REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE  

October 28, 2002  

REVENUE MEMORANDUM ORDER NO. 35-2002  

SUBJECT : Prescribing the Guidelines and Procedures in the Processing and Issuance of AUTHORITY TO RELEASE IMPORTED GOODS (ATRIG) for Excise and Value-Added Tax Purposes  

TO : All Assistant Commissioners, Regional Directors, Revenue District Officers and Others Concerned  

I. OBJECTIVES  

This Order is issued to:  

1. Provide uniform procedure for the processing and issuance of Authority to Release Imported Goods (ATRIG);  

2. Prescribe the use of the official accountable form for ATRIG;  

3. Prescribe reporting requirements for the effective control and monitoring of all processed applications and issued ATRIGs; and  

4. Delineate the duties and responsibilities of all revenue offices and personnel responsible in the processing of ATRIGs as well as in the requisition, utilization and custody of the ATRIG form.  

II. POLICIES AND GUIDELINES  

1. An Application for ATRIG (Annex "A") for value-added tax purposes shall be filed in duplicate with the Revenue District Office (RDO) having jurisdiction over the port of entry. For excise tax purposes, however, the Application for ATRIG shall be filed with the Excise Tax District Office
(ETDO) where the taxpayer-importer is registered or required to be registered. The Application for ATRIG shall be distributed as follows:

- **Original** - RDO/ETDO
- **Duplicate** - Importer/Broker

Each importation shall be covered by a separate application for ATRIG. In cases where the importation involves articles of the same kind but are covered by two or more Bills Of Lading issued to the same importer under the same vessel, the consolidated application may be accepted and processed. The application for ATRIG shall be notarized and properly accomplished and signed by the importer or his duly authorized representative with the prescribed documentary stamp affixed thereon.

2. No application shall be accepted if the importer-applicant and/or broker-representative is/are not duly registered taxpayer(s) with the BIR. In cases where the intended importation consists of excisable articles, raw materials, machineries, equipments, apparatus or any mechanical contrivances especially used for the production of excisable articles, the application for ATRIG shall likewise not be accepted if the importer-applicant does not have a separate Permit to Operate as an Importer for excise tax purposes.

3. BIR Form No. 1918 (Annex “B”) shall be used whether for excise or value-added tax (VAT) purposes and shall be approved and issued by the Revenue District Officer of the RDO/ETDO authorized to process and approve the ATRIG. For this purpose, upon initial receipt of the new sets of this form, reproductions and/or issuances of pro-forma ATRIGs shall thereafter be strictly prohibited.

The form shall be filled-up completely, prepared in triplicate and distributed as follows:

- **Original** - Bureau of Customs
- **Duplicate** - Issuing RDO/ETDO
- **Triplicate** - Business Intelligence Division (National office)

The above provision notwithstanding, all applications for ATRIG for excise tax purposes shall be filed with and processed by the concerned Excise Tax District Office having jurisdiction over the importer.

4. For excise tax purposes, the ATRIG shall be issued for all importations of articles subject to excise tax (whether exempt or taxable), including the raw materials in the production thereof, as well as the machineries, equipment, apparatus or any mechanical contrivances especially used for its assembly/production.
For VAT purposes, the ATRIG shall be issued on all importations of articles exempt from VAT except on those articles specifically identified and enumerated in the Circular issued jointly by the Bureau of Internal Revenue and the Bureau of Customs.

5. The ATRIG shall be processed, approved and issued within one (1) day from the time of the actual receipt of the application, in cases where the application for ATRIG is supported by complete documents and there is no legal/factual issue on the taxability of the imported article.

6. Proper coordination with the authorized representatives of the Bureau of Customs shall always be maintained if an ocular inspection is needed in order to verify the actual description of the imported article or to secure a sample thereof for purposes of laboratory analysis.

With respect to imported automobiles, prior ocular inspection shall be conducted at all times to determine its taxability and compliance with the prescribed seating capacity criteria under existing revenue issuances.

