

DSWD Memorandum Circular No. 21
Series of 2019

**SUBJECT: GUIDELINES IN THE MANAGEMENT AND
PROCESSING OF DONATIONS FOR DUTY-EXEMPT
IMPORTATION UNDER SECTION 800(m) OF THE CUSTOMS
MODERNIZATION AND TARIFF ACT**

I. RATIONALE:

The Department of Social Welfare and Development (DSWD) Administrative Order No. 11, series of 2012, entitled "*Revised Guidelines in the Management and Processing of Donations*," was issued on 6 August 2012 to provide a unified direction in the processing and management of donations to duly-registered, licensed and accredited social welfare and development agencies (SWDAs), local government units (LGUs), national government agencies (NGAs), and government-owned and controlled corporations (GOCCs). The said protocol aimed to institutionalize mechanisms to strengthen its partnership with partners that also undertake relief and rehabilitation work, and request certification for duty-exempt importation of donations pursuant to Section 105 (I) of the Presidential Decree No. 1464 (otherwise known as the Revised Tariff and Customs Code of the Philippines or TCCP) and Presidential Memorandum Order No. 36, series of 1992.¹

Last May 30 2016, Republic Act (RA) No. 10863—otherwise known as the Customs Modernization and Tariff Act (CMTA)—was signed, amending the TCCP. The CMTA aims to modernize customs rules and procedures for faster trade, thereby reducing corruption and improving Customs service delivery and improve supply chain, in accordance with international conventions. The Section 800(m) of the new law retains the role of DSWD (along with the Department of Education and Department of Health) in certifying partners for the importation of goods for free distribution among the needy.

Further, according to the World Bank Doing Business 2018 Report, out of 190 countries surveyed, the Philippines ranked 113th places and has slipped 14 places from its 99th place in 2017. To address the current scenario, the Congress recently passed Republic Act (RA) No. 11032 or "The Ease of Doing Business and Efficient Government Service Delivery Act of 2018." This statute aims to reduce processing time and decrease bureaucratic red tape to streamline the current systems and processes of government service delivery.

In line with these developments, the DSWD provides a definite set of guidelines that specifically correspond to its mandate of certifying and endorsing licensed and/or accredited SWDAs for duty-exempt importation of donations, pursuant to Section 800(m) of RA 10863. Consequently, the said Guidelines also contributes in making systems in the management and utilization of donated goods consigned to these Organizations simpler, more effective and more productive. By putting this internal control measures in place, it ensures an efficient system of processing, monitoring

¹ The complete title of the statute is "Authorizing the Importation and Donation of Food, Clothing, Medicine, and Equipment for Use in the Government Relief and Rehabilitation Programs for Calamity-Affected Areas under Section 105 of the Tariff and Customs Code of the Philippines, as Amended, and the Applicable Provisions of the Prevailing General Appropriations Act Covering the National Internal Revenue Taxes and Import Duties of the National and Local Government Agencies and Establishing a Special Facility Therefor."



and reporting of duty-exempt importation of donations. Likewise, accountability, transparency and responsiveness in government processes are advanced and promoted; thus, the role of our partners in nation-building is acknowledged.

II. LEGAL BASES:

These guidelines are hereby promulgated in accordance with the following:

1. Republic Act No. 11032 of 2018, entitled the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, which provides for the responsibility of the State to take appropriate measures in promoting transparency, by adopting simplified requirements and procedures that will reduce red tape and expedite business and nonbusiness related transactions in government.
2. Republic Act No. 10863, entitled the Customs Modernization and Tariff Act (CMTA) of 2016, which provides the exemption from the payment of import duties upon compliance with the formalities prescribed in the regulations of imported goods donated to or, for the account of the Philippine government or any duly registered relief organization, not operated for profit, for free distribution among the needy, upon certification by the DSWD or the Department of Education (DepEd), or the Department of Health (DOH), as the case may be. [Section 800(m)]
3. Republic Act No. 7277, entitled the Magna Carta for Disabled Persons, Section 42 (b) of which provides that "*donations from foreign countries shall be exempt from taxes and duties on importation subject to the provisions of Section 105 Revised Tariff and Customs Code of the Philippines (TCCP), as amended, and Section 103 of the National Internal Revenue Code, as amended, and other relevant laws and international agreements.*"
4. Joint Memorandum Circular No. 2010-01 issued by the Civil Service Commission and the Department of Health entitled *Protection of the Bureaucracy Against Tobacco Industry Interference*, which seeks to prohibit interactions with the tobacco industry in areas including but not limited to partnership or cooperation; preferential treatment; accepting gifts, donations and sponsorships; financial or material interest in any transactions; accepting other favors; and engaging in an occupation activity within the tobacco industry.
5. DSWD Memorandum Circular No. 17, series of 2018, otherwise known as the "*Revised Guidelines Governing the Registration, Licensing of Social Welfare and Development (SWD) Agencies and Accreditation of SWD Programs and Services,*" which provides for the eligibility of licensed SWDAs for duty-exempt importation of foreign donations subject to compliance with pertinent requirements.
6. DSWD Memorandum Circular No. 1, series of 2002, otherwise known as "*Reiterating the Policy on the Prohibition of Donation/Importation of Used Clothing per A.O. No. 19, series of 2002,*" which states that "*all Field Offices are advised to observe the policy of non-acceptance of used clothing from foreign donors. Further, the guidelines and requirements for the issuance of certification for duty free release of foreign donation to duty-registered relief organizations under A.O. 19, series of 2002, shall be strictly observed.*"

III. OBJECTIVES:

The following serve as the objectives of these guidelines on the management and processing of donations.

