donee, or their authorized representative submits to the DSWD the following documents:
    - i. Notarized Deed of Donation
    - ii. Deed of Acceptance
    - iii. Bill of Lading or Airway Bill (*endorsed by shipping agent or airline*)
    - iv. Itemized Packing List
    - v. Invoice (required for calculation of duties and taxes)
    - vi. Import Permit or Clearance (*if any of the goods being imported is a restricted or regulated good*)
    - vii. Filled-up Informal Import Declaration Entry (IIDE, a form available at the BOC Administrative Division or Collection Division at the Port of Discharge)
    - viii. Filled-up Permit to Deliver Imported Goods (PDIG, a form available at the BOC Administrative Division or Collection Division at the Port of Discharge, *applicable to sea freight cargoes only as endorsed by shipping agent*)
6. If Consignee or Donee is a DSWD-registered, licensed, and/or accredited SWDA, DSWD issues an indorsement to DOF requesting for approval for duty exemption.
  7. Depending on who the Consignee or Donee is, either of the following happens:
    - a. If Consignee is an NGA, DOF approval is no longer required as duties and taxes are automatically charged to the NGA's account.
    - b. If Donee is an NGA, DOF issues approval to charge the duties and taxes to the Donee NGA's account.
    - c. If Consignee or Donee is a DSWD-registered, licensed, and/or accredited SWDA, DOF issues approval for duty exemption.
  8. The Consignee, Donee, or their authorized representative submits to BOC the DOF approval (except if Consignee is an NGA wherein DOF approval is not required) with all other documents indicated above as attachments. For Section D, the Consignee, Donee, or

their authorized representative also requests the Law Division of the Port of Discharge to have the Consignee details in the manifest amended to reflect the details of the Donee.

**F. Bureau of Customs (BOC) Charges:**

<b>BOC CHARGES*</b>	<b>APPLICABLE RATE</b>										
A. Customs Documentary Stamp (CDS)	Fixed rate of P265.00										
B. Import Processing Fee (IPF)	<table border="1"> <thead> <tr> <th>Dutiable Value of Shipment</th> <th>IPF/Entry</th> </tr> </thead> <tbody> <tr> <td>Up to P250,000</td> <td>P 250.00</td> </tr> <tr> <td>Over P250,000 to P500,000</td> <td>P 500.00</td> </tr> <tr> <td>Over P500,000 to P750,000</td> <td>P 750.00</td> </tr> <tr> <td>Over P750,000</td> <td>P 1000.00</td> </tr> </tbody> </table>	Dutiable Value of Shipment	IPF/Entry	Up to P250,000	P 250.00	Over P250,000 to P500,000	P 500.00	Over P500,000 to P750,000	P 750.00	Over P750,000	P 1000.00
	Dutiable Value of Shipment	IPF/Entry									
	Up to P250,000	P 250.00									
	Over P250,000 to P500,000	P 500.00									
Over P500,000 to P750,000	P 750.00										
Over P750,000	P 1000.00										
C. Container Security Fee (CSF) – <i>for containerized shipments only</i>	\$5.00 x BOC-determined Peso-Dollar Exchange Rate per Twenty-Foot Equivalent Unit [TEU] container										
D. Informal Import Declaration and Entry Form (BC Form 177)	P15.00 per set										
E. Permit to Deliver Imported Goods Form (BC Form 194) – <i>for sea freight cargoes only</i>	P15.00 per set										
F. Customs Duty	Up to 65% of Dutiable Value depending on the tariff code of the goods										
G. Value Added Tax (VAT)	12% of Total Landed Cost**										

\* Unless prior arrangements have been made with the donee NGA or DSWD-registered, licensed, and/or accredited SWDA for them to shoulder these costs, the consignee is required to settle these charges for goods to be cleared by Customs.

\*\* Total Landed Cost refers to the sum of Dutiable Value, Bank Charges (if any), Customs Duty, Brokerage Fee, Arrastre Charge, Wharfage Due, Customs Documentary Stamp, and Import Processing Fee.

**Appendix I**  
**List of International Organizations / Specialized Agencies**  
**Qualified for Duty and/or Tax Exemption**  
**on Imported Goods for Donation**

**INTERNATIONAL ORGANIZATIONS / SPECIALIZED AGENCIES**

1. International Labor Organization (ILO)
2. Food and Agriculture Organization of the United Nations
3. United Nations Educational, Scientific, and Cultural Organization (UNESCO)
4. International Monetary Fund (IMF)
5. International Bank for Reconstruction and Development (IBRD)
6. World Health Organization (WHO)
7. World Food Programme (WFP)
8. United Nations Population Fund
9. United Nations Development Programme (UNDP)
10. United Nations High Commissioner for Refugees
11. United Nations Children's Fund
12. International Committee of the Red Cross (ICRC)
13. Philippine Red Cross
14. Other agencies related to the United Nations (UN)