7. For purposes of filing, identification and classification of articles, either for excise or VAT purposes, the authorized issuing offices shall add such descriptive letters or word which shall be printed right below the ATRIG’s pre-printed serial number according to the following order:

a) PRODUCT CODE (for excise) or VAT CODE (for VAT exemption)
b) YEAR OF ISSUE
c) RDO NUMBER
d) RDO, RR, ETDO or NO Office CONTROL NUMBER

8. Applications for ATRIG with legal issues on the taxability or exemption of the imported articles shall be referred to the Legal Division of the Regional Office or to the Law Division, National Office, as the case maybe, for appropriate resolution. Any request for a ruling on an article involving factual issues requiring laboratory comment/evaluation/recommendation for purposes of identification and/or classification shall be referred to BIR Laboratory Unit in the National Office prior to referral to the proper legal office. In case the request for a ruling affecting the application for ATRIG is directly filed by the taxpayer with the Legal Division or Law Division in the Regional or National Office, respectively, or the VAT Review Committee, the same shall nevertheless be referred to the BIR Laboratory Unit prior to the formulation and issuance of the appropriate ruling.

For issues not requiring legal resolution, samples of the imported goods requiring laboratory analysis shall be referred to the BIR Laboratory Section National Office, for appropriate action. In this connection, physical laboratory analysis/comment/evaluation shall be conducted on samples of every
shipment of alcohol and alcohol products, petroleum products, and such other articles to determine its taxability and proper tax classification. Samples thereof shall be taken directly from the shipment by authorized BIR representative(s) in the customs premises, in coordination with the customs’ authorized representatives.

In the event that the correct product classification and basis of taxation of imported article can be sufficiently determined on the basis of acceptable Certificate of Analysis and/or Material Safety Data Sheet (MSDS) together with complete product specification and/or product data/information, whichever is applicable, the conduct of actual laboratory analysis may be dispensed with. However, these documents shall be referred to the BIR Laboratory Unit for appropriate evaluation and comment, prior to the issuance of ATRIG.

9. All requests for the issuance of BIR strip stamps or labels for alcohol or tobacco products, whichever is applicable, shall be processed in accordance with existing revenue issuances only after the submission by the taxpayer-importer of proofs of excise tax payment on the imported excisable articles covered by the application for ATRIG.

10. In cases where the articles covered by the application for ATRIG have already been released from custom’ custody prior to the issuance thereof, no ATRIG shall be allowed to be issued just to complete the documentation of the importation for BOC purposes.

11. The issuing RDO/ETDO shall ensure that the articles subject to excise tax, whether taxable or exempt, are delivered to the importer’s place of business/production. For this purpose, the Revenue Officer(s) assigned to process the application for ATRIG shall be designated to supervise the release of imported articles from the customs premises up to the importer’s place of business/production. In addition to the foregoing, proper coordination and/or notification shall be made by the ATRIG issuing office to the BIR office having jurisdiction over the excise tax establishments with Revenue Officer(s) Assigned on Premises (ROOPs). Such notification shall be made prior to the release of imported articles from customs custody to ensure that said ROOPs are duly alerted on incoming deliveries/shipments.

12. For purposes of uniformity in the use of VAT codes and product codes, the following codes for each product description shall be strictly observed:

<table>
<thead>
<tr>
<th>VAT/PRODUCT CODES</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) AGRI</td>
<td>Agricultural &amp; Marine Food Products and Breeding Stock &amp; Genetic Materials</td>
</tr>
<tr>
<td>b) FERT</td>
<td>Fertilizers</td>
</tr>
<tr>
<td>c) FEEDS</td>
<td>Feeds and Feed Ingredients</td>
</tr>
</tbody>
</table>
d) ALCO  Alcoholic Products

e) COOP  Agricultural and Electric Cooperatives

f) OSLA  Other Special Laws or International Agreements

g) VAT  All Other Articles Subject to VAT (Articles held to be “vatable” and do not fall under the other product codes)

h) TOB  Tobacco Products

i) OIL  Petroleum Products

j) MIN  Mineral Products

k) AUTO  Automobiles

l) NEG  Non-Essential Goods & Other Articles

All ATRIGS issued for machineries, equipment, apparatus or any mechanical contrivances used for the assembly/production of articles subject to excise tax shall bear the same product codes of the assembled/manufactured products.