1. To put in place internal control measures that will ensure an efficient, transparent, and simplified system of processing, monitoring, and reporting on the duty-exempt importation of donations endorsed to the Department of Finance (DOF) per Section 800(m) of RA 10863.
2. To ensure that the foreign donated goods consigned to licensed and/or accredited SWDAs shall be received exclusively and entirely by the intended beneficiaries.

IV. SCOPE AND COVERAGE

These guidelines aim to cover only the foreign donations consigned to any licensed and/or accredited private SWDA in accordance to Section 800(m) of the Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA) of 2016. There exist other processes in relation to the facilitation of local and foreign donations, which are covered by other pertinent guidelines of the Department, led by DSWD offices such as the Disaster Response Management Bureau and the National Response and Logistics Management Bureau.

V. DEFINITION OF TERMS

The following terms are defined as used in these guidelines:

1. *Approved Plan* - is a distribution plan prepared by applicants for duty-exempt importation of foreign donation and must be approved by the concerned DSWD Field Office(s).
2. *Bill of Lading or Airway Bill* - is a commercial instrument issued by a transport entity to a donor to transport and deliver the goods designed to protect the consignee/SWDA. It is a receipt that recites the place and date of shipment, describes the goods as to quantity, weight, dimensions, identification, marks, conditions, quality and value.
3. *Certification* - is an endorsement issued by the DSWD to the DOF, attesting that the SWDA applicant has complied with the formalities prescribed per DSWD regulatory guidelines, hence may avail the duty-exempt importation.
4. *Donated Imported Articles* - are food and non-food items, except used clothing (in accordance to Republic Act No. 4653), that can be used in any social welfare and development program intended for meeting the basic needs of disadvantaged or distressed individuals, families, and communities.
5. *DSWD Composite Team on Donations* - is a team constituted annually by the DSWD for the purpose of witnessing and escorting the release of donations from BOC to the licensed or accredited SWDA's designated warehouse.

6. *Outer Port* – is any port of entry within the Philippines other than the Port of Manila (POM), Manila International Container Port (MICP) and Ninoy Aquino International Airport (NAIA).
7. *Non-Commercial Quantity of Relief Goods* – refers to the volume of food and non-food items that are donated, not in excess of the amount needed by the beneficiaries as specified in the approved plan.
8. *Non-Food Items* – refer to items other than food that are intended for relief and rehabilitation program of a SWDA. These may include mats, blankets, shoes, medicines, soap, cooking and kitchen utensils, and others, except used clothing.
9. *Packing List* – an itemized list of goods/articles with corresponding volume/units sent to the consignee/recipient of goods.
10. *Social Welfare and Development Agency (SWDA)* - refers to a non-stock, non-profit corporation, organization or association, implementing or intending to implement either directly or indirectly social welfare and development programs and services in the Philippines, and assessed as having the capacity to operate administratively, technically, and financially. Its clients may include but not limited to the poor, disadvantaged, and vulnerable individuals, groups, families, and communities.

VI. GENERAL POLICIES

To ensure that foreign donations intended for distribution of any licensed and/or accredited private SWDAs are utilized optimally and properly in promoting the general well-being of the intended beneficiaries, the following policies shall be observed:

1. *Eligibility.* Only licensed and/or accredited SWDAs are eligible to apply for availment of duty free entry of foreign donations under Section 800(m) of CMTA. Furthermore, the DSWD shall transact only with the SWDAs concerned or their duly authorized representatives.
2. *Fees and charges.* An applicant for duty-exempt importation certification shall be charged a non-refundable processing fee of PhP 1,000.00 at the DSWD Field Office level.
3. *Process ownership.* The duty-exempt importation of foreign donations consigned through any duly licensed and/or accredited SWDA pursuant to Section 800(m) of the CMTA shall be processed by the DSWD Standards Bureau (SB) in the Central Office. Aside from the actual endorsement, the SB shall also continue to provide assistance to licensed or accredited SWDAs on matters relative to duty-exempt importation of foreign donations, in accordance with Section 800(m) of the CMTA.
4. *Nature of endorsement.* The certification/endorsement to be issued by the DSWD for duty-exempt importation shall pertain only to the importation, which is the subject of a particular request and shall not be used for another importation.
5. *Control mechanisms.* Internal control mechanisms shall be put in place at all stages – from assessment, acceptance, receipt, inventory, valuation, utilization, and documentation – of donations to licensed and/or accredited SWDAs of DSWD.

