



# CUSTOMS GAZETTE

**Updates on Customs-Related Matters**

## **Disclaimer**

THIS IS NOT A LEGAL DOCUMENT AND  
MAY NOT BE USED AS SUCH. IT IS AN  
ADVISORY AND INFORMATION TOOL  
ONLY.

---

# In Brief

**Registration of Third Parties Dealing With the Bureau** - CAO 06-2019 (page 02)

**Pre-Lodgement Control Order and Alert Order** - CAO 07-2019 (page 12)

**Policies on Admission, Movement, and Re-Exportation of Containers at Seaports** - CAO 08-2019 (page 24)

**Amendment to the Super Green Lane (SGL) Accreditation and Clearance Procedures** - CMO 29-2019 (page 33)

**Guidelines in the Implementation of Special Cargo Clearance Procedure for Qualified Enterprises at the Ports/Subports of Mindanao and Palawan Pursuant to BIMP-EAGA Economic Cooperation** - CMO 32-2019 (page 34)

**Amendment to CMO 03-2019** - CMO 22-2019 (page 45)

**Interim Guidelines Implementing Sections 106 and 107 of the Customs Modernization and Tariff Act** - CMO 34-2019 (page 49)

**Operational Control Over Principal Appraisers** - CMO 35-2019 (page 56)

# CAO 06-2019

Issue Date: February 20, 2019  
UP Law Center Received: June 7, 2019

## Scope

This applies to all:

- Private Carriers
- Common Carriers for Transit Cargoes
- Airline Representatives or Airline Ground
- Handling Agents
- Shipping Lines or their Agents
- Pipeline Operators
- Freight Forwarders
- Consolidators
- Deconsolidators
- Non-Vessel Operating Common Carriers (NVOCCs)
- Logistics Providers
- Arrastre Operators
- Such other persons dealing with the Bureau in relation to importation, exportation, movement, storage and clearance of goods for and in behalf of another person

G.R. No. 125948, Dec.29, 1998; RA-387, otherwise known as Petroleum Act of 1949, Article 86.

Deconsolidators handling Balikbayan Boxes, Importers and Exporters, Customs Brokers, Customs Bonded Warehouse (CBW), Customs Facility Warehouse (CFW), Courier Service Operators, Air Express Cargo Operator (AECO), and Service Providers, all acting as Third Parties shall be governed by their respective rules and regulations.

## Objectives

- Identify and recognize Third Parties that may be authorized to transact with the Bureau in relation to importation, exportation, movement, storage and clearance of goods for and on behalf of another person; to define their corresponding duties and obligations
- Gather sufficient information about the Third Parties for the establishment of a database for risk management and enforcement purposes

- Provide the rules and regulations governing the conduct of Third Parties dealing with the Bureau in relation to importation, exportation, movement, storage and clearance of goods for and on behalf of another person
- Provide for specific conditions when Third Parties may directly transact with the Bureau and to provide notice in case such Third Parties are for valid reasons barred from transacting with the Bureau
- Plug possible revenue leakage, prevent entry of prohibited goods and unprofessional handling of cargoes due to proliferation of fly-by-night Freight Forwarders, Consolidators, Deconsolidators, NVOCCs and Logistics Providers
- Make full use of the ICT enabled system in the registration of Third Parties

## ***Definition of Terms***

**Airlines** – a corporation engaged in air transportation of goods, parcels and mail, and passengers

**Bureau** – the Bureau of Customs

**Carrier** – persons, corporations, firms or associations, actually transporting goods or in charge of or responsible for the operation of the means of transport such as airlines, shipping lines, freight forwarders, cargo consolidators, non-vessel operating common carriers and other international transport operators

**Consolidator for Export** – a juridical entity which procures transport of goods by sea or air and issues house bill of lading or house air waybill to consignors of shipments under its solicitation, to whom it directly assumes the liabilities and responsibilities of a carrier for the transportation of such goods from the point of receipt to the point of destination of such goods, and ships the goods together with its name consigned to its Deconsolidation Agent abroad

**Deconsolidator** – a local freight forwarder or consolidator's agent that provides services to ungroup or deconsolidate shipments, goods, etc. to facilitate distribution

cf. CMTA, Title I, Chapter 2, Section 102(i)

cf. CMTA, Title 1, Chapter 2, Section 102(j)

cf. CAO No. 01-2018 "Amended Rules on Consolidated Shipment of "Balikbayan Boxes", Section 3.7

cf. CAO No. 01-2018 "Amended Rules on Consolidation Shipment of "Balikbayan Boxes", Section 3.8

**Ground Handling Agents (Cargo Agents, Airline Agents)** – entities authorized to act for or on behalf of the carrier, for accepting, handling, loading/unloading, transiting, or dealing with cargo, passenger and baggage

IATA FF-Carrier-GHA Functional Specifications v0.8 (clean).doc\_06-Aug-2009]

**House Air Waybill (HAWB)** – an air waybill covering a single, individual shipment or consignment issued by international air freight forwarder or a consolidator to the respective shippers

cf. CAO No. 01-2016 “Advance Cargo Declaration, Inward Foreign Manifest and Consolidated Cargo Manifest Rule”, Section 3.13; CAO No. 06-2016, “Conditionally Tax and Duty-Exempt Importation of “Returning Residents” and Overseas Filipino Workers (OFWs)”, Section 3.9

**House Bill of Lading (HBL)** – a bill of lading covering a single, individual shipment or consignment issued by the international sea freight forwarder, NVOCCs or a consolidator to the respective shippers containing the names and addresses, respectively, of both the consignor or sender and the consignee or receiver and the detailed, specific description of the goods shipped through sea

cf. CAO No. 1-2018, “Amended Rules on Consolidated Shipment of “Balikbayan Boxes”, Section 3.14; CAO NO. 6-2016, “Conditionally Tax and/or Duty-Exempt Importation of “Returning Residents” and Overseas Filipino Workers (OFWs), Section 3.10

**Freight Forwarder** – a local entity that acts as a cargo intermediary and facilitates transport of goods on behalf of its clients without assuming the role of a carrier, which also performs other forwarding services, such as booking cargo space, negotiating freight rates, preparing documents, advancing freight payment, providing packing or crating, trucking and warehousing, engaging as an agent or as a representative of a foreign NVOCCs or as a deconsolidator named in a master bill of lading as consignee of a consolidated shipment, and other related undertakings

cf. CMTA, Title I, Chapter 2, Section 102(aa)

**Logistics Provider** – a company that provides management over the flow of goods and materials between the points of origin to end-use destination. The provider will often handle shipping, inventory, warehousing, packaging and security functions of the shipments

cf. BusinessDictionary, <http://www.businessdictionary.com/definition/logistics.provider.html>, Accessed: August 08, 2017

**Master Air Waybill (MAWB)** – an air waybill issued by a common air carrier to a consolidator covering a consolidated shipment

cf. CMO No. 79-1990, “Revised Rules and Regulations Governing the Entry of Non-Commercial Inbound ConsolidationShipments from Filipino Abroad, Repealing for the purpose CMO No. 32-90”, Section 2.1.4

**Master Ocean Bill of Lading (MBL)** – an ocean bill of lading issued by a common ocean carrier to a consolidator covering a consolidated shipment

cf. CMO No. 79-1990, "Revised Rules and Regulations Governing the Entry of Non-Commercial Inbound Consolidation Shipments from Filipino Abroad, Repealing for the purpose CMO No. 32-90" Section 2.1.4

**Non-Vessel Operating Common Carriers (NVOCCs)** – an entity, which does not own or operate a vessel, that provides a point-to-point service which may include several modes of transport of full container load and less container load (LCL) shipments and issues corresponding transport document

cf. CMTA, Title I, Chapter 2, Section 102(ee)

**Pipeline Operators** – person who is to have or (once fluid is conveyed) has control over the conveyance of fluid in the pipeline

Regulation 2.1 of Pipelines Safety Regulations 1996

**Shipping Agents** – person entrusted with provisioning or representing the vessel in the Port in which it may be found

Article 586 of the Code of Commerce of the Philippines

**Shipping Line** – a juridical entity that transports cargoes and passengers aboard ships or vessels across oceans or seas

## ***General Provisions***

### **Who Are Third Parties**

- Refer to any person who deals directly with the Bureau for and on behalf of another person, relating to the importation, exportation, movement, storage and clearance of goods. For purposes of this CAO, the following are considered as Third Parties:
  - a. Carriers
  - b. Airline Representatives or Airline Ground Handling Agents
  - c. Shipping Lines or their Agents
  - d. Pipeline Operators
  - e. Freight Forwarders
  - f. Consolidators
  - g. Deconsolidators
  - h. NVOCCs
  - i. Logistics Providers
  - j. Arrastre Operators, provided that in case where the operation is part of the services of a Terminal Operator, the rules and regulations governing CFW shall apply

- Only Third Parties registered pursuant to the provisions of this CAO shall be allowed to transact with the Bureau for and on behalf of another person

### **Supervision and Regulation of Third Parties**

- Third Parties as defined above shall be subject to supervision and regulation of the Bureau in relation to importation, exportation, movement, storage and clearance of goods for and on behalf of another person
- Third Parties with existing permits or duly authorized to engage in such business by other regulatory agencies shall be registered with the Bureau, provided that they submit a Permit to Operate or equivalent document shall comply with the requirements given for the effective exercise of customs supervision and regulation over the said entities.