Examples:

a) For excise tax purposes

   OIL – 2002 – 50 - 00000001

b) For VAT-exempt purposes

   FEEDS– 2002 – 50 – 00000001

c) For Articles Subject to VAT ((Articles held to be “vatable” and do not fall under the other product codes)

   VAT – 2001 – 41 – 00000001

13. The issuing RDO/ETDO shall maintain an ATRIG Registry Book and shall enter all ATRIGs that have been issued in a sequential manner according to the Control Number thereof. The Registry Book shall contain the following information:

   a. ATRIG Control Number
   b. Date of issue
   c. Name and address of importer/applicant
   d. Importer’s TIN
   e. Name and address of Broker
   f. Broker’s TIN
   g. Description of imported articles(s)
   h. Bill of Lading/Airway Bill Number
i. Name of Carrier and Voyage Number
j. Value of Importation (in US Dollars)

Likewise, an ATRIG control card for each importer/applicant shall be prepared containing the following information:

a. Name and address of importer/applicant;
b. Importer’s TIN;
c. Name and address of broker
d. Broker’s TIN;
e. ATRIG Control Number;
f. Date of ATRIG;
g. Letter of Credit (LC) Number, if applicable;
h. Description of articles(s) imported:
i. Airway bill/Bill of lading number;
j. Name of carrier;
k. Quantity;
l. Value in US dollar;
m. Date released;
n. Amount of Taxes paid

14. A monthly summary report (Annex C), together with the triplicate copies of ATRIGs that have been issued, shall be transmitted on a regular basis to the Business Intelligence Division at the National Office for purposes of reconciliation and verification with their database, indicating the following information:

a. Name and address of importer/applicant
b. Importer’s TIN
c. Name and address of Broker
d. Broker’s TIN
e. Permit to Import Number
f. Date of Issuance of Permit to Import
g. ATRIG Control Number
h. Date of ATRIG
i. Letter of Credit Number
j. Import Entry Declaration Number
k. Description of imported articles(s)
l. Volume of Importation
m. Value of Importation (in US Dollars)
n. Bill of Lading/Airway Bill Number
o. Name of Carrier/Voyage/Flight Number
p. VAT Due, if applicable
q. Excise Tax Due, if applicable
The Business Intelligence Division shall, after performing such reconciliation, transmit a monthly summary report on the results of its findings which should include among others, whether or not, each importation is covered with ATRIG and such other discrepancies to the concerned Revenue District Office, Excise Tax District Office, and/or Excise Taxpayers Data Reconciliation & Analysis Division in the National Office, as the case may be, where the importer is registered or required to be registered.

The summary report received by the RDO, ETDO or Excise Taxpayers Data Analysis & Reconciliation Division in the National Office, as the case may be, shall form part of respective database for purposes of audit and monitoring of the activities of the taxpayers under their jurisdiction.

15. In monitoring the stock balance of the ATRIG Form, a computer file shall be maintained by the Accountable Officer using any appropriate software program, in lieu of “Stock Cards”, containing the following columnar headings described below:

<table>
<thead>
<tr>
<th>DATE</th>
<th>RECEIVED</th>
<th>ISSUED</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Qty</td>
<td>Serial Number From</td>
<td>To</td>
</tr>
</tbody>
</table>

16. The provisions provided under of Revenue Memorandum Order No. 32-98, dated March 5, 1998 shall govern the handling, requisition, loss, damage, cancellation, disposal, inventory and reporting requirements of the said form.

17. ATRIGs that have been issued may be subject anytime to post audit or review by any Office authorized by the Commissioner or the Deputy Commissioner for Operations.

