

NMM

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Customs Brokers

COMPLIANCE BEYOND BORDERS

CUSTOMS GAZETTE

Updates on Customs-Related Matters

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In Brief

Establishment of an Electronic Tracking of Containerized Cargo System (E-TRACC System) and Accreditation of a Service Provider for the Purpose - CMO 04-2020 (page 02)

Implementing Department of Health (DOH) Department Circular No. 2020-0034, Re: Guidelines at All Seaports for Prevention and Spread of Novel Corona Virus Acute Respiratory Disease (2019-NCOV ARD) - CMO 05-2020 (page 23)

Automated Clearance Procedures for Commercial Goods Under the Informal Entry Process - CMO 06-2020 (page 25)

Department Administrative Order No. 20-01 S. of 2020 Re: In the Matter of the Application for General Safeguard Measures on the Importation of Ceramic Floor and Wall Tiles from Various Countries (Harmonized System 2017 Subheading Nos. 6907.22 and 6907.23) - CMC 33-2020 (page 31)

Grain Quality Testing Be Sent to National Food Authority - Technical Research and Services Division (NDA-TRSD) - CMC 35-2020 (page 32)

Enactment of Republic Act No. 11467 - OCOM MEMORANDUM 17-2020 (page 33)

Reminder on the Use of the National Value Verification System (NVVS) - OCOM MEMORANDUM 25-2020 (page 35)

Registration of Small Value Importers to BOC's Client Profile Registration System for the Implementation of Informal Entry System for Commercial Goods - OCOM MEMORANDUM 27-2020 (page 36)

Information Dissemination - OCOM MEMORANDUM 31-2020 (page 37)

Strict Implementation of CMO NO. 27-2019 - OCOM MEMORANDUM 35-2020 (page 38)

Tariff Commission Circulars/Advance Rulings (TCC/AR) - AOCG MEMORANDUM 17-2020 (page 40)

Tariff Commission Circulars/Advance Rulings (TCC/AR) - AOCG MEMORANDUM 20-2020 (page 41)

Tariff Commission Circulars/Advance Rulings (TCC/AR) - AOCG MEMORANDUM 31-2020 (page 42)

CMO 04-2020

Issue Date: February 4, 2020

Introduction

This Order implements Customs Administrative Order (CAO) No. 15-2019 in relation to Sections 1418 to 1421 of Republic Act (R.A.) No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), and other relevant laws, rules and regulations.

Scope

This Order shall cover the inland movements of containerized goods using an Information and Communications Technology (ICT)-enabled system to protect the revenue due the government.

Objectives

- Generate real time and accurate information and monitor the movement and location of containers using tracking devices and linking it in real time with the electronic documentation system
- Provide guidelines for the accreditation and regulation of Service Provider for the E-TRACC System and the use of Electronic Customs Seal
- Implement Section 101 (f) of the CMTA

Definition of Terms

Admission – the act of bringing imported goods directly or through Transit into a Free Zone

CAO No. 15-2019, Section 3.1

Authority to Load – the permission given by the authorized customs personnel at the office of destination to load the Goods for Outright Exportation

CAO No. 14-2019, Section 3.2.

Container Freight Station (CFS) – a facility duly authorized to accept and store containers and containing consolidated shipments, for temporary storage, examination, stripping, stuffing, unstuffing, and other related activities as may be allowed under customs laws, rules and regulations. A CFS may be established either within the seaport or off-dock, as may be allowed under customs laws, rules, and regulations

CAO No. 15-2019, Section 3.4.

Container Yard (CY) – a facility authorized by the Bureau to accept and store container vans, laden or empty, intended for international shipping for storage within the period allowed under customs laws, rules and regulations. A CY may be established either within the customs zone or off dock, as may be allowed under customs laws, rules, and regulations

CAO No. 15-2019, Section 3.5.

Containerized Cargo – the transportation of cargo in containers (that can be interchanged between ships, trucks and trains) with standardized handling equipment

Customs Bonded Warehouse (CBW) – a warehouse facility licensed by the Bureau to import, receive, and store, without payment of duties and taxes and under bond, goods, raw materials, accessories and packing materials either for manufacture into finished products for export or storage for the account of authorized end users from clients

CAO No. 15-2019, Section 3.9.

Customs Facilities and Warehouses (CFW) – facilities for temporary storage of goods established and authorized by the Bureau pursuant to Title VIII, Chapter 2 of the CMTA. These include container yards, container freight stations, seaport temporary storage warehouses, airport temporary storage warehouses and other premises, for customs purposes

CAO No. 9-2019, Section 3.6.

Customs Territory – areas in the Philippines where customs and tariff laws may be enforced

CAO No. 13-2019, Section 3.11.

Customs Transit – customs procedure under which Goods are transported under customs control from one customs office to another

CAO No. 15-2019, Section 3.8.