6. *No-tolerance policies.* The Department imposes a strict no-tolerance policy on dealing with any individual or organization which is in any way or appears to be in any way connected with commercial importation of used clothing ('*ukay-ukay*'). All DSWD personnel are directed to report to the Office of the Secretary any encounter with such individuals or organizations. Any attempt to harass personnel shall be reported to appropriate authorities for investigation.

In line with the CSC-DOH Joint Circular No. 2010-01, a no-tolerance policy with individuals or organization dealing with the tobacco industry is adopted in these guidelines applicable to applicant SWDAs seeking duty-free entry of donations and DSWD personnel involved in the processing of such application.

7. *Free distribution of goods.* All the subject goods shall be for free distribution exclusively to the identified beneficiaries of the SWDA, in accordance to the purposes, programs and services written in the manual of operation and implemented by the SWDA. The distribution shall be strictly based on an approved distribution plan. If in case there are changes on the target beneficiaries as reflected on the approved plan, the SWDA shall submit the amendment of approved plan and justification to the concerned DSWD Field Offices for evaluation and approval, at least three (3) months after the approval of the initial plan or preceding amendment. Said changes shall be approved first by the concerned DSWD-Field Office prior to actual distribution.

8. *Accepted Foreign Donations*

- 8.1. Donations should only be limited to food and non-food items that are clearly related to social welfare and development programs of the applicant SWDA.
- 8.2. Goods that are duty-exempt shall be limited to non-commercial quantity of relief commodities that are related and relevant to the purposes, programs and services written in the manual of operation and implemented by the SWDA.

9. *Allowable Activities*

- 9.1. The DSWD shall transact only with the SWDAs concerned or their duly-authorized representatives, i.e. a maximum of three (3) for each applicant. Recipient SWDAs shall make the necessary representation and follow-up of the request for endorsement from the DSWD, DOF and release shipment from BOC.
- 9.2. Items not listed in the packing list or in excess of the approved plans shall not be released to the consignee and shall be surrendered to BOC in line with pertinent guidelines. Notice on this shall be given by the DSWD to the BOC and the DOF, subject to existing laws.
- 9.3. Foreign donors for resource agencies shall consign their donations only to duly DSWD licensed and/or accredited SWDA. Re-consignment of the goods that have already arrived shall not be allowed pursuant to Memorandum Order dated March 21, 1998 issued by the DOF.
- 9.4. All releases, whether or not the port of entry is Manila, shall require the presence and documentary signatures of the duly authorized representative/s from the DSWD Standards Bureau, or the DSWD Field Office's Standards Section in the region of the nearest port.

- 9.5. Importation of all foreign donated goods shall be supported by the required documents as mentioned in the guidelines, including contracts/agreements if there are any, and shall not violate existing laws or policies and guidelines governing such importation.
- 9.6. The concerned DSWD Office shall issue a special order to the authorized representative/s or personnel who will be involved in the processing of donations such as members of DSWD Composite Team on Donations who will escort the goods from BOC to SWDA warehouse. The DSWD Composite Team is to be re-constituted annually with different members to avert any corruption risk.
10. *Non-applicability of the guidelines.* In the following cases, the application is no longer considered for certification:
- 10.1. When goods have already been released by BOC to SWDA;
- 10.2. When goods have already arrived and have been in BOC warehouse for more than one (1) week, unless all the attendant costs such as storage fees, wharfage, demurrage, among others, shall be shouldered by the consignee/applicant for duty-exempt importation of foreign donation; and
- 10.3. When the consignee is not a licensed and/or accredited SWDA, and/or has an expired license/accreditation from DSWD."

VII. REQUIREMENTS

To facilitate the issuance of certification for duty-exempt importation of foreign donations, the licensed and/or accredited SWDA applicant shall submit two (2) copies of the following documents to the concerned DSWD Field Office for assessment at least three (3) weeks prior to the scheduled arrival of donations in the country:

1. Authenticated Deed of Donation from the Philippine Consular Office of the country of origin, with the accompanying certificate as to fitness of food and medicine for consumption and compliance with the country of origin's sanitary and phytosanitary standards;
2. A separate Notarized Deed of Acceptance;
3. Shipping documents such as original and/or duly certified true copy of Bill of Lading or Airway Bill;
4. Original and/or duly certified true copy of Packing List;
5. Duly-approved Plan of Distribution (DSWD DFE Form 2, *Annex B* hereof);
6. In case of medicines, a certification from the Food and Drug Administration (FDA) of the Philippines that the commodities are allowed for free distribution and use by the intended beneficiaries without the need of a prior prescription and that these are safe for human consumption;
7. Photocopy of Official Receipt signifying the payment of the processing fee at the DSWD Field Office;

8. If applicable, notarized distribution report on the latest shipment previously received by the applicant (DSWD DFE Form 3, *Annex C* hereof); and
9. In case of relief items other than food and medicines, proof of prior agreements or approved arrangements with appropriate government agencies.