III. PROCEDURES

A. REVENUE DISTRICT OFFICE (RDO) HAVING TERRITORIAL JURISDICTION OVER THE PORT OF ENTRY

RECEIVING OFFICER

1. Check whether or not the Application for ATRIG is properly filled up and attached with complete supporting documents. The attachments are complete if the following documents are present:

   a. Commercial Invoice;
   b. Consular Invoice;
   c. Bill of Lading or Airway Bill, whichever is applicable;
   d. Packing List;
e. Import Entry & Internal Revenue Declaration;
f. Copies of Certificates for Registration in the appropriate RDO, if the importer/broker is applying for ATRIG for the first time;
g. Duly notarized Certificate of Undertaking (for automobiles, feed ingredients, petroleum additives, etc.); and
h. Other documents that may be required to substantiate the application for ATRIG, (e.g. Certification from Bureau of Animal Industry, Fertilizer and Pesticides Authority, Food and Drug Authority, etc.).

In case of imported excisable articles, the following supporting documents are to be attached, in addition to the abovementioned applicable requirements:

a. Permit to Operate as Excise Taxpayer, if the importer is applying for the first time.

b. Permit to Import, when the articles to be imported are tobacco/alcohol products, raw materials in the assembly/production of these products or any apparatus or mechanical contrivances used in the production thereof.

c. Requisition for Revenue Strip Stamps & Labels (BIR Form No. 2620) for the issuance of strip stamps, auxiliary and regular labels, in cases of importation of cigars, cigarettes and alcohol products.

2. Verify if the importer and the broker, if applicable, are registered with the BIR.

a. Check whether or not the Tax Identification Numbers of the Importer and Broker as declared in the application are existing in the Registration System of the Integrated Tax System (ITS).

b. Determine if the information reflected in the Registration System tallies with the declaration in the application.

3. If the importer/broker, is/are not registered or where there are inconsistencies in the information declared in the application with that of the Registration System, return the application and require the importer or the broker to register first or file a registration update with the appropriate BIR Office.

4. In cases where the application is in order, the same shall be received in the following manner:

a. Stamp or print the word “RECEIVED” on the original and duplicate copies of the application;
b. Indicate the time and date of receipt of the application; and

c. Affix the receiving officer’s signature or initials on the appropriate space in the application form.

REVENUE OFFICER ASSIGNED TO PROCESS THE APPLICATION FOR ATRIG

1. Process the application:

   a. Check authenticity of each supporting document.

   b. Verify whether the article sought to be exempted from VAT falls within the exemption provided for under Section 109 of the Tax Code.

   c. Verify whether the importer is BIR-registered for VAT and excise tax purposes. If not, the importer shall be required first to register in accordance with existing regulations on registration before its application for ATRIG shall be processed.

   d. Verify the existence of a Permit to Import for excise tax purposes, as required under existing regulations. The same shall first be required before the application is processed.

   e. Verify if the importer of excisable articles has subsisting surety bond as prescribed under Section 160 of the Tax Code.

   f. Require submission of the following, in cases where there are doubts on the representations made by the importer on its application, whichever is applicable:

      i. Samples of the imported goods to be taken directly and personally from the shipment by the processing revenue officer and/or BIR laboratory representatives for BIR laboratory analysis.

      ii. Literatures/brochures/product data containing product description of imported goods.

      iii. Certification from appropriate regulatory government offices authenticating the representations made by the importer/applicant.

      iv. Conduct actual ocular inspection of motor vehicles.
g. Evaluate product information/literature, in case the articles require no laboratory analysis.

h. Check existence of applicable BIR Rulings on the taxability or exemption of articles listed on the application;

i. Refer to the Legal Division of the Regional Office or the Law Division in the National Office, as the case maybe, when the application for ATRIG requires legal resolution; and

j. Refer to the BIR Laboratory Section samples of imported goods requiring laboratory analysis in order to determine their correct classification for taxation purposes.