### **Treatment of Third Parties**

Third Parties transacting with the Bureau for and on behalf of importers and consignees shall be treated equally as true importers and consignees

cf. CMTA Title XII, Chapter 2, Section 1226

### **Liability of Third Parties**

Third Parties transacting with the Bureau shall be liable for acts committed in violation of the CMTA and related laws

cf. CMTA, Title XII, Chapter 2, Section 1226

## ***Administrative Provision***

### **Registration with the Account Management Office (AMO) or its Equivalent Office**

- Third Parties shall apply for registration with the AMO or its equivalent office individually or through their organization, subject to the following documentary requirements:
  - Third Parties who are members of an organization duly accredited by concerned government agencies:
    - Proof of Membership in good standing
    - Copy of the Certificate of Public Convenience, Registration, Accreditation or Permit to Operate or grant of legislative franchise, issued by the concerned government agency in accordance with their respective charters or their own existing rules and regulations

- Certificate of Business Registration issued by the Department of Trade and Industry (DTI) or Securities and Exchange Commission (SEC)
- Bureau of Internal Revenue (BIR) Certificate of Registration
- Mayor's Permit
- Other documentary requirements as specified in the corresponding Customs Memorandum Order (CMO)
- Third parties who are not members of any organization:
  - Copy of the Certificate of Public Convenience, Registration, Accreditation or Permit to Operate or grant of legislative franchise, issued by the concerned government agency in accordance with their respective charters or their own existing rules and regulations
  - Certificate of Business Registration issued by the DTI or SEC
  - BIR Certificate of Registration
  - Mayor's Permit
  - Other documentary requirements as specified in the corresponding CMO

### **Annual Registration Fee**

- Annual registration fee in the amount of One Thousand Pesos (Php 1,000.00) shall be imposed, subject, however, to periodic review in accordance with Section 1301, Title XIII of the CMTA and applicable rules and regulations

### **Validity Period of Registration**

- Unless otherwise provided by law or other rules and regulations, registration of Third Parties shall be valid for a period of one (1) year from the date of its approval, subject, however, to suspension, revocation or cancellation as herein provided

### **Action on Application for Registration**

- All registration applications shall be approved or disapproved by the Bureau within five (5) working days from receipt of complete documentary requirements

### **Certificate of Registration**

- Approved application for registration shall be evidenced by a Certificate of Registration issued by the Bureau



## **Renewal of Registration**

- Third Parties must file for renewal within the Bureau within thirty (30) calendar days prior to the expiration of their registration

## **Due Notice Requirement**

- It shall be mandatory for Third Parties to provide the Bureau with their existing, accurate and official e-mail addresses and contact numbers
- No electronic address or contact numbers shall be recognized other than those registered with the AMO or its equivalent office, unless duly changed, modified or updated by the registered Third Party
- Registered Third Party must acknowledge receipt of notices and communications duly sent to its registered electronic mail address
- In case electronic mail address or contact number provided by the registered Third Party to AMO or equivalent office is incorrect or non-existent, all notices and communications sent to said incorrect or non-existent electronic mail address shall be deemed received by the Third Party unless the non-delivery thereof is attributable to the Bureau or due to system error
- Personal service of notices and communications to the Third Party may be resorted to, at the option of the Bureau

## ***Cancellation or Revocation of Registration***

### **Grounds for Cancellation or Revocation**

- Deliberate failure or refusal without justifiable reasons to comply with the duties and responsibilities of Third Parties as prescribed herein
- "Justifiable reason" as contemplated herein shall mean any and all acts the commission of which shall not render the person liable either administratively or criminally under existing laws, rules, or regulations.
- Submission of false, spurious, and forged documents to support the approval of the registration
- Violation of existing customs laws, rules, and
- regulations

### **Due Notice and Hearing**

- Bureau shall accord due notice and hearing to the Third Party before any cancellation or revocation of its registration is imposed
- The Bureau may, for valid reasons enumerated above, temporarily bar Third Parties from transacting with the Bureau pending the conduct of the hearing

## ***Duties and Obligations as Third Parties***

### **Submission of True and Authentic Documents**

- Submit true and authentic documents, including certified true copies of permits, authority and other papers duly issued by other regulatory agencies.

### **Cooperation in Customs Investigation**

- Make available pertinent papers and documents as well as issue statements, affidavits, and attestations
- Allow the processing of any information or documents already submitted to the Bureau

### **Obligation to Report Violations**

- Report all information to their knowledge relative to the commission of violation of customs law to the Bureau

### **Access to Records**

- Maintain and make available to the Bureau the complete books and/or records of transaction performed on behalf of the importer or consignee and exporter in relation to importation, exportation, movement, storage and clearance of goods

### **Faithful Compliance with Customs and other Laws, Rules and Regulations**

- Undertake to follow and comply with customs and other laws, rules, and regulations
- Be truthful and responsible for the authenticity of all documents submitted to the Bureau and the veracity of its contents

## ***Consultation with Concerned Regulatory Agencies***

- Bureau shall conduct periodic consultation with concerned regulatory agencies for the effective implementation of these rules and regulations governing the conduct of Third Parties dealing directly with the Bureau in relation to importation, exportation, movement, storage and clearance of goods for and on behalf of another person
- Bureau may enter into necessary agreements with the concerned regulatory agencies to aid implementation

## ***Sanctions***

- Cancellation or revocation of registration of Third Parties shall be without prejudice to the filing of any criminal charges and/or other administrative sanctions which may be imposed under the CMTA or by the concerned primary regulating agency as the case may be pursuant to their own rules and regulations

## ***Reporting and Monitoring System***

- Collection, recording, storage maintenance, processing, sharing of data and information; and maintenance of data information in the CAO shall be secured and consistent with the principles and policy of Republic Act No. 10173, also known as the Data Privacy Act of 2012

## ***Transitory Provision***

- All previously issued rulings of the Bureau shall remain effective one (1) year from effectivity

## ***Periodic Review***

- Unless otherwise provided, this shall be reviewed every three (3) years and be amended or revised, as necessary.

## ***Separability Clause***

- If any part of this is declared unconstitutional or contrary to existing laws, other parts not so declared shall remain in full force and effect

## ***Effectivity***

- After thirty (30) calendar days after publication at the Official Gazette or a newspaper of national circulation
- The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies

# CAO 07-2019

Issue Date: March 26, 2018

UP Law Center Received: June 7, 2019

## Scope

- All importations, whether for consumption, warehousing or for admission to Free Zones as defined in Section 102 (w) of the CMTA and whether dutiable, taxable, or otherwise
- All export shipments Transshipment as defined in Section 102 (ss) of the CMTA and whether dutiable, taxable, or otherwise

## Objectives

- Implement a clear and effective system in the issuance of Pre-Lodgement Control Order (PLCO) and Alert Order (AO) from the moment imported goods enter customs jurisdiction as well as in the exportation of goods
- Provide transparent procedures in the issuance and processing of Orders

## Definition of Terms

**Alert Order (AO)** – a written Order issued by the Commissioner, District Collector, or other customs officers authorized in writing by the Commissioner after the Lodgement of Goods Declaration and before their actual release from customs custody, on the basis of Derogatory Information regarding non-compliance with the CMTA and other laws, rules and regulations enforced by Customs

cf. CMTA, Title XI, Chapter 3, Section 1111

**Alerting Officer** – the Commissioner of Customs, District Collector or other customs officer authorized in writing by the Commissioner to issue PLCOs and AOs as defined hereunder

**Customs Jurisdiction** – the Bureau's exercise of jurisdiction over all seas within Philippine territory and all lands, coasts, ports, airports, harbors, bays, rivers and inland waters whether navigable or not from the sea or any means of conveyance

cf. CMTA, Title III, Chapter 2, Section 300

**Derogatory Information** – any information indicating that a certain shipment is in high risk of probable violation of the provision of the CMTA and related laws. Said information shall indicate the violation and other specifics thereof

**Goods Declaration** – a statement made in the manner prescribed by Customs laws, rules and regulations for the entry or admission of imported goods

cf. CMTA, Title II, Chapter 2, Section 102(y)

**Lodgement** – the registration of a Goods Declaration with the Bureau in a manner prescribed under customs laws, rules, and regulations

cf. CMTA, Title I, Chapter 2, Section 102(dd)

**Misclassification** – the use of insufficient or wrong description of goods or the use of erroneous tariff headings resulting in deficiency between the duty and tax that should have been paid and the duty and tax actually paid and/or to avoid compliance with government regulations related to the entry of Regulated, Prohibited or Restricted goods into Philippine Customs territory

cf. CMTA, Title XIV, Chapter 1, Section 1400

**Misdeclaration** – a false, untruthful, erroneous or inaccurate declaration as to quantity, quality, description, weight or measurement of the goods resulting in deficiency between the duty and tax that should have been paid and the duty and tax actually paid and/or to avoid compliance with government regulations related to the entry of Regulated, Prohibited or Restricted goods into Philippine customs territory

cf. CMTA, Title XIV, Chapter 1, Section 1400

**Lifting of Alert Order** – the Order of Release which is the process of allowing the continuous processing of the shipment or entry back to the regular cargo procedure after a finding of no discrepancy, after the physical or non-intrusive inspection or compliance with the recommendation for additional payment or imposition of surcharge or other conditions, as the case may be

**Perishable Goods** – goods liable to perish or goods that depreciate greatly in value while stored or which cannot be kept without great disproportionate expense, which may be proceeded to, advertised and sold at auction upon notice if deemed reasonable

cf. CMTA, Title I, Chapter 2, Section 102 (gg)

**Pre-Lodgement Control Order (PLCO)** – a written Order issued by the Commissioner, District Collector or other customs officers authorized in writing by the Commissioner, before the Lodgement of Goods Declaration or when no Goods Declaration is lodged, to prevent the illegal importation or their release

**Products of Illicit Trade** – money, goods or value gained from illegal activity

cf. CMTA, Title I, Chapter 2, Section 102 (gg)

**Prohibited Importation and Exportation** – importation and exportation of the following goods are prohibited:

- Written or printed goods in any form containing any matter advocating or inciting treason, rebellion, insurrection, sedition against the government of the Philippines, or forcible resistance to any law of the Philippines, or written or printed goods containing any threat to take the life of, or inflict bodily harm upon any person in the Philippines
- Goods, instruments, drugs and substances designed, intended or adapted for producing unlawful abortion, or any printed matter which advertises, describes or gives direct or indirect information where, how or by whom unlawful abortion is committed
- Written or printed goods, negatives or cinematographic films, photographs, engravings, lithographs, objects, paintings, drawings or other representation of an obscene or immoral character
- Any goods manufactured in whole or in part of gold, silver, or other precious metals or alloys and the stamp, brand or mark does not indicate the actual fineness of quality of the metals or alloys
- Any adulterated or misbranded food or goods for human consumption or any adulterated or misbranded drug in violation of relevant laws and regulations
- Infringing goods as defined under the Intellectual Property Code and related laws
- All other goods or parts thereof, which importation and exportation are explicitly prohibited by law or rules and regulations issued by the competent authority

cf. CMTA, Title 1, Chapter 3, Section 118

**Regulated Importation and Exportation** – goods which are subject to regulation shall be imported and exported only after securing the necessary Goods Declaration or export declaration, clearances, licenses, and any other requirements, prior to importation or exportation. In case of importation, submission of requirements after arrival of the goods but prior to release from customs custody shall be allowed but only in cases provided for by governing laws or regulations

cf. CMTA, Title I, Chapter 3, Section 117

**Restricted Importation and Exportation** – except when authorized by law or regulation, the importation and exportation of the following restricted goods are prohibited:

- Dynamite, gunpowder, ammunitions and other explosives, firearms and weapons of war, or parts thereof
- Roulette wheels, gambling outfits, loaded dice, marked cards, machines, apparatus or mechanical devices used in gambling or the distribution of money, cigars, cigarettes or other goods when such distribution is dependent on chance, including jackpot and pinball machines or similar contrivances, or parts thereof
- Lottery and sweepstakes tickets, except advertisements thereof and lists of drawings therein
- Marijuana, opium, poppies, coca leaves, heroin or other narcotics or synthetic drugs which are or may hereafter be declared habit forming by the President of the Philippines, or any compound, manufactured salt, derivative, or preparation thereof, except when imported by the government of the Philippines or any person duly authorized by the Dangerous Drugs Board, for medicinal purposes
- Opium pipes or parts thereof, of whatever materials
- Any other goods whose importation and exportation are restricted

The restriction to import or export the above stated goods shall include the restriction of their transit

cf. CMTA, Title I, Chapter 3, Section 119

**Undervaluation** – situation when the declared value fails to disclose in full the price actually paid or payable or any dutiable adjustment to the price actually paid or payable, or when an incorrect valuation method is used or the valuation rules are not properly observed, resulting in a discrepancy in duty and tax to be paid between what is legally determined as the correct value against the declared value

CMTA, Title XIV, Chapter 1, Section 1400

**Warrant of Seizure and Detention** – an order in writing, issued in the name of the Republic of the Philippines, signed by the District Collector of Customs commanding the seizure of any vessel, aircraft, cargo, goods, animal or any other movable property when the same is subject to forfeiture pursuant to Section 1113, Chapter 4, Title XI of the CMTA

cf. CMTA, Title XI, Chapter 4, Section 1117



## General Provisions

- PLCO and AO are enforcement actions issued by the Bureau for border control to prevent entry of smuggled goods and other customs fraud
- Order authorize the Customs Officer to conduct non-intrusive inspection or physical examination of the shipment
- PLCO is issued prior to lodgement of Goods Declaration
- AO is issued after the lodgement of the Goods Declaration and before their actual release from customs custody
- PLCO does not suspend the prior nor prohibit the importer to lodge the goods declaration
- AO suspends the customs clearance process
- PCLO and AO should not be used as instruments for extortion and harassment but as instruments or tools for confirmation, or validation that correct description and proper method/s of valuation of goods are being observed

cf. CMTA, Title II, Chapter 1, Section 202

### Derogatory Information

Issuance of a PLCO or an AO must be based on the existence of a Derogatory Information, which must be in writing and must state the suspected violations and other necessary specifics thereof.

### Period to Conduct Physical Examination or Non-Intrusive Inspection

- Should be made within forty-eight (48) hours from the receipt by the Office of the District Collector of the AO or the PLCO, as may be appropriate, except in cases beyond their control, such as but not limited to the unavailability of equipment to be used for examination, *force majeure* or fortuitous event
- Examination of shipments subject of a PLCO or an AO shall be given priority
- Bureau shall assert its authority over customs premises for the allocation of an area dedicated to the conduct of physical examination or non-intrusive examination sufficient to satisfy the requirements and prescribed periods under the CMTA

cf. CMTA, Title 11, Chapter 3, Section 1111

## Conduct of Physical Examination or Non-Intrusive Inspection

- As a general rule, shipments subject of a PCLO or an AO shall be subjected to physical examination pursuant to Section 420 (b) of the CMTA. However, the Bureau may opt for non-intrusive inspection of goods, such as use of x-ray machines in the following instances:
  - When the ground for issuance of the AO is solely based on submission by the importer or broker to the Bureau of forged or spurious invoice or other commercial documents resulting in Undervaluation or Under-invoicing
  - In the case of Regular Goods where only the requested permits are lacking
  - Other circumstances where non-intrusive examination is deemed more practicable by the Collector or the Commissioner
- Absence of consignee, broker, or their authorized representative despite due notice shall not bar the conduct of the physical or non—intrusive inspection

cf. CMTA, Title IV, Chapter 2, Section 420

## Costs

- Costs of physical examination of shipments subject of an AO shall be borne by the Bureau provided that such costs shall be reimbursed by the owner of the examined shipments prior to the release of the goods if the physical inspection results in the assessment of additional duties or taxes, or the issuance of a Warrant of Seizure
- Bureau may enter into a Memorandum of Agreement with port, airport or terminal facility operators providing for a monthly billing arrangement for expenses incurred in the conduct of physical and/or non-intrusive examinations on shipments subject of PLCOs and AOS
- Bureau shall include in its annual budget the appropriation for payment of arrastre services and other incidental expenses relative to the conduct of examinations
- The foregoing is without prejudice to the provision of Section 207 paragraph 3, Chapter 2 of Title II of the CMTA

cf. CMTA, Title XI, Chapter 3, Section 1111, par. 5

## Utilization of Forfeiture Fund

As provided under Section 1151, Chapter 10 of Title XI of the CMTA, expenses for customs intelligence and enforcement and other related activities may be sourced from the Forfeiture Fund, including those incurred for the examination of goods subject of AO and PLCO

### **Rights of a Consignee, Importer, Owner, Broker or Attorney-in-Fact whose Shipment is subject of an AO or PLCO**

- To be notified that the shipment is subject of an AO or PLCO
- To be informed of the conduct of the examination pursuant to the AO or PLCO issued and results thereof
- To a speedy disposition in determining the propriety of issuing an AO or PLCO and its subsequent lifting, when warranted

## ***Pre-Lodgement Control Order***

### **Issuance of PLCO**

May be issued by the Commissioner, District Collector, or other customs officers authorized by the Commissioner in writing

### **Grounds for Issuance of PLCO**

- Unmanifested goods found on any vessel or aircraft is manifest thereof is required
- Outright smuggling as defined in Section 102 (ff), Chapter 2 of Title I of the CMTA
- Prohibited Goods
- Restricted Goods verified with the regulatory agency to be without permits except when the regulatory agency allows application of permit after the arrival but before physical release from customs jurisdiction
- Importation contains Products of Illicit Trade which poses danger to the environment, public health, safety and security

cf. CMTA, Title XI, Chapter 4, Section 1113, par. (g)

### **Effects of PLCO**

- Issuance of PLCO shall not prevent the Lodgement
- of Goods Declaration
- If a Goods Declaration is lodged, the PLCO shall be converted into an AO without need for further action. In such instances, rules on AO as provided herein shall apply
- If the shipment has arrived and no Goods Declaration is lodged, the Bureau shall notify in writing the shipping lines and the consignee or their authorized representative and the Value-Added Service Providers (VASPs) if applicable, of the issuance of the PLCO

- Within forty-eight (48) hours from discharge of last package or issuance of the PLCO, whichever is later, the authorized customs officer shall schedule the conduct of physical or non-invasive inspection of goods.
- Absence of the consignee, broker or authorized representative despite notice shall not bar the conduct of the physical or non-intrusive inspection
- Within forty-eight (48) hours, in the case of Perishable Goods within twenty-four (24) hours from inspection, the authorized customs officer shall recommend to the District Collector either the lifting of the PLCO or the issuance of a Warrant of Seizure, whichever is applicable, furnishing the Commissioner with a copy of the recommendation.
- Upon recommendation of the authorized customs officer, the District Collector within five (5) days in case of Non-Perishable Goods, or two (2) days in case of Perishable Goods, shall either: (1) order the lifting of the PLCO and the continuance of processing of goods in case of a negative finding subject to affirmation by the Commissioner or (2) issue a Warrant of Seizure upon determination of the existence of probable cause
- In cases where the District Collector recommends the lifting of the PLCO, they shall immediately transmit all the records to the Commissioner for automatic review, within forty-eight (48) hours, or within twenty-four (24) hours in case of Perishable Goods. When no decision is made by the Commissioner within the prescribed period, the imported goods shall be deemed approved for continuous processing provided that completed staff work has been undertaken to guide the Commissioner's decision
- The District Collector shall lift the PLCO only upon the affirmation of the decision of the District Collector by the Commissioner, or after the lapse of the period of review by the Commissioner, whichever is earlier
- In cases where the PLCO is issued against shipment where the filing of Goods Declaration is not required and after the verification no discrepancy is found and the District Collector recommends the lifting of the above point shall apply
- In cases where the District Collector issues a Warrant of Seizure and Detention, they shall immediately submit a report to the Commissioner
- The foregoing is without prejudice to the application of the rules on abandonment

cf. CMTA, Title XI, Chapter 4, Section 1116

cf. CMTA, Title XI, Chapter 4, Section 1117

cf. CMTA, Title II, Chapter 4, Section 1117

cf. CMTA, Title XI, Chapter 4, Section 1117

## ***Alert Order***

### **Issuance of Alert Order**

- May be issued by the Commissioner, District Collector or other customs officers authorized by the Commissioner in writing
- Shall apply to importations and exportations, including transit.
- May be issued only after Lodgement of the Goods Declaration and prior to the actual release of the goods from customs custody
- Under no circumstances shall the suspension of the processing of Goods Declaration be allowed except through an AO

cf. CMTA, Title XI, Chapter 3, Section 1111, par. 4

### **Grounds for Issuance of Alert Order**

- Shall be issued on the basis of Derogatory Information regarding possible non-compliance with customs laws, rules, and regulations
- Only enforcement issues may be used as valid grounds for the issuance of an AO
- For shipments with purely valuation and classification issues, the CAO on Dispute Settlement shall apply