VIII. PROCEDURES

1. Pre-application Process

a. The duly licensed and/or accredited SWDA shall consult with the concerned DSWD Field Office for the confirmation and approval of their plan of distribution before negotiating for, or accepting any foreign donations. The concerned DSWD Field Office shall confirm and approve the plan of distribution submitted by the SWDA. For this purpose, DSWD DFE Form 2 (*Annex B*) shall be accomplished and submitted to support the application for duty-exempt importation.

b. In cases where the licensed and/or accredited SWDA operates nationwide, said SWDA shall secure approval from each DSWD-Field Office having jurisdiction over the area where the distribution of goods shall take place. The DSWD shall not allow SWDA with specific areas of operation, to expand their area of coverage for the purpose of accepting foreign donations.

2. Application Process

A. Field Office Level

a. The application form, DSWD DFE Form 1, together with the supporting documents and other requirements, shall be filed by the licensed and/or accredited SWDA at the respective DSWD-Field Office covering the region where the intended distribution of goods shall take place. Likewise, the applicant shall pay the required processing fee at the Cash Unit of the concerned DSWD-Field Office, which will then issue an official receipt.

b. Should the intended distribution areas cover more than one region, the filing of the application shall take place in the DSWD-Field Office where the SWDA's main office is located.

c. Within the day of transaction, the applicant SWDA may provide a customer satisfaction feedback reflecting his/her immediate experience of the accommodation by the receiving staff from the concerned DSWD-Field Office. In addition, the applicant are also encouraged to provide the DSWD-Standards Bureau with an overall feedback through various communication channels to find insights for customer experience improvements.

d. The concerned DSWD-Field Office shall review and assess submitted application and requirements within three (3) working days upon receipt of the application, considering the ff:

- i. Completeness and compliance of application documents submitted;

- ii. Consistency of information indicated in the submission;
- iii. Approved plan of distribution (donations to be received vis-à-vis the target clientele to be served); and

e. The reviewing staff from the DSWD Field Office may opt to conduct an area visit/validation, if deemed necessary. During the visit, the reviewing staff may obtain in-depth information concerning all administrative and operational aspects of the program if the information provided in the documents received from the applicant appears to be inadequate in some way.

f. Should the assessment be favorable, the DSWD Field Office shall immediately forward the documents submitted by the qualified applicant with the assessment report and duly-accomplished assessment form to the DSWD Standards Bureau at the Central Office. The concerned Field Office shall ensure that the Standards Bureau is notified within the timeline as mentioned in VIII(2)(C).

i. Should there be deficiencies in the documents submitted, the DSWD Field Office shall return the application to the applicant and provide the necessary technical assistance to comply with the requirements, within three (3) working days upon the return of the application. The corrected application is directed to the technical staff who handled the initial assessment. Hence, it is not considered a new transaction that requires the payment of another processing fee.

B. Central Office Level

a. Upon receipt of the validation and assessment report prepared by the DSWD-Field Office, the Standards Bureau shall conduct a final review and evaluation within three (3) working days before any appropriate action be made, using the standard review form provided as *Annex E* to these guidelines:

i. If approved

The duly-accomplished assessment form with corresponding recommendations together with the following documents shall be forwarded to the Undersecretary heading the Standards Bureau for initial, prior to endorsement to the DSWD Secretary or his/her authorized representative for approval:

- Endorsement letter addressed to the DOF certifying that the foreign donations consigned to qualified licensed and/or accredited SWDA may be allowed duty-exempt importation (*Annex G*).
- Conforme letter addressed to qualified applicant that they should comply with post-facilitation requirements to maximize the use of donations (*Annex H*).
- Letter addressed to concerned DSWD-Field Office (FO) informing them that the recommended licensed and/or accredited SWDA has been favorably endorsed to DOF for duty free entry, and requesting said FO to monitor the actual distribution of goods to targeted beneficiaries (*Annex I*).

ii. If disapproved

The Standards Bureau shall immediately send a written communication (via electronic mail and courier) to concerned DSWD Field Office, copy furnished the applicant, indicating the reasons for the disapproval of the

application. The Standards Bureau shall ensure that the Field Office is notified of the said communication within one (1) to two (2) working days. The Standards Section at the Field Office shall then discuss the results of the application and provide necessary technical assistance to the applicant for the compliance of requirements within three (3) working days upon receipt of the said letter.

C. Timeline of processing

DSWD PROCEDURE	RESPONSIBLE DSWD OFFICE	TIMELINE (Working Days)
Pre-application (technical assistance)	DSWD Field Office	As need arises
Receipt of application		1
Desk review of documentary requirements		3
Area and site validation (<i>Only if necessary</i>)		2
DSWD Field Office endorsement to DSWD Standards Bureau		1
SB's receipt of endorsement by the DSWD Field Office	Standards Bureau	3
Vetting of SB and endorsement of the application to Office of the Undersecretary heading the Standards Bureau or return to the concerned DSWD Field Office		
Recommending approval by the Undersecretary	Office of the Undersecretary heading the Standards Bureau	1
Approval of the Certification by the DSWD Secretary	Office of the Secretary	3
TOTAL		14 working days

Note: This does not include the travel time of documents from the DSWD Field Office to the Central Office, vice versa.