2. Prepare the ATRIG for approval and signature by the duly authorized official.

3. Forward the ATRIG to the approving official for final review and signature.

4. File in sequential order the duplicate copies of all approved ATRIG together with all the supporting documents.

5. Coordinate with importer as to the exact details of release from customs custody (date, time, mode of delivery and place of destination of the imported articles), in cases where the ATRIGs are issued for excise tax purposes.

6. Prepare the monthly summary reports of all ATRIGs issued, and transmit the same, together with the triplicate copies of the ATRIGs that have been issued, to the Business Intelligence Division at the National Office not later than the tenth (10th) day of the succeeding month.

RELEASING OFFICER

1. Prepare the transmittal letter addressed to BOC covering all approved ATRIGs for the day, for signature by the approving official.

2. Post all the information on the approved ATRIG to the ATRIG Control Card and the ATRIG Registry Book.

3. Send the transmittal letter, together with all the original copy(ies) of the approved ATRIG thru a designated Revenue Officer, directly to the BOC not later than 12:00 noon of the following day. The original copy of the approved ATRIG shall, in no case, be allowed to be delivered to the BOC thru the importer/applicant or broker/representative.
REVENUE OFFICER(S) DESIGNATED TO SUPERVISE RELEASE OF IMPORTED ARTICLES

1. Proceed to the Bureau of Customs at the designated place and time to oversee the physical release of imported articles.

2. Obtain copy of proof payment of excise tax from importer/applicant, in appropriate cases, which document shall be included in the docket for ATRIG.

3. Check whether the required auxiliary official labels or internal revenue stamps are duly affixed on the package and/or container of imported articles, whenever applicable, prior to release of the imported articles from customs custody.

4. Accompany the shipment from the time of its release from the customs’ warehouse up to the time of its actual receipt at the place of destination.

5. Verify the exact location of the premises upon arrival at the actual unloading point. Make sure that the intended destination is the same as the actual unloading place; otherwise, any deviation thereto shall be fully disclosed in the release report.

6. Verify whether or not ROOPs are assigned at the unloading point.
   a. If in the affirmative, prepare and properly accomplish the Certificate of Supervision (Annex D) and require the revenue officers assigned on premises to acknowledge and sign the Certificate of Supervision attesting to the fact of the actual supervision of the release and delivery of the imported articles from the point of release from customs custody to the designated place of unloading.
   b. If in the negative, proceed to supervise the unloading and the inspection of the imported articles in the premises of the importer. In the presence of the importer’s representatives, count the quantity/volume of the articles unloaded and verify the details from the import documents. Prepare and properly accomplish the Certificate of Supervision (Annex D) and require the person in-charge of operations at the time of unloading to acknowledge the supervision of release from customs custody and the results of the inspection conducted on the unloaded articles and to sign the Certificate of Supervision herein prescribed.

7. Submit a written report within two (2) days from the time the articles are unloaded from the importer’s premises together with the copy of the said
Certificate. The proposed assessment for any discrepancy discovered during actual inspection shall be submitted not later than the following day when supervision and inspection was made.

B. LAW DIVISION (NATIONAL OFFICE) OR LEGAL DIVISION (REGIONAL OFFICE), AS THE CASE MAY BE

1. Receive from RDO/ETDO the application for ATRIG requiring legal resolution.

2. Prepare resolution on the application in question and transmit the same to the RDO/ETDO within twenty four (24) hours from receipt thereof, if possible.

3. Forward the Application together with the legal opinion to RDO/ETDO for preparation of appropriate ATRIG.

C. BIR LABORATORY SECTION

1. Receive from the RDO sample of imported goods or take samples directly from the shipment in coordination with RDO/ETDO and the representatives from the Bureau of Customs and the importer/broker.

2. Conduct laboratory testing of samples to determine correct classification of imported article for tax purposes (e.g. whether the imported goods are actually in their original state to qualify for exemption from VAT or whether the imported article is subject to VAT or excise tax, or both.