### **Effects of an Alert Order**

- Will result in the suspension of the processing of Goods Declaration, or in case of exportations, it will prevent the loading of goods onto the carrying vessel
- Will also result in the conduct of physical or non-intrusive inspection of goods within forty-eight (48) hours from issuance of the AO
- For Perishable Goods, the concerned customs examiner of the Bureau shall attach to their recommendation a certificate stating that the goods are perishable
- Within forty-eight (48) hours, or in the case of Perishable Goods twenty-four (24) hours from inspection, the authorized customs officer shall recommend to the District Collector either the continuance of processing of goods in case of a negative finding or the issuance of a Warrant of Seizure if a discrepancy between the declaration and actual goods is found, furnishing the Commissioner with a copy of the recommendation

cf. CMTA, Title XI, Chapter 3, Section 1111

cf. CMTA, title XI, Chapter 3, Section 1112

cf. CMTA, Title XI, Chapter 3, Section 1111 par. 1

## Derogatory Information as the Basis of an Alert Order Must Be Specific

- Derogatory Information must indicate the violations and other necessary specifics thereof.
- The following shall not be considered Derogatory Information:
  - General allegations of Undervaluation unless aid Undervaluation is caused by the submission to customs of forged or spurious invoice or other commercial documents
  - General allegations of Misclassification without providing the appropriate tariff heading and duty of the shipment to be alerted
  - General allegations of over-quantity without indicating the source of information supporting the allegation
  - General allegations of Misdeclaration in the entry without indicating the suspected actual contents thereof
  - General allegations of importations contrary to law without indicating the specific law or rule to be violated

cf. CMTA, Title XI, Chapter 3, Section 1111]

## Actions on Alert Orders

- Upon recommendation of the authorized customs officers, the District Collector within five (5) days in case of Non-Perishable Goods, or two (2) days in case of Perishable Goods, shall either: (1) recommend the lifting of the AO, and the continuous processing of goods subject to review by the Commissioner, in case of negative findings or (2) issue a Warrant of Seizure upon determination of the existence of probable cause for violation of the CMTA
- In cases where the District Collector recommends the lifting of the AO, they shall immediately transmit all the records to the Commissioner for automatic review, within forty-eight (48) hours, or within twenty-four (24) hours in case of Perishable Goods. When no decision is made by the Commissioner within the prescribed period, the imported goods shall be deemed approved for continuous processing provided that completed staff work has been undertaken to guide the Commissioner's decision
- District Collector shall lift the AO only upon the affirmation of the decision of the District Collector by the Commissioner, or after the lapse of the period of review by the Commissioner, whichever is earlier
- In cases where the District Collector issues a Warrant of Seizure and Detention, they shall immediately inform the Commissioner in writing of the issuance thereof

cf. CMTA, Title XI, Chapter 4, Section 1116

cf. CMTA, Title XI, Chapter 4, Section 1117

cf. CMTA, Title II, Chapter 4, Section 1117

## **Numbering PLCO and AO**

PLCOs and AOs issued pursuant to this CAO shall be dated and assigned a unique reference number in series which shall be the basis for reporting to and monitoring by the Commissioner and Secretary of Finance

## **Creation of Central Clearing Houses**

cf. CMTA, Title XI, Chapter 4, Section 1116

- Bureau shall create a Central Clearing House under the Office of the Commissioner for PLCOs and AOs.
- Shall coordinate and monitor all Orders issued under this CAO to avoid double issuance of AOs against shipments and shall reflect the imposition or lifting of any AOs issued under this CAO to the customs information/processing system
- Shall be furnished copy of the PLCO and AO within twenty-four (24) hours from issuance thereof including the basis for its issuance
- Act as a repository for all records, including the final disposition of the PLCO and AO
- Shall also submit quarterly status reports to the Secretary of Finance on all Orders issued under this CAO

## ***Risk Management***

Any PLCO, AO and other Orders issued pursuant to this CAO and this disposition thereof shall be furnished the Bureau's Risk Management Office, as reference in the Bureau's Risk Management System

## ***Use of Information and Communication Technology (ICT)- Enabled System***

To the extent practicable, Bureau shall use ICT-enabled system on PLCO and AO with respect to issuance on PLCO and AO and such other related processes

## ***Penal Provision***

Violations of this CAO committed by any person, officer or employee shall be penalized in accordance with Title XIV of the CMTA and other applicable penal provisions

## ***Repealing Clause***

This CAO amends or repeals Customs Memorandum Order (CMO) Nos. 03-2018, 29-2017, 20-2017, 14-2017, 23-2016, 35-2015, 24-2014, 21-2014, 4-1994, 8-1993, 104-1992 and all other Orders, Memoranda, Circulars or parts thereof which are inconsistent herewith

## ***Separability Clause***

If any part is declared unconstitutional or contrary to laws, the other parts not so declared shall remain in full force and effect

## ***Review***

Every three (3) years and amended or revised as necessary

## ***Effectivity***

- After thirty (30) days from publication at the Official Gazette or a newspaper of national circulation
- Office of the National Administrative Registrar (ONAR) of the UP Law Center shall be provided three (3) copies



# CAO 08-2019

Issue Date: May 28, 2019  
UP Law Center Received: June 11, 2019

## *Scope*

- Covers guidelines and procedures for the monitoring and control of the movement of all types, categories or classification of containers, whether loaded or empty at the seaports

## *Objectives*

- Prescribe the dwell time of all incoming containers, whether loaded or empty, which are granted Temporary Admission and provide a system of monitoring all incoming and outgoing containers whether loaded or empty
- Effectively institute safeguard measures over all incoming and outgoing containers
- Ensure proper collection of government revenues from overstaying containers as a source of non-traditional revenue
- Provide a system for monitoring and validation of data and statistics on all incoming and outgoing containers
- Establish a database of all incoming and outgoing containers in all ports, as to transfers, transits and status of the containers, whether overstaying or not, through the full use of Information and Communications Technology (ICT) - enabled system

## *Definition of Terms*

**Carrier-Owned Container (COC)** – the container owned by the carrier or shipping line

Glossary-useful terms and acronyms from the container world, accessed July 7, 2017, <https://www.clsu.co/resources-and-links/glossaryofthecontainerworld>

**Container** – an article of transport equipment (lift-van, movable tank or other similar structure):

- Fully or partially enclosed to constitute a compartment intended for containing goods
- Of a permanent character and accordingly strong enough to be suitable for repeated use

- Specially designed to facilitate the carriage of goods, by one or more modes of transport, without intermediate reloading
- Designed for ready handling, particularly when
- being transferred from one mode of transport to another
- Designed to be easy to fill and empty
- Having an internal volume of one cubic meter or more

The term shall include demountable bodies, the accessories and equipment of the container, appropriate for the type concerned, provided that such accessories and equipment are carried with the container

1972 Customs Convention  
on Containers, Chapter 1, Article 1 (c)

**Container Delivery Confirmation (CODECO)** – the message that is used by the terminal operators and depositary managers to report to the shipping company and their ship's agent which containers have reached (gate-in) or left (gate-out) the container terminal

Port of Antwerp-CODECO, accessed July 7, 2017,  
<http://www.portofantwerp.com/apcs/en/code/442>

**Container Arrival (COARRI)** – the message that is used by the terminal operators to report to the shipping company and their ship's agent which containers have been loaded or discharged

Port of Antwerp-CODECO, accessed July 7, 2017,  
<http://www.portofantwerp.com/apcs/en/code/442>

**Container Discharging List** – a document providing, among other information, the list of containers in alphabetical order to be discharged or unloaded from the vessel

**Discharge** – the unloading of containers or cargoes from a vessel, ship, aircraft at the port of entry

CMTA, Title I, Chapter 2, Section 102 (ii)

**Foreign Transshipment** – the customs procedure under which goods are transferred under customs control from the importing means of transport to the exporting means of transport within the area of one customs office, which is the office of both importation and exportation

CMTA, Title I, Chapter 2, Section 102 (ss)

**Leased Container (LC)** – a container leased by the carrier (lessee) from a third party leasing company (lessor). The lessee shall be the accountable party, unless it can be shown that the empty container has been surrendered by the lessee-carrier to the leasing company-lessor upon termination/expiration of the lease (off-hire) in which case the accountable party shall be the leasing company or its agent in the Philippines

**Loading** – the putting in or on something for conveyance or transportation

**Loading Sequence List** – a document providing for, among other information, the list of containers in alphabetical order and the sequence of containers to be loaded to the vessel

**Shipper-owned Container (SOC)** – the container owned or leased by the shipper thus the consignee or shipper is the accountable party. The shipping lines are contracted only to provide the transport service

**Special Permit to Load (SPL)** – a document that grants the authority to load empty containers of shipping lines for their return to their principals abroad, or those loaded containers which are previously cleared and transited from an inland customs office

**Temporary Admission** – the Customs procedure under which certain goods can be brought into a Customs territory conditionally relieved from payment of import duties and taxes such goods must be imported for a specific purpose and must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of the goods

Glossary—glossary-of-the-container-world, accessed July 7, 2017, <https://www.clsu.co/resources-and-links/glossary-of-the-container-world>

Revised Kyoto Convention, Specific Annex J, Chapter 1, ES./F1.

