Country Experience: Goods for processing: example from the Philippines (ch. 20)

20.21. The National Statistical Office of the Philippines has not yet included the customs procedure code in the processing of the trade data. Therefore, so-called consigned goods are considered to be goods for processing. Semiconductors and garments are examples of consigned goods. Consigned goods are determined based on the following steps:

(a) Confirm that "FOB value of imported raw materials" inbox40of the export document has an entry. This item must always have an entry if the goods exported are consigned goods. FOB value of consigned goods equals labour cost plus FOB value of imported raw material;

(b) Validate the value declared in box 40 with the attached invoice, and look for the value of consigned raw materials, consigned items, consigned inputs or processed items, or the value of imported materials or processing cost. The value should coincide with the value declared in box 40;

(c) Ascertain whether the CMT or CMP value written in the export document. FOB value of consigned goods equals CMT/CMP (labour cost) plus FOB value of imported raw material.

Some export documents do not have an entry forbox40. In this case, the attached invoice and notes written in the document serve as the basis for categorizing consigned goods. The list of exporters of consignment goods is also used. Goods exported from an exporter on this list are categorized as consigned goods. However, the list is updated only when the exporter changes its line of commodity.