3. Evaluate product literature, in case the articles are not subjected to laboratory analysis.

4. Issue appropriate certification to RDO to be used as basis in the preparation of ATRIG

D. BUSINESS INTELLIGENCE DIVISION AT THE NATIONAL OFFICE

1. Receive the Monthly Summary Reports from the Issuing Office together with the triplicate copies of all approved ATRIGs.

2. Conduct review and evaluation of all submitted Monthly Summary Reports together with the triplicate copies of all approved ATRIGs according to established procedures.

3. Compare ATRIG data with data obtained from BOC linkages.
4. Check whether the classification/taxability of articles in the ATRIG is correctly applied by Bureau of Customs.

5. Check whether all the goods released requiring ATRIGs are duly covered by approved ATRIGs.

6. Prepare and transmit to the appropriate BIR Office where the importer is registered or required to be registered a summary report on its findings which shall include importations during the given month not covered by an ATRIG and such other discrepancies that have been found as a result of the reconciliation that have been conducted.

7. Coordinate with the Bureau of Customs for the appropriate course(s) of action with regards to discrepancies that have been determined or discovered.

8. Segregate copies of ATRIGs according to articles subject to excise tax or VAT, VAT-exempt and exempt from excise, to be filed for future reference.

**E. REVENUE DISTRICT OFFICE WHERE THE IMPORTER IS REQUIRED TO BE REGISTERED AND/OR EXCISE TAXPAYERS DATA RECONCILIATION & ANALYSIS DIVISION AT THE NATIONAL OFFICE AUTHORIZED TO CONDUCT DATA RECONCILIATION**

1. Receive the summary report transmitted by the Business Intelligence Division.

2. Maintain a database on the information indicated in the said summary report for purposes of audit and monitoring of activities of the importer.

3. Perform such appropriate action on the information received from the BID such as the imposition of administrative penalties, in case of failure to secure the ATRIG, misrepresentation on declarations made in the application to evade payment of correct taxes, etc.

**IV. TRANSITORY PROVISION**

Pending the implementation of the new organizational structure of the Bureau under Executive Order No. 114, the following transitory provisions shall be strictly observed:
1. All applications for processing and issuance of ATRIG in accordance with the procedures prescribed by this Order shall be performed by the following Offices:

   a. Revenue District Offices having jurisdiction over the port of entry – For ATRIGs on VAT exemptions.

   b. Large Taxpayers Assistance Division II – For ATRIGs on excisable articles, raw materials, machineries, equipment, apparatus or any mechanical contrivances especially used for the production thereof by importers required to be registered with any divisions/office under the Large Taxpayers Service or any district office falling under Revenue Region Nos. 4 to 9.

   c. Excise Tax Areas (EXTAs) – For ATRIGs on excisable articles, raw materials, machineries, equipment, apparatus or any mechanical contrivances especially used for the production thereof by importers falling under their jurisdictions.

2. The approval of ATRIGs processed by the above processing offices shall be made by the following:

   a. Assistant Commissioner for Large Taxpayers Service - For ATRIGs processed by Large Taxpayers Assistance Division II.

   b. Regional Director – For ATRIGs processed by RDOs and EXTAs.

3. The monitoring, evaluation and reportorial functions prescribed herein shall be performed by the following Offices:

   a. Audit Information, Tax Exemption and Incentives Division with respect to procedures to be undertaken by the Business Intelligence Division and the monitoring of the issuance of ATRIGs by the Large Taxpayers Service (Excise Tax Group) in the National Office; and

   b. Field Operations Division with respect to the procedures to be undertaken in the monitoring of the issuance of ATRIGs by EXTAs/Revenue Regions for excise tax purposes.

V. REPEALING CLAUSE

All issuances and/or portions thereof inconsistent herewith are hereby repealed and amended accordingly.
VI. PENALTY CLAUSE

Strict compliance herewith is enjoined. Any violation of the provisions of this Order shall be subject to disciplinary action and shall be dealt with accordingly.

VII. EFFECTIVITY

This Order takes effect immediately.

(Original Signed)
GUILLERMO L. PARAYNO, JR.
Commissioner of Internal Revenue