## ***Treatment of Containers***

- Containers granted Temporary Admission in connection with a commercial operation shall not be subject to any form of security, or to payment of duties and taxes within ninety (90) days from the date of discharge of the last package unless the container itself is the object of the importation
- The shipping line and/or the carrying vessel shall be accountable for the movement, storage, monitoring, and inventory of containers whether carrier-owned, leased or shipper's owned, including concomitant liability, provided that in case of LCs and SOCs, the accountability may only be transferred to the lessor or shipper upon presentation of clear evidence thereof
- Containers which have not been re-exported within the prescribed period shall be considered importation

cf. 1972 Customs Convention on Containers, Article 6

cf. RKC, Specific Annex G, Chapter 1, Recommended Practice 2

cf. 1972 Customs Convention on Containers, Chapter II, Article 3

## ***Discharging and Loading of Containers***

### **Discharging of Containers**

- Immediately upon arrival of the carrying vessel, the shipping line agent or representative shall furnish the Bureau, both in electronic and hard copy, the Container Discharging List for loaded and for empty containers, respectively, indicating the following information:
  - Name, voyage no., and registry of the carrying vessel
  - Estimated date of arrival
  - Container no., size, status (loaded or empty), weight, label, temperature, if available
  - Discharging sequence of containers
  - Port of loading, port of discharge, port of destination
  - Category or operator (Carrier-Owned Container (COC), Shipper-Owned Container (SOC) or Leased Container (LC)), accountable party
  - Summary of total number of containers whether loaded or empty to be discharged including the respective operators
- Electronic copy of the Container Discharging List shall be both in excel and PDF format. Electronic copy in excel format shall be used by the Bureau to facilitate the counterchecking of containers actually discharged and the date thereof as indicated in the PDF file. The Container Discharging List in excel format must have separate files for loaded and empty containers

### **Loading of Containers for Re-exportation**

- Prior to loading and departure of carrying vessel, the concerned shipping line or its agent shall submit, both in electronic and hard copy, the following:
  - Loading Sequence List for loaded and for empty containers, respectively
  - Application for Special Permit to Load (SPL), in case of empty containers, or loaded containers which are previously cleared and transited from an inland customs office
- Electronic copy of the Loading Sequence List shall be both in excel and PDF format. Electronic copy in excel format shall be used by the Bureau to facilitate the counterchecking of containers actually loaded and the date thereof as indicated in the PDF file. The Loading Sequence List in excel format must have separate files for loaded and empty containers

- Information from the Loading Sequence List and SPL shall be validated by the Bureau using the information from the COARRI file provided by the terminal facility operator and the data on the last discharge of the package involving said containers
- In case of loaded containers, the authority to load may be affixed or stamped in the corresponding Export Declaration
- Shipments under Foreign Transshipment and co-loading scheme pursuant to Republic Act No. 10668 shall be included in the Loading Sequence List for loaded containers
- In case of empty containers, the electronic copy of the application for SPL shall be sent at least seventy-two (72) hours before the start of the actual loading to the carrying vessel. The hard copy shall be filed not less than twenty-four (24) hours prior to loading. Upon verification by the assigned customs officer, the application shall be approved through the issuance of an authority to load, which may be affixed to the application for SPL
- Shipping line may amend the original list of containers for loading, which shall clearly be indicated in the submitted hard copy of the application for SPL, provided that, any additional empty containers shall not exceed twenty percent (20%) of the total number of containers from the original application. Provided further, that an electronic copy of the amended SPL shall be sent immediately upon approval of the application

## ***Dwell Time of Containers***

- Containers arriving, whether loaded or empty, shall be re-exported within ninety (90) days from the date of discharge of the last package. Period shall be based on the Inspector's Certificate of Last Cargo Discharge on file with the Bureau
- Containers may be re-exported through a Customs office other than that through which they were imported
- Fifteen (15) days prior to the expiration of the ninety (90) day period, the Bureau shall notify the shipping line concerned, or the lessor or shipper when accountability has been clearly acknowledged, through its registered electronic mail address, to either re-export the container or to pay the duties and taxes due thereon. Such notice shall be deemed notice to lodge or file the goods declaration

cf. 1972 Customs Convention on Containers, Article 4

## ***Suspension of the Counting of Prescriptive Period to Re-export***

Counting of the period to re-export shall be suspended under the following circumstances:

- When there is an alert order issued against the shipment
- When a warrant of seizure and detention has been issued
- When the shipment has been declared abandoned
- When the shipment is forfeit in favor of the government

Running of the period shall resume upon lifting of the alert order or WSD for the continuous processing of the goods declaration and release of the shipment. In cases where the goods have been forfeited or declared abandoned, the period to re-export shall resume when the goods have been completely unloaded and the empty container is returned to the shipping line

cf. 1990 Convention on Temporary Admission, Article 7, par. 3

## ***Termination of Temporary Admission***

- Temporary Admission is terminated by re-exportation of the containers or upon filing of goods declaration for domestic consumption and payment of duties and taxes
- Temporary Admission may also be terminated on or before the expiration of the prescribed dwell time on the following instances:
  - Where the containers have been seriously damaged by accident or *force majeure* and are, as the District Collector may decide:
    - Subjected to the import duties and taxes to which they are liable at the time when they are presented to the Bureau in their damaged condition for the purpose of terminating Temporary Admission
    - Abandoned while inside the terminal facility, free of all expense, to the Bureau, in which case the person benefiting from Temporary Admission shall be free of payment of import duties and taxes
    - Destroyed while under customs supervision, provided that after the accident or *force majeure*, parts of materials of the containers recovered by the shipping line, lessor or shipper, at their own expense, shall be subject to the payment of duties and taxes. Provided further, that the same were cleared for domestic consumption

cf. 1990 Convention on Temporary Admission, Article 9

cf. 1990 Convention on Temporary Admission, Article 14

- The containers are expressly abandoned, or after the accident or *force majeure*, payment of duties and taxes has been made on parts or materials of the containers recovered by the shipping line, lessor or shipper, at their own expense, and the containers were cleared for domestic consumption
- At the request of the shipping line, lessor or shipper and upon verification by the District Collector of the destruction or total loss of the containers by accident or *force majeure*. In that case, the shipping line, lessor or shipper shall be free of payment of import duties and taxes

cf. 1990 Convention on Temporary Admission, Article 14

cf. 1990 Convention on Temporary Admission, Article 14

## **Monitoring of Containers**

- Terminal facility operator shall electronically transmit to the Bureau the CODECO and COARRI files upon discharge, loading, gate-in and gate-out of containers
- Any transfer of an empty container from the empty container yard or depot, inland container depot, container yard-container freight station or terminal facility shall be covered by a request to be filed at the Port of Discharge indicating the name and location of the empty container yard, depot or facility where the containers are stored and the intended destination. Empty containers shall not be released without the approval of the said request.
- Bureau shall ensure the posting and recording of all container transfers whether destined to off-dock CFW or transited for warehousing, outright exportation, admission into and withdrawal from Free Zones, and movement from one customs office to another
- Shipping line, lessor or shipper shall be required to check the movements of containers granted Temporary Admission, and records thereof shall be kept by the owners or their representatives. For this purpose, they shall:
  - Have a duly authorized representative or agent in the country
  - Undertake in writing:
    - To supply the Bureau upon request, detailed information concerning the movements of each container granted temporary admission including the dates and places of discharge and re-exportation
    - To pay such import duties and taxes as may be required in cases where the conditions of temporary admission have not been fulfilled

cf. 1972 Customs Convention on Containers, Annex 2

cf. 1972 Customs Convention on Containers, Annex 2

- To ensure effective monitoring of dwell time of all containers, the Bureau shall develop a decentralized ICT-enabled system that tracks the movements of containers in all ports by making full use of CODECO and COARRI files submitted by all terminal facility operators, and other available information

### ***Penal Provision***

- A penalty of Three Hundred Thousand Pesos (Php 300,000.00) shall be imposed against the shipping line, lessor or shipper for every violation of any of the following:
  - If a container is sold or donated and duties and taxes are not paid at the time of sale or donation
  - If a container is used other than its intended purpose of transporting goods without payment of duties and taxes
  - If after the lapse of fifteen (15) days from final assessment, no payment of duties and taxes plus interest has been made, unless a declaration to expressly abandon the container in favor of the government has been submitted to the Bureau
  - Allowing an overstaying container which is deemed abandoned or subject of a Warrant of Seizure and Detention to be used by exporters for their export cargoes, without prejudice to the filing of criminal case, if warranted.
- Any violation of the provisions of this CAO not included in the above enumeration shall be meted with a penalty of One Hundred Thousand Pesos (Php 100,00.00)
- District Collector shall accord due notice and hearing before any penalty may be imposed against the shipping line, lessor or shipper for any violation

### ***Transitory Provision***

In case of imported loaded containers which arrived prior to effectivity, the Bureau shall accept the date indicated in the Equipment Interchange Receipt (EIR) for purposes of counting the dwell time. However, such containers shall be re-exported not later than ninety (90) days date of effectivity. After the lapse of the period, the reckoning date to establish dwell time shall be strictly implemented



## ***Repealing Clause***

All other rules and regulations issued by the Bureau which are inconsistent with the above are deemed repealed or modified accordingly.

## ***Effectivity***

Thirty (30) days after its complete publication at the Official Gazette or a newspaper of national circulation

# CMO 29-2019

Issue Date: June 17, 2019  
UP Law Center Received: June 19,  
2019

CMO 28-2003 dated November 25, 2003 on Revised Super Green Lane (SGL) Accreditation and Clearance Procedure Re: Processing of SGL Importations and Reporting and Monitoring is hereby reiterated and amended to include:

## 9.7

- For shipments requiring clearance from BAI/BPI such as meat, meat products, feed ingredients, plant products and etc., importer is required to submit advance copies of Bill of Lading to the respective government regulatory offices prior to issuance of clearance.
- Importer shall be issued a clearance and shall be subject to electronic/online checking and verification by the BAI/BPI Officer thru the DA Trade System before its release from the ICTSI/ATI premises and NAIA Customshouse

## 9.8

- For shipments containing Frozen Meat, Meat Products, Meat byproducts, Feed Ingredients, Feed Additives, Feed Supplements, etc., importers shall be subjected to documentation, tagging and clearance from the VQS Office for conduct of verification and traceability of every shipment from threat of African Swine Fever and other foreign dangerous animal diseases

## 12.2

- BPI/BAI shall submit monthly a list of updated accredited importers with list of importable commodities to the Bureau of Customs

## 12.3

- A list of updated requirements for accreditation with BPI/BAI shall be posted for circulation

All other provisions of CMO 28-2003, which are not in conflict and inconsistent with the above shall remain valid and in effect.