3. Release of Goods from BOC to designated SWDA Warehouse

a. The concerned SWDA issued with endorsement for duty-exempt importation of foreign donations shall notify the DSWD Central Office or Field Office of the release of goods at least seven (7) working days before such release.

b. The authorized representatives of the DSWD Composite Team from Central Office, if Manila port or the concerned DSWD-Field Office if outer port, shall witness the release of goods and escort them directly from BOC to the licensed and/or accredited SWDA's designated warehouse. A Special Order shall designate the DSWD Composite Team, to be composed of at least two (2) permanent DSWD staff from the Standards Bureau and National Response and Logistics Management Service (NRLMS) (for Central Office) or Policy and Plans Division (for Field Office).

c. Within five (5) working days prior to the release of donation at the BOC, the SWDA shall write a letter to DSWD-Standards Bureau and/or concerned DSWD-Field Office informing them of the tentative schedule of release of goods and shall request DSWD to witness and escort the releases of goods.

d. The DSWD-Standards Bureau or concerned DSWD-Field Office shall inform the DSWD Team on the schedule of release of goods and provide the latter copies of the approved endorsement to DOF, shipping documents and signed conforme letter.

e. The DSWD Composite Team on Donations (at least two members thereof) shall witness and escort the release of donations from BOC to the licensed or accredited SWDA's designated warehouse. The Team shall inspect and observe the 100% unloading and stripping of donated shipment as well as conduct random sampling of the donations at the SWDA designated warehouse.

f. Within five (5) working days after the inspection and random sampling, the DSWD designated representatives shall submit a memorandum addressed to the DSWD-Standards Bureau or concerned DSWD-Field Office, with the attached inspection report (See *Annex F*) and photo documentation. Such report shall then be forwarded to the concerned DSWD Field Office or to the DSWD Standards Bureau, depending on which office endorses the Composite Team's report.

g. The report shall indicate the following information:

- i. Name of SWDA
- ii. Office and warehouse
- iii. Bill of Lading/Airway Bill Number of the received goods
- iv. Date goods were released from BOC and delivered to designated warehouse
- v. Total amount paid by the SWDA, which includes Value-Added Tax (VAT), arrastre, wharfage etc.
- vi. BOC-*Informal* Import Declaration and Entry
- vii. Donations declared in Bill of Lading/Airway Bill and packing list vis-à-vis actual accounting/inventory of donations received
- viii. Other observations on the conditions of the goods received (i.e. if the items were in good or not in good condition prior to the delivery of the shipment, and the process that transpired during the delivery of goods).

4. Post Facilitation Process and Reportorial Requirements

a. Within one (1) month from withdrawal at the BOC, the licensed and/or accredited SWDA shall submit to the concerned DSWD-Field Office a status report of the distribution or utilization of commodities in accordance with the approved plan.

b. The first distribution activity shall be witnessed by representative/s from the DSWD Composite Team for Donations at the DSWD Field Office level. Any observed inconsistency/ies with the approved plan of distribution shall be brought up by the Team to the attention of the DSWD Standards Bureau, subject to the latter's appropriate action.



c. A report of utilization shall be submitted monthly thereafter until all the donated goods are utilized or distributed, as the case may be. The non-submission of the utilization report shall be a ground for refusal of certification for duty-exempt importation of succeeding donations, and may be considered as basis for suspension of DSWD license and/or accreditation certificate.

d. A notarized copy of the Distribution Report (DSWD DFE Form 2, *Annex C* hereof), together with photo documentation, shall be submitted to the concerned DSWD Field Office, copy furnished the DSWD Standards Bureau as basis for validating the distribution of donations. (Before applying for another duty-exempt importation, the Distribution Report should provide that at least 50% percent of the donated goods are already distributed.)

e. The concerned DSWD Field Office shall ensure the proper documentation and regular submission of the utilization reports prepared by the licensed and/or accredited SWDA.

The processing of applications for duty-exempt importation of foreign donation under Section 800 (m) of the CMTA is summarized in *Annex J* hereof.

IX. PENALTY CLAUSE

Pursuant to the first paragraph of Section 800 of the Customs Modernization and Tariff Act, "*goods sold, bartered, hired or used for purposes other than what they were intended for and without prior payment of the duty, tax or other charges which would have been due and payable at the time of entry if the goods had been entered without the benefit of this section, shall be subject to forfeiture and the importation shall constitute a fraudulent practice against customs laws.*"

Also, as provided in Section 1403, "[a]ny person who makes or attempts to make any entry of imported or exported goods by means of any false or fraudulent statement, document or practice or knowingly and willfully files any false or fraudulent claim for payment of drawback or refund of duties shall, for each act, be punished in accordance with the penalties prescribed in Section 1401." The entire Section 1401 of the said Act provides for various punitive actions (i.e. imprisonment and penalties) relative to the fraudulent importation or exportation of goods.

