

MEMORANDUM FROM THE SECRETARY

FOR : HEADS OF ALL OFFICES, BUREAUS, SERVICES AND UNITS
DSWD Central Office

SUBJECT : PROCESSING OF FOREIGN DONATED GOODS CUSTOM
DUTIES AND TAXES

Republic Act (RA) No. 10863 otherwise known as Customs Modernization and Tariff Act (CMTA) covers relief consignment, all importations by the government, among others. While relief consignment are exempted from duties and taxes, all importations by the government shall be subject to duties, taxes, fees and other charges.

I. OBJECTIVES

To provide for procedures in the request for allotment for foreign donated goods which were subjected to duties, taxes, fees and other charges.

II. OPERATIONAL GUIDELINES

1. All receipts of foreign in-kind donations intended for disaster response operations and consigned to DSWD must be coordinated with the National Resource and Logistics Management Bureau (NRLMB).
2. The NRLMB shall identify the receipt of goods as relief consignment exempted from taxes and duties and as importation subject to duties, taxes, fees and other charges. The NRLMB shall be guided by the following:
 - a. Relief Consignment. Section 120 of CMTA provides that goods such as food, medicine, equipment and materials for shelter, donated or leased to government institutions and accredited private entities for free distribution or use of victims of calamities shall be treated and entered as relief consignment.
 - b. Section 121 of the CMTA further provides that relief consignment imported during a state of calamity and intended for a specific calamity area for the use of the calamity victims therein, shall be exempt from duties and taxes.
 - c. If the goods cannot be identified as relief consignment, the goods shall be subject to duties, taxes, fees and other charges pursuant to Section 406 of CMTA.
3. In case of foreign donated goods not identified as relief consignment, the NRLMB shall prepare and forward the Certification of Undertaking and Official Importation to the Finance and Management Service (FMS) in compliance with Section 15, General Provisions, General Appropriations Act of FY 2021 which provides that national

internal revenue taxes and import duties payable or assumed by departments shall be considered as both revenues and expenditure of the government, and are deemed appropriated.

To facilitate the Certification of Undertaking and Official Importation, the following documents must be provided by the NRLMB:

- a) Deed of Donation/Acceptance;
- b) Bill of Lading;
- c) Computation of Customs Duties and Taxes;
- d) Invoice;
- e) Memorandum of Agreement/Contract; and
- f) Clearance from other National Government Agencies;
- g) Other relevant documents depending on the goods such as phytosanitary certificate, if necessary

The above enumerated documents must be consistent and the consignee of the shipment/s should be the Department of Social Welfare and Development.

4. The payment of the Customs Duties and Taxes is being processed upon the submission of the Quarterly Statement of Account from the Bureau of Customs (BOC) to the Department through the NRLMB-Donation Facilitation Section (DFS). The NRLMB-DFS shall then forward to the FMS - Budget Division the following documents:
 - a) Accomplished copy of the Quarterly Report of Taxes and Duties Availments (Form 2);
 - b) Statement of Account from the Bureau of Customs;
 - c) Copy of the documents corresponding to the DSWD Shipment/s Statement of Account/Control Number
5. The FMS - Budget Division will prepare a letter request to the DBM for issuance of SARO. Once the SARO is approved, the Budget Division will prepare an Obligation Request and Status (ORS) to recognize the allotment released for book entry purposes.
6. The FMS - Budget Division provides copy of the SARO and ORS to FMS - Accounting Division.
7. The FMS-Accounting Division will record the payment to Bureau of Customs upon the receipt of SARO and will provide the copy of Journal Entry Voucher to the person in-charge in the Bureau of Customs.

Attached is the Checklist for Facilitation of Foreign Donated Goods.

For information and guidance.


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Date: JAN 28 2022