# CMO 32-2019

Issue Date: July 2, 2019

UP Law Center Received: July 8, 2019

## *Scope*

- Qualified Enterprises engaged in the importation
- and exportation of goods within the BIMP-EAGA

## *Objectives*

- Facilitate trade between the Philippines, Brunei, Indonesia and Malaysia as a sub-regional economic cooperation initiative under the East ASEAN Growth Area
- Prescribe simpler customs clearance procedure in the importation and exportation of goods from and to BIMP-EAGA member countries by Qualified Enterprise
- Maximize revenue collection within the BIMP-EAGA trade ports
- Prevent and suppress all forms of smuggling and other fraud against Customs Revenue
- Provide a system of registration for Qualified Enterprises covered by the BIMP-EAGA initiative

## *Definition of Terms*

**BIMP-EAGA** – refers to Brunei Darussalam, Indonesia, Malaysia, Philippines East-ASEAN Growth Area

**Philippine-EAGA (P-EAGA)** – the entire island of Mindanao and island province of Palawan

**P-EAGA Ports and Supports** – the ports of Zamboanga, Davao, Cagayan de Oro, Surigao, and the Sub Port of Puerto Princesa, Palawan, including Brookes Point and Buliluyan, and other ports as may be designated as such

**Certificate of Origin** – declaration of the Exporter, certified by the BOC or any other authorized government agency, that their export complies with the origin requirements specified under bilateral, regional or multilateral trading arrangements to which the Philippines is a party

cf. PD 930 Section 1.C; CMTA, Title V, Chapter 1, Section 503

**Client Profile Recording System (previously known as the Client Profile Registration System)** – the process wherein client information obtained during the accreditation or registration of various clients and stakeholders is captured and recorded. Enrollment in the Bureau's Client Profile Recording system (CPRS) shall be mandatory for all micro and small enterprises exporting goods to the EAGA

**Exporter** – an individual or any juridical entity which exports or brings out goods from Philippines to BIMP-EAGA

**Importer/Trader** – an individual or any juridical entity which imports or brings goods into the BIMP-EAGA area

**Micro** – enterprise duly registered in the appropriate government agencies with the minimum capitalization of three million pesos (Php 3,000,000.00) and below

**MinDA** – Mindanao Development Authority which is the national secretariat of Philippine East ASEAN Growth Area (P-EAGA) Non-Commercial – goods, not otherwise falling under the definition of personal and household effects that are not intended to be used for any commercial purposes, including sale, lease, hire or barter

**Non-Commercial** – goods, not otherwise falling under the definition of personal and household effects that are not intended to be used for any commercial purposes, including sale, lease, hire or barter

**Qualified Enterprises** – entities duly registered with the appropriate government agencies which may be classified as Micro and Small depending on their capitalization as may be required under existing laws, rules and regulations

**Registration** – refer only to the process of recording and/or registering of Qualified enterprises, whether natural or juridical, for them to be able to transact and conduct business with the Bureau relative to goods imported and exported into BIMP-EAGA, subject however to conditions and restrictions as herein provided

**Regulated Importation and Exportation** – regulated goods shall be imported or exported only after securing the necessary goods declaration or export declaration, clearances, licenses and any other requirements prior to importation or exportation. In case

of importation, submission of requirements after arrival of the goods but prior to release from customs custody shall be allowed but only in cases provided for by governing laws or regulations

cf Section 117 CMTA

**Small** – enterprise duly registered in the appropriate government agencies with the minimum capitalization of Three Million and One Peso (Php 3,000,001.00) to Fifteen Million Pesos (Php 15,000,000.00)

## ***General Provisions***

### **Registration of Qualified Enterprise**

- Micro and small entrepreneurs shall be required to register prior to transacting with the Bureau
- They shall undertake or follow and comply with the customs laws, rules and regulations
- They shall be truthful and responsible for the accuracy in the import entry declaration as well as corresponding value and classification

### **Requirements for Registration**

- Shall be filed directly with the District Collector and in the case of Puerto Princesa with the Subport Collector
- Must be accompanied by certified true copies of the following:
  - Department of Trade and Industry (DTI) registration for Single/Sole Proprietorship
  - Barangay Micro Business Enterprise (BMBE) Certification from DTI, if applicable
  - Bureau of Internal Revenue (BIR) Registration Certification
  - Business permit from the Local Government
  - At least one (1) valid government issued ID or Passport of the Proprietor
  - Certificate of Accreditation from the Cooperative Development Authority, in case of cooperative
  - License to Import, issued by concerned government agency (eg. BPI, BAI, SRA, DTI, FDA, etc.) if applicable

- Accreditation as an exporter by the Philippine Exporters Confederation Incorporated (PhilExport) shall no longer be required for the registration of micro and small enterprises transacting with the P-EAGA

### **Registration Fees**

Payment shall be in accordance with the prescribed rates as may be provided under existing rules and regulations

### **Validity Period of Registration**

- Valid for a period of three (3) years from the date of its approval unless provided by the Commissioner
- Subject to suspension, revocation or cancellation as herein provided

### **Issuance of Validity of the Certificate of Registration**

Upon approval by the concerned District Collector

### **Renewal of Registration**

- Filed within thirty (30) calendar days prior to the expiration of validity
- Applications filed after the expiration of the registration shall be considered as new application

### **Mandatory Maintenance and Updating of Electronic Mail Addresses and Contact Numbers**

- It shall be mandatory for registered Importers to provide existing, accurate and official email addresses and contact numbers, and changes, modification or updated thereto where the Bureau shall send notices and communications such as urgent notice to file entry and other such notices
- Notices and communications sent to the registered Importers official email addresses shall be deemed received, unless the non-delivery thereof is attributable to the Bureau or due to system error

## **Manual Processing of Goods Declaration**

Processing of goods declaration for all imports and exports into and from the P-EAGA shall be done manually following procedures outlined hereunder, using the informal entry declaration form, regardless of the value

## ***Operational Provisions***

### **Cargo Clearance Process for Imported Goods**

The following are the documentary requirements for the clearance of imported goods consigned to registered Micro and Small Entrepreneur:

- Duly accomplished Informal Entry form
- Commercial or Non-Commercial Invoice, whichever is applicable
- Packing list
- Bill of lading
- Import Permit/Clearance for regulated items, if necessary
- Commodity clearance for plant and plant products
- Photocopy of Certificate of Registration from the District Collector of the Port concerned Certificate of Origin or any proof of origin

### **Manual Processing of Goods Declaration**

1. Upon arrival of carrying vessel, consignee/customs broker/authorized representative shall file the Informal Import entry for the computation of duties and taxes
2. Duly authorized customs officer at the Entry Processing Unit (EPU) of the port shall verify the completeness and accuracy of the documentary requirements submitted by the importer
3. After verification, the customs officer at the EPU shall assign an entry number and transmit the documents to the Chief of the Assessment Division/Section for assignment of a customs examiner (COO III)
4. Customs Examiner (COO III) shall conduct an examination of the cargo, forward the completed documents with their findings to the Customs Operations Officer V (COO V). IN cases where there is no COO V in the port, the customs examiner shall forward the documents with their findings to the Chief of Assessment Division/Section for the assessment of the goods

5. COO V or Chief of Assessment Division/Section shall forward the informal entry and its supporting documents to the cashier for payment of the assessed duties, taxes and other charges
6. Upon payment by the consignee, the cashier shall issue the official receipt
7. After payment of duties and taxes, if any, the cashier forwards the documents together with the official receipt to the releasing clerk
8. Consignee/customs broker shall present the Official Receipt (OR) to the Customs Officer on duty for the checking of the information contained therein if it matches in the import entry
9. Once checked and found accurate, the Customs Officer on duty shall stamp "Released" on the informal entry

### **Export Processing**

**Export Declaration** – All shipment intended for export shall be covered with a Goods Declaration for the Export electronically lodged by Exporters or authorized representatives to the Bureau's automated system

Description of goods in the ED must contain sufficient and specific information of statistical purposes as well as for the proper valuation and classification of goods

**Manual Processing** – In the event electronic lodgement is not available, manual processing of Goods Declaration for Export may be allowed subject to compliance with customs rules and regulations

**Documentary Requirements** - until such time the Bureau is operating in a paperless environment, the printout of Goods Declaration for Export, which is signed by the exporter or authorized representative, must be submitted to the Export Division or its equivalent office or unit, together with the following documents:

- Bill of lading
- Proforma/Commercial Invoice
- Packing List
- Photocopy of Certificate of Registration from the District Collector of the Port concerned

cf. CMTA, Title V, Chapter 1, Section 500

cf. CMO 54-2010, Sec. 7



- Documents as may be required by rules and regulations, such as
  - Clearance or permits from concerned regulatory agency
  - Certificate of Origin
- Other documents as may be required by the importing country from any concerned agency

### **Regulated Importation and Exportation**

- Goods subject to regulation can only be imported or exported after securing the necessary goods declaration or export declaration, clearances, licenses, and any other requirements, prior to importation or exportation
- In case of importation, submission of requirements after arrival of goods but prior to release from customs custody shall be allowed but only in cases provided for by government laws or regulations

cf. CMTA, Title I, Chapter 3, Section 117

### **Prohibited Importation**

The importation of the following goods is prohibited:

- Written or printed goods in any form containing any matter advocating or inciting treason, rebellion, insurrection, sedition against the government of the Philippines, or forcible resistance to any law of the Philippines, or written or printed goods containing any threat to take the life of, or inflict bodily harm upon any person in the Philippines
- Goods, instruments, drugs and substances designed, intended or adapted for producing unlawful abortion, or any printed matter which advertises, describes or gives direct or indirect information where, how or by whom unlawful abortion is committed
- Written or printed goods, negatives or cinematographic films, photographs, engravings, lithographs, objects, paintings, drawing, or other representation of an obscene or immoral character
- Any goods manufactured in whole or in part of gold, silver or other precious metals or alloys and the stamp, brand or mark does not indicate the actual fineness of the metals or alloys
- Any adulterated or misbranded food or goods for human consumption or any adulterated or misbranded drug in violation of relevant laws and regulations

cf. CMTA, Title I, Chapter 3, Section 118

## De Minimis Importation

Goods with FOB or FCA value of ten thousand pesos (Php 10,000.00) or below are considered importations of negligible amount and entitled to immediate release

cf. CMTA Title IV, Chapter 3, Section 423

## Provisional Goods Declaration

- May be allowed to facilitate trade and to prevent goods from being declared abandoned
- Bureau shall assign a specific code to identify that the goods declaration is provisional in nature upon lodgement
- Goods declaration shall be considered full and complete insofar as supporting documents and information are concerned if the declarant does not indicate the provisional nature of such lodgement
- Lodgement of provisional goods declaration may be allowed in the following circumstances:
  - When no regulatory permit clearance or license has been presented at the time of lodgement, provided that the importer has filed their application for such permit, clearance or license, prior to the departure of the goods from the country of origin or the arrival of the goods into the Philippines, depending on the policy of the concerned regulatory agency
  - Any other situation where the declarant lacks certain information or documents to make a complete goods declaration provided it is not due to the declarant's negligence or fault
- Lodgement of provisional goods declaration may be allowed provided the following documents are presented:
  - Proforma invoice
  - Duly endorsed BL or AWB, or in the absence thereof, a written order by the carrier or agent of the vessel or aircraft
  - Advanced copies of Certificate of Origin, if applicable
  - Duly notarized undertaking by the declarant that the other supporting documents required shall be submitted within forty-five (45) calendar days from lodgement of provisional goods declaration. The 45-day period may be extended for another 45 days for valid reasons upon approval of the written request by the Collector of Customs, provided that the said request for extension is made prior to the lapse of the original 45-day period

cf. CMTA, Title IV, Chapter 1, Section 403; of RKC, General Annex, Chapter 3(a) "Goods declaration format and contents", Section 3.13

- The original grounds for filing a provisional goods declaration should be the same for the extension of the period to submit the required document. Further, the request for extension of period to submit the required documents shall be under pain of falsification for untruthful narration of facts.
- Effects of provisional goods declaration:
  - If the Collector of Customs accepts a provisional goods declaration, the duty and tax treatment of the goods shall not be different from that of goods with complete declaration
  - Tentative assessment of duties, taxes and other charges on goods covered by a provisional goods declaration shall be completed upon final readjustment and submission by the declarant of the additional information or documentation required to complete the goods declaration within forty-five (45) calendar days from the lodgement of the provisional goods declaration, subject to extension period of another forty-five (45) days for valid reasons
- The conditional release of goods under provisional goods declaration shall be governed by the following rules:
  - In case of regulated shipments, conditional release of goods shall not be permitted unless the regulatory agency concerned allows such release subject to the following conditions:
    - Goods shall be delivered to the importer's premises for storage and shall not be disposed until the required permit, clearance or license is issued and submitted to the Bureau within the prescribed period
    - A specific and sufficient security shall be required to cover the dutiable value of the goods except in case of highly compliant importers such as SGL, SGL+ or AEO members where a general security or an undertaking may be required in lieu of security
  - In all other cases, the conditional release of goods provisionally declared shall be subject to the following rule:
    - A specific and sufficient security shall be required to cover the amount of duties, taxes and other charges that shall be collected when the lacking information or document is not submitted within the prescribed period

cf. CMTA, Title IV, Chapter 1, Section 403, 2nd paragraph; of RKC, General Annex, Chapter 3(b) "The Goods declaration", Section 1.14.

cf. CMTA, Title IV, Chapter 3, Section 426

In cases where regulatory agency through its existing regulations allows the submission of permit, clearance or license after arrival of the goods but prior to release from customs custody, e.g. Bureau of Internal Revenue (BIR) Authority to Release Imported Goods (ATRIG), Bureau of Product Standard (BPS) Import Commodity Clearance (ICC), National Telecommunications Commission (NTC) Clearance, where the regulatory agency allows post arrival issuance of such permit, clearance or license

cf. CMTA, Title XV, Section 1507

cf. CMTA, Title XV, Section 1506

- Effects of the non-compliance with the conditions for the release of goods under provisional goods declaration:
  - In case the declarant fails to submit the regular permit, clearance or license from the regulatory agency within the prescribed period, the regulated goods shall be subject to seizure, provided due notice is given to the declarant
  - In case of release under the provisional goods declaration due to the lack of import documents to assess the correct duties, taxes and other charges, any security posted shall be subject to forfeiture for failure of the declarant to submit the required supporting documents or information within the prescribed period; provided that due notice is given to the declarant, and without prejudice to any other legal remedy to recover duties, taxes and other charges that may be due on the importation

### ***Creation of One Stop Shop Office per District/Subport for BIMP-EAGA***

- The District/Subport Collector concerned is directed to create a one stop shop office within the respective jurisdiction to expedite the processing and clearance of goods within the P-EAGA ports and subports. A specific reference number shall be used in the goods declaration to indicate that the goods subject thereof was imported or exported under BIMP-EAGA conditions
- A duly registered importer/exporter shall report in advance to the concerned district/subports' One Stop Shop any intention to pass, load or unload, or use another port aside from the BIMP-EAGA concerned district/subports

### ***Cross-Border Transport of Local and Foreign Currencies***

- Person may import or export, or bring with them into or take out of the country local currency with an amount not exceeding Php 50,000.00 without prior authorization from Bangko Sentral ng Pilipinas (BSP). Amounts in excess of said threshold shall require prior written authorization from BSP

- There is no restriction or limit on the amount of foreign currency a person may bring in or take out of the Philippines.
- Cross-border transport of foreign currency-denominated bearer monetary instruments in excess of US\$ 10,000,000.00 or its equivalent in other foreign currency must be declared in writing using the Bureau of Customs' prescribed Foreign Currency and other FX-denominated Bearer Monetary Instruments Declaration Form

### ***Periodic Review***

Every three (3) years upon consultation with the Department of Trade and Industry, MinDA and other stakeholders, unless otherwise provided

# CMO 22-2019

Issue Date: July 9, 2019

UP Law Center Received: July 10, 2019

## *Scope*

All documents, communications, or forms, whether in printed or electronic format, that are issued by or through service providers that work with, connect or, or any way interact with the BOC

## *Objectives*

- Provide clear guidelines on the allowable usage of logos and marks which belong to the Bureau of Customs (BOC)
- Prevent public confusion caused by inappropriate usage of BOC logos and marks by BOC accredited service providers

## *Definition of Terms*

**BOC** - Bureau of Customs

**Document** - any piece of written, printed, or electronic matter that provides information on, or evidence of, or that serves as an official record of, an event or transaction

**Service Providers** - entities that work with, connect to, or any way interact with the BOC

## *Use of BOC Logo and Other Marks*

- Use of the following marks shall be reserved exclusively to the BOC for use in its official business and communications:
  - Logo or any identifying marks of the BOC or any of its component offices
  - Logo or any identifying marks of any port of sub-port of the BOC
  - E2M logo or "E2M" or "e2m" or "e2M" or any similar combination
  - Acronym/s and other terms that pertain to the BOC such as: SAD, OLRs, CPRS, etc., when used in reference to any item or transaction that relates to the processes of the BOC

- Service providers are prohibited from using marks and logos that are confusingly similar to any existing and/or future logos or marks associated with BOC
- Marks are considered “confusingly similar” if they are intended to create, or could reasonably be expected to create, confusion or error on the part of an ordinary and untrained observer as to the actual origin and/or authenticity of the document where the marks appear
- The above Marks shall be used only to make accurate reference to the BOC in relation to the agency and its services. Content of said form or website should not contain any false representations or otherwise suggest affiliation, sponsorship or approval by the BOC, such as using the Marks predominantly or in a manner inconsistent with these provisions

### ***Use of Disclaimers and/or Watermarks***

- Without prejudice to the Single Administrative Document (SAD) Without BOC Reference Number, the forms and documents issued by service providers, whether printed or electronic, that are not submitted to the BOC for processing, shall contain the following disclaimer in plain and clear language:
  - *“This document is for information purposes only and shall NOT be submitted or used for processing at the Bureau of Customs nor shall be relied upon as a basis for compliance with any legal requirement.”*
- Disclaimer must appear visibly at the top of every page of the document in text no smaller than the font used for the majority of the rest of the content
- Said form or document must likewise bear a visible watermark on every page stating the following words: “NOT an official BOC document”
- Service provider is solely accountable on the issuance of said document or form which does not emanate from the Bureau of Customs

## ***Acceptability of Single Administrative Document (SAD) Without BOC Reference Number***

The printout of the Single Administrative Document (SAD) issued by service providers even without the BOC reference number may still be accepted for processing under the following conditions:

- It shall bear a watermark with the words "FOR BOC USE ONLY"
- The goods declaration is cleared under Informal Entry, Export, **or approved temporary manual process transit by Free-zone entities**

## ***Company Logo or Mark***

All documents or forms issued or printed by a service provider, whether or not submitted to the BOC for processing, shall bear its company logo or mark at the bottom right portion of each page thereof.

## ***Sanctions***

- Failure of service providers to comply with the provisions shall be considered a ground for revocation of their accreditation status in addition to pay appropriate civil and/or criminal liability, or administrative sanctions that may be imposed by the BOC
- The right and prerogative of the BOC to impose sanctions shall be independent of and shall not be contingent on the pendency or outcome of any civil, criminal or other proceeding

## ***Transitory Clause***

Pending effectivity, all documents bearing and E2M entry number (import, export, transit SADs, OLRs printouts, etc.) that were printed with watermarks and/or disclaimers in compliance with CMO 7-2019 shall be recognized as official documents and be treated accordingly.



## ***Repealing Clause***

CMO No. 7-2019 and all orders, memoranda, circulars and issuances inconsistent herewith are hereby repealed and/or deemed modified accordingly.