Violation of any of the above condition may also bar certification for duty-exemption of succeeding donations, and may subject the SWDAs to revocation of its DSWD license and/or accreditation certificate. Its concerned officers or members shall also be subject to applicable criminal, civil and administrative sanctions.

X. REPEALING CLAUSE

The Section VII of Administrative Order No. 11, series of 2012, and all other issuances inconsistent with the provisions of this Order are hereby revoked accordingly.



XI. SEPARABILITY CLAUSE

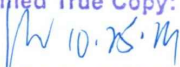
In the event that any provision of this guideline is held invalid or unconstitutional, the other provisions not affected thereby shall remain valid and in effect.

XII. EFFECTIVITY:

This Memorandum Circular shall take effect immediately and shall supersede all other DSWD guidelines, issuances or their specific provision(s) inconsistent herewith.

OCTOBER 24 2019, Quezon City, Philippines.


ROLANDO JOSÉ LITO D. BAUTISTA
Secretary
DSWD
L 10/24/19

Certified True Copy:

MYRNA H. REYES
OIC-Division Chief
Records and Archives Mgt. Division

"ANNEX A"

DSWD-DFE Form 1, S800(m), CMTA

Republic of the Philippines
Department of Social Welfare and Development

**APPLICATION FORM
(FOREIGN DONATIONS UNDER SECTION 800(m) OF THE CMTA)**

Date of application: _____

Name of Agency: _____

Office Address: _____

Contact Number: _____ Email: _____

License No. and Expiration Date: _____

Name/s of Representative/s: _____

Bill of Lading/Airway Bill No: _____

Name of Donor and Address: _____

Description of Packages and Goods: _____

Date of Expected Arrival of Foreign Goods: _____

Documents Submitted:

(Mark appropriate boxes with "✓".)

- Authenticated Deed of Donation from the Philippine Consular Office of the country of origin, with the accompanying certificate as to fitness of food and medicine for consumption and compliance with the country of origin's sanitary and phytosanitary standards.
- A separate Notarized Deed of Acceptance.
- Copy of valid DSWD Registration, License and/or Accreditation Certificate.
- Shipping documents.

- Original and/or duly certified true copy of Bill of Lading or Airway Bill.
- Packing List.
- Plan of Distribution (DSWD DFE Form 2) certified and endorsed by the DSWD Field Office(s) that has jurisdiction over the target area for distribution.
- In case of medicines, a certification of the Department of Health - Food and Drug Administration (FDA) that the commodities are allowed for free distribution and use by the intended beneficiaries without the need of a prior prescription, and that these are safe for human consumption.
- Notarized distribution report (DSWD DFE Form 3) on latest shipment certified correct by the concerned DSWD Field Office.
- In case of relief items other than food and medicines, proof of prior agreements or approved arrangements with appropriate government agencies.

Submitted by:

 (Name and Signature of Head of Applicant Organization or his/her Authorized Representative)

 (Date)

Received and Assessed by:

 (Name and Signature of DSWD Staff)

 (Designation)

 (Name of Office)

 (Date)

"ANNEX B"

DSWD-DFE Form 2, S800(m), CMTA

Republic of the Philippines
Department of Social Welfare and Development

PLAN OF DISTRIBUTION

Name of organization: _____

Address: _____

License No. and Expiration Date: _____

Bill of Lading/Airway Bill No: _____ Date of Arrival: _____

Description of Goods	Purpose	Intended Beneficiary/ies (include name, if the goods attend to a certain beneficiary's special need)	Target Area/s	Target Date of Distribution

Prepared by: _____
(Name and Signature of Head of Organization/Date)

Approved by: _____
(Name and Signature of Field Office Director
or his/her representative/Region/Date)

"ANNEX C"

DSWD-DFE Form 3, S800(m), CMTA

Republic of the Philippines
Department of Social Welfare and Development

DISTRIBUTION REPORT
(As of _____)

Name of organization: _____

Address: _____

License No. and Expiration Date: _____

Bill of Lading/Airway Bill No: _____ Date of Arrival: _____

Description of Goods	Purpose	Beneficiary/ies	Target Area/s	Status of Distribution	Balance (weight, pieces, packs, boxes, etc.)

Prepared by: _____
(Name and Signature of Head of Organization/Date)

Certified correct by: _____
(Name and Signature of Field Office Director
or his/her representative/Region/Date)

* This form must be notarized

"ANNEX D"

DSWD-DFE Form 4, S800(m), CMTA

Republic of the Philippines
Department of Social Welfare and Development

ASSESSMENT FORM
Foreign Donations under Section 800(m) of the CMTA

Date of request receipt: _____

Name of Agency: _____

Office Address: _____

License No. and Expiration Date: _____

Bill of Lading/Airway Bill No: _____ Date Released to Agency: _____

Checklist of Required Documents:

✓/ X	Items	Description
	Authenticated Deed of Donation from the Philippine Consular Office of the country of origin, with the accompanying certificate as to fitness of food and medicine for consumption and compliance with the country of origin's sanitary and phytosanitary standards.	
	A copy of Notarized Deed of Acceptance.	
	Copy of valid and subsisting DSWD Registration, License and/or Accreditation Certificate.	
	Original of valid and subsisting DSWD Registration, License and/or Accreditation Certificate.	
	Packing List.	
	Plan of Distribution approved by the DSWD Field Office(s) that has jurisdiction over the target area for distribution.	
	In case of medicines, a certification of the Department of Health - Food and Drugs Administration (FDA) that the commodities are allowed for free distribution and use by the intended beneficiaries without the need of a prior prescription and that these are safe for human consumption.	
	Notarized distribution report on latest shipment certified correct by the concerned DSWD Field Office(s).	