# CMO 34-2019

Issue Date: July 9, 2019

## ***Coverage***

- The accreditation and registration of persons entitled to act as Declarant and sign the goods declaration for consumption, warehousing or transit other than the Customs Brokers
- Customs Rules and Regulations covering the accreditation and registration of Customs Brokers shall remain in force and effect

## ***Objectives***

- Regulate the conduct of declarants other than a Customs Broker transacting with the Bureau consistent with international standards and customs best practices
- Streamline the requirements for the accreditation and registration as Declarant of Importers or person empowered to act as agent or Attorney-in-Fact transacting with the Bureau
- Provide the responsibilities and accountabilities of declarants registered with the Bureau

## ***General Provisions***

- All importers or persons empowered to act as agent or Attorney-in-Fact desiring to lodge and process goods declaration at the Bureau must file an application for accreditation and obtain a Certificate of Accreditation as Declarant from the Bureau
- A Declarant may refer to any of the following:
  - Consignee or importer named in the bill of lading or airway bill
  - The exporter, being the owner of the goods to be shipped out
  - A customs broker acting under the authority of the importer or from a holder of the bill
  - The person who has the right to dispose of the goods

- The holder of the bill of lading or airway bill duly indorsed by the shipping line or airline, respectively, which may be a natural or a juridical person such as corporations, cooperatives, partnerships, sole proprietorships
- A person duly empowered to act as agent or attorney-in-fact for each holder
- Boxes 14 and 50 of the Single Administrative Document (SAD) with the mandatory field "Brokers/Attorney-in-Fact" shall also refer to "Declarant" for purposes of implementing the provisions of Section 106 of the CMTA
- An applicant for accreditation as Declarant must be a Filipino citizen of legal age, except where the Importer or Exporter is himself the Declarant and not a Filipino citizen or the responsible officer authorized to act as Declarant is not a Filipino
- A person duly empowered to act as agent or attorney-in-fact shall only be allowed to represent one (1) importer or exporter

## ***Operational Provisions***

- All Importers or person empowered to act as agent or Attorney-in-Fact desiring to be accredited as a Declarant are required to apply for registration under Client Profile Registration System (CPRS). Application for registration shall be made thru any of the accredited Value-Added Service Providers (VASPs) and shall be "STORED" in the system
- Application for accreditation shall be filed with the Accounts Management Office (AMO) or equivalent office accompanied with the following documents:
  - Duly accomplished application for accreditation under oath
  - Bureau of Customs Official Receipt (BCOR) evidencing payment of accreditation fee in the non-refundable amount of One Thousand Pesos (Php1,000.00)
  - Printed Client Profile Registration System (CPRS) Profile
  - Photocopy of TIN Card or BIR Form 1901
  - Certified Photocopy of the BIR Certificate of Registration (BIR Form No. 2302), if applicable, and Latest Income Tax Return (ITR) duly received by the BIR
  - Photocopies with specimen signatures of two (2) Valid Government Issued Identification Card (ID) and for non-Filipino citizen, photocopy of the Alien Certificate of Registration or Alien Employment Permit ID and Passport
  - Valid NBI Clearance
  - SEC/DTI/CDA Registration of company, if applicable

- Special Power of Attorney (SPA) or Board Resolution, whichever is applicable authorizing the Declarant to act for and in behalf of the consignee, importer or holder of the bill of lading
- The AMO or equivalent office shall process the application and submit its recommendation to the Commissioner for approval or disapproval within three (3) working days from the date of receipt of the complete documents
- The AMO or equivalent office shall activate the stored CPRS Profile within twenty-four (24) hours from receipt of the approval of the application by the Commissioner
- In case of disapproval of the application, a notice of disapproval clearly stating the grounds therefor, shall be signed and sent to the application through their registered email

### ***Grounds for Denial of Application***

- Absence or misrepresentation of material information
- Submission of falsified or spurious documents
- Prior conviction of an offense pursuant to Section 1401 of the CMTA

### ***Motion for Reconsideration***

Where the application is disapproved on the ground other than lack of documentary requirements, the applicant may, within ten (10) working days from receipt, file a Motion for Reconsideration (MR) on the denial of the application with the Commissioner of Customs. The Commissioner shall act within five (5) working days from receipt thereof.

### ***Validity of Certificate of Accreditation***

One year from the year of issuance unless suspended or revoked for cause

## ***Renewal of Accreditation***

- Within one (1) month prior to the expiration of their Certificate of Accreditation, any Declarant who desires to continue transacting with the Bureau may file for renewal with the AMO or its equivalent office
- Provided that no application of renewal shall be accepted or entertained if filed within five (5) working days prior to the date of expiration
- Any application filed after the registration has expired shall be considered a new application
- The following documentary requirements shall be submitted for renewal of application:
  - Duly accomplished application for renewal of accreditation
  - Bureau of Customs Official Receipt (BCOR) evidencing payment of the accreditation fee in the non-refundable amount of One Thousand Five Hundred Pesos (Php 1,500.00)
  - Printed Client Profile Registration System (CPRS) Profile
  - Affidavit of NO Change/Change of Circumstances
  - Latest Income Tax Return (ITR) duly received by the BIR, if applicable
  - Latest Special Power of Attorney (SPA) or Board Resolution authorizing the Declarant to act for and in behalf of the consignee, importer or holder of the bill of lading

## ***Rights and Obligations of Declarant***

- Declarant shall be responsible for the accuracy of the goods declarant and for the payments of duties, taxes and other charges in the imported goods
- Declarant shall be made accountable and liable for any violation of the CMTA and other related laws
- Declarant shall sign the goods declaration, or in case of juridical persons, shall specifically authorize a responsible officer to sign as declarant
- All Declarants shall keep at their stated office address, for audit compliance purposes, copies of records covering their transactions including records pertaining to any goods declaration, which shall include statements, declarations, documents, and electronically generated machine-readable data, for a period of three (3) years from the date of transaction

- Statements of the Declarant in the goods declaration shall be made under penalties of falsification or perjury as follows:
  - That the invoice and goods declaration contain an accurate and faithful account of the prices paid or payable for the goods, and other adjustments to the price paid or payable, and that nothing has been omitted therefrom or concealed whereby the Philippine government will be defrauded of any part of the duties and taxes lawfully due on the goods
  - To the best of the Declarant's information and belief, all the invoices and bills of lading or airway bill relating to the goods are the only ones in existence in relation to the importation in question and that these documents are in the same state as when they were received by the declarant and the declaration thereon are in all respect genuine and correct
- Goods declarations may be processed directly by the Declarant or in case of juridical persons, by officers or employees specifically authorized to process the goods declaration. Declarants may allow only its duly authorized representatives to process the goods declaration.
- All examinations of goods, when required by law or regulation, shall only be done in the presence of the declarant or his duly authorized representative
- The following persons registered as a Declarant shall be authorized to sign the goods declaration, specifically Box 50 of the SAD:
  - For corporations and cooperatives, a senior officer specifically authorized to sign the goods declaration as declarant
  - For partnership, a partner or a responsible officer specifically authorized to sign the goods declaration as declarant
  - For sole proprietorships, the sole proprietor himself or the responsible officer of the company duly authorized to sign as the declarant, if applicable

### ***Opening of Accounts with VASPs***

Declarants shall be required to open an account with any of the VASPs, through their respective websites and will be given assigned user account credentials ("username and password") after successful registration:

- CDEC (www.etrade.net.ph)
- EKonek (www.ekonek.com)
- InterCommerce (www.intercommerce.com.ph)

### ***Registration in the CPRS as Declarant***

- Declarants shall log in to the VASP using the user account credentials and register
- For Corporations, the Company will register as Importer while the authorized representative will register as Broker. The Company will use its own Tax Identification Number (TIN) while the authorized representative will use their individual or personal TIN, filling up the "PRC ID No." field as "NONBROKER". The Authorized Representative shall indicate their name in the data field for "Business Name". In filling up the data field for "Business Address", they shall first indicate their address and then the name and address of the company they represent ("for the account of or FAO").
- For Sole Proprietorships, the declarant will register as both (1) **Importer** and (2) **Broker** under the CPRS module in the VASP website, using the same personal Tax Identification Number (TIN). When registering as Broker, the field "PRC ID No." should be filled up as "**NONBROKER**". Where the sole proprietor designates an authorized representative as a declarant, procedures for the registration of declarants for corporations shall apply

### ***Lodgement of Goods Declaration by Entities Considered as Declarants***

- Lodgement of goods shall be made through the VASP
- For Corporations and other business entities, the declarant shall encode the following formation in the following data fields:
  - Box 8 – Importer's company name, business address and company TIN
  - Box 14 – Authorized Representative's name and name of company they represent, their business address and personal TIN
- Authorized representative will also sign twice in Box 50 of the printed copy of the SAD, first as Importer/Attorney-in-Fact and second as Broker

- For sole proprietorships, declarant shall input the same address and TIN in both Box 8 and 14 of the SAD and shall sign twice in Box 50 of the printed copy of the SAD first as Importer/Attorney-in-Fact and second as Broker
- In cases where the sole proprietor has designated an authorized representative as a declarant, procedures for the lodgement of goods declaration for corporations shall apply

### ***Repealing Clause***

This specifically amends or repeals previously issued CMOs which are inconsistent with the provisions herein stated.



# CMO 35-2019

Issue Date: July 12, 2019

UP Law Center Received: July 17, 2019

In line with full implementation of the National Valuation Verification System (NVVS):

- Operational control and supervision of all Principal Appraisers is hereby remanded to the district and Sub-port Collectors concerned
- Imports Assessment Service (IAS) shall continue to monitor the regular updating of NVVS and ensure that it is being implemented/utilized in all ports
- All concerned Customs examiners and appraisers are directed to ascertain the truth or accuracy of any statement, document or declaration presented for customs valuation purposes
- Failure to observe correct valuation and assessment of goods shall be dealt with accordingly
- CMOs and Memoranda inconsistent herewith are hereby modified, revoked or amended accordingly

## ABOUT US

Nague Malic Magnawa & Associates Customs Brokers (NMM) is a general professional partnership of customs brokers duly registered by the Securities and Exchange Commission and the Bureau of Customs. As the first general professional partnership of customs brokers registered with SEC and BOC, it complies with RA 9280, or the Customs Brokers Act of 2004. It has offices in Metro Manila and Cebu, and brokers in Clark, Subic, Davao, Cagayan de Oro, Batangas, and other major ports and special economic zones in the Philippines.

To learn more about the company, please visit our website at:

**<http://www.nmmcustomsbrokers.com/>**

If you have questions or comments, you may send them to:

**Atty. Ferdinand Nague**

Managing Partner  
rnague@nmm.ph

© 2019 Nague Malic Magnawa & Associates Customs Brokers

Digital copies of this Gazette may be viewed and downloaded from:

**<http://www.nmmcustomsbrokers.com/content/nmm-gazette>**