	In case of relief items other than food and medicines, proof of prior agreements or approved arrangements with appropriate government agencies.	
--	---	--

Status of Previous Shipment:

_____ monitored

_____ goods already distributed .

_____ goods not distributed, still intact .

_____ goods are unaccounted .

_____ not yet monitored

Recommendations:

Assessed by:

(Name and Signature of DSWD Technical Staff)

(Designation)

Noted by:

(Name and Signature of Division Chief/Director)

(Date)

REVIEW FORM
DSWD STANDARDS BUREAU
Foreign Donations under Section 800(m) of the CMTA

FINDINGS

RECOMMENDATION

- For endorsement (*Complete and acceptable submission*)
- For return and technical assistance (*Reason provided in Findings*)

DATE OF REVIEW: _____

Assessed by:

(Name and Signature of DSWD Technical Staff)

(Designation)

Noted by:

(Name and Signature of Division Chief)

(Date)

"ANNEX F"

DSWD-DFE Form 6, S800(m), CMTA

Republic of the Philippines
Department of Social Welfare and Development

INSPECTION REPORT

Name of organization: _____

Office address: _____

Warehouse address: _____

License No. and Expiration Date: _____

Bill of Lading/Airway Bill No: _____

Date/Time of Release: _____ Date/Time of Receipt: _____

Total amount paid by SWDA (including VAT, arrastre, wharfage etc.): _____

Description of Goods:

Unit	Description	Quantity

Findings/Observations (May use separate sheet if necessary):

Findings/Observation (continued)

(On another sheet is a photo documentation of the inspection visit)

Prepared by:

(Name and Signature of Authorized DSWD Technical Staff)

(Designation)

Noted by:

(Name and Signature of Division Chief/Officer-in-Charge)

(Designation)

(Date)

"ANNEX G"

Date: _____

Secretary
Department of Finance
Manila

Dear **Secretary** _____:

We would like to request authority from your office for duty-exempt release of donated shipment, except of used clothing from _____ consigned to _____.

Description of shipment	➤	_____
Purpose	➤	_____
Distribution scheme	➤	_____

In this connection, may we request your good office for the immediate release of the above mentioned donation pursuant to Section 800 (m) of the Tariff and Customs code as amended by Presidential Decree No. 34 dated October 27, 1973, quoted hereunder;

"Section 800 – *Conditionally Tax and/or Duty-Exempt Importation.* – The following goods shall be exempt from the payment of import duties upon compliance with the formalities prescribed in x x x, PROVIDED, That goods sold, bartered, hired or used for purposes other than what they were intended for and without prior payment of the duty, tax or other charges which would have been due and payable at the time of entry if the goods had been entered without the benefit of this section, shall be subject to forfeiture and the importation shall constitute a fraudulent practice against customs laws.

"Imported goods donated to or, for the account of the Philippine government or any duly registered relief organization, not operated for profit, for free distribution among the needy, upon certification by the DSWD or the Department of Education (DepED), or the Department of Health (DOH), as the case may be."

Thank you for your favorable consideration of this request.

Very truly yours,

Secretary

Certificate of Accreditation No. : _____
Report of Previous Shipment : Complied

"ANNEX H"

Date: _____

[HEAD OF SWDA]
[POSITION]
[NAME OF SWDA]
[ADDRESS]

Dear _____:

This is to certify that we have favorably endorsed to the Department of Finance (DOF) your request for duty-exempt entry of your foreign donations except used clothing donated under Bill of Lading No. _____ based on the following Standard Operating Procedures:

1. All the standard conditions imposed by the Department of Finance are met;
2. All the necessary clearances from the appropriate government agencies be secured;
3. The goods shall be underguarded/escorted by the Customs Guard and authorized DSWD personnel to the warehouse of [Name and address of SWDA], directly from the Bureau of Customs. In this regard, the Standards Bureau shall be given a written notice by the foundation at least five days before the intended date of release from the Bureau of Customs;
4. The donation shall be stripped and opened by DSWD representative/s;
5. The [size of container van] said to contain [specifications of items] not for resale under B/L No. _____ be repacked (if necessary) and stored in agency warehouse by the importing organization/donee's own people, at their own expense prior to distribution;
6. The distribution shall be in close coordination with the local social worker and monitored by a team composed of personnel/representatives from the DSWD Central Office and/or Regional Office;
7. The organization shall submit a certification from the Foods and Drugs Administration (FDA) that the foods are safe and fit for human consumption;
8. All the above shall be fully documented to include photo documentation.

The exclusion of used clothing is in accordance to DSWD Memorandum Circular No. 1, series of 2002. Reiterating the Policy on the Prohibition of Donation/Importation of Used Clothing per A.O. No. 19, series of 2002 which states that "All Field Offices are advised to observe the policy of non-acceptance of used clothing from foreign donors. Further, the guidelines and requirements for the issuance of certification for duty free release of foreign donation to duty-registered relief organizations under A.O. 19, series of 2002, shall be strictly observed."

We look forward to your compliance with the above to maximize the use of the donations.

Thank you.

Very truly yours,

Undersecretary
Standards and Capacity Building Group

Conforme: _____

cc: *Field Officer director*

"ANNEX I"

Date: _____

TO : [FIELD OFFICE DIRECTOR]
[DSWD Field Office]
[Address]

SUBJECT : [NAME OF SWDA]

This is to inform you that the shipment consigned to [name of SWDA], consisting of [size of container van] said to contain [specifications of items] under B/L No. _____, to avail of duty-free endorsement under Section 800 (m) of the Revised Tariff and Customs Code of the Philippines, was favorably endorsed to the Department of Finance.

In this connection, please ensure that the distribution of goods to beneficiaries is in accordance with approved Plan of Distribution to prevent adverse report on misuse of commodities. Any inevitable deviation should be fully justified.

We anticipate your feedback report on this within 15 days from receipt hereof, as reference for appropriate action.

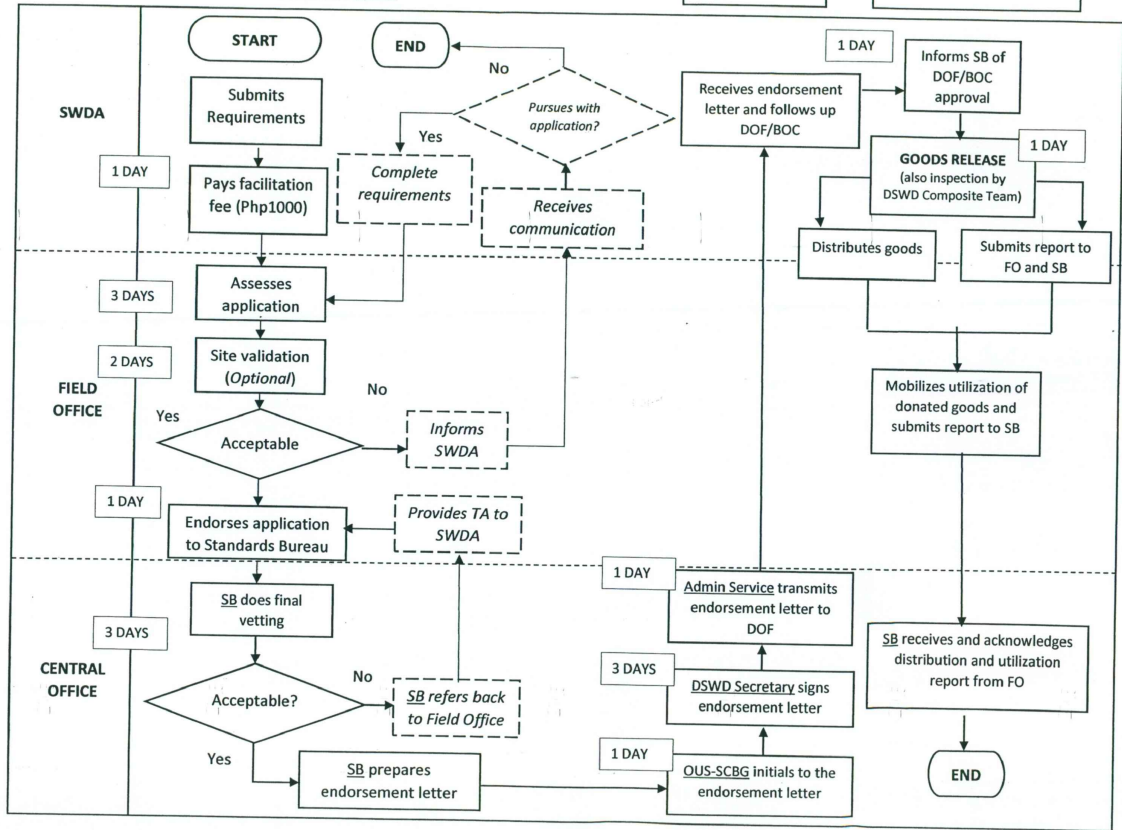
Undersecretary
Standards and Capacity Building Group

cc: [HEAD OF SWDA]
[Position]
[Name of SWDA]
[Address of SWDA]

APPLICATION

ENDORSEMENT

RELEASE AND REPORTING



*Includes additional processes that may take place after the final approval of the endorsement letter by the Secretary, e.g. release, monitoring, etc.