Electronic Customs Seal – a GPS-enabled sealing device or lock that is capable of physically securing a cargo and providing real time location information

Entry – the act, documentation and process of bringing imported Goods into the Customs Territory, including Goods coming from Free Zones

E-TRACC System Service Provider – a Bureau-accredited private entity that provides the necessary hardware and software, including the GPS-enabled sealing device, to effectively seal, monitor and track cargoes

CAO No. 15-2019, Section 3.10.

E-TRACC System Software Platform – a secure and interactive web-based system that allows the Bureau to track, monitor, and audit the location and condition of cargoes, as well as obtain real time alarms on, among others, diversion and tampering of, cargoes

Exportation – the act, documentation, and process of bringing Goods out of Philippine territory

CAO No. 15-2019, Section 3.11.

Free Zones – special economic zones registered with the Philippine Economic Zone Authority (PEZA) under Republic Act No. 7916, as amended, duly chartered or legislated special economic zones and freeports such as: Clark Freeport Zone; Poro Point Freeport Zone; John Hay Special Economic Zone and Subic Bay Freeport Zone under Republic Act No. 7227, as amended by Republic Act No. 9400; the Aurora Special Economic Zone under Republic Act No. 9490, as amended; the Cagayan Special Economic Zone and Freeport under Republic Act no. 7922; the Zamboanga City Special Economic Zone under Republic Act No. 7903; the Freeport Area of Bataan under Republic Act No. 9728; and such other freeports as established or may be created by law

CAO No. 15-2019, Section 3.13.

Global Positioning System (GPS) – a system of satellites, computers, and receivers that can calculate the location of a certain object on a digital map

Goods – articles, wares, merchandise and any other items which are subject of Importation or Exportation

CAO No. 15-2019, Section 3.15.

Goods Declaration – a statement made in the manner prescribed by the Bureau and other appropriate agencies, by which the persons concerned indicate the procedure to be observed in the application for the Entry or Admission of imported Goods and the particulars of which the customs administration shall require

CAO No. 15-2019, Section 3.16.

Importation – the act of bringing Goods from a foreign territory into Philippine territory, whether for consumption, warehousing or Admission as defined in this CMO

CAO No. 15-2019, Section 3.17.

Non-Disclosure Agreement (NDA) – a written agreement that protects organization/stakeholder information and informs signatories of their responsibility to protect, use and disclose information in a responsible and authorized manner. This agreement addresses the requirement to protect confidential and/or personal information using legally enforceable terms

Port of Discharge – port of unloading, which is a place where a vessel or aircraft unloads its shipments, from where they will be dispatched to their respective consignees

CAO No. 15-2019, Section 3.25.

Port of Entry – a domestic port open to both domestic and international trade, including principal ports of entry and sub ports of Entry. A principal Port of Entry is the chief Port of Entry of the Customs District wherein it is situated and is the permanent station of the District Collector of such port. Sub ports of Entry are under the administrative jurisdiction of the District Collector of the principal Port of Entry of the Customs District. Port of Entry as used in this CAO shall include airport of Entry

ACO No. 15-2019, Section 3.26.

Port of Loading – a place where shipments are loaded and secured aboard a vessel

CAO No. 15-2019, Section 3.27.

Service Level Agreement (SLA) – the written agreement between the E-TRACC System Service Provider and the Bureau that identifies the services to be provided and service targets, which shall be the basis for evaluating the delivery and performance of the Service provider

Stuffing – a process in which cargo is loaded into an empty container which is then sealed (often in the presence of customs) and transported to the place of loading to be loaded on board a ship

Transit – customs procedure under which Goods, in its original form, are transported under customs control from one customs office to another, or to a Free Zone

CAO No. 15-2019, Section 3.29.

Transit Cargo – a cargo that is the subject of a customs transit operation

Transfer Note – a document that accompanies the transfer of cargo to a CBW and serves as proof of delivery or receipt of the article at its intended destination duly acknowledged on its face by the customs official stationed thereat. It is also commonly referred to as a “boat note”

Trip – the journey of a truck/container from origin to destination

CAO No. 15-2019, Section 3.28.

Warehousing – a privilege given to qualified persons to import and store, tax and duty free, raw materials for manufacture, processing and subsequent Exportation within the period allowed by law

CAO No. 15-2019, Section 3.31

General Provisions

- The Deputy Commissioner for Assessment and Operations Coordinating Group (AOCG) shall oversee the operations and implementation of the E-TRACC System.
- The Bureau shall have an E-TRACC System dashboard showing the data collected and transmitted by the E-TRACC System Service Provider. This will allow the Bureau to monitor the movement and location of all containers as well as get real time alarms both on the dashboard and by email.
- Electronic Customs Seal shall be required for the following cargo movement:
 - Transfer of Cargo to a CY/CFS or other CFWs
 - Transit Cargo Bound to Free Zones, Inland Customs Office, Depots or Terminals
 - Transit to CBWs
 - Export of Cargo from Free Zones, Inland Customs Office, Depots or Terminals and CBWs to Port of Loading
 - Transfer of Shipments Subject to Further Verification and/or Monitoring
- Except when circumstances under this Order, full completion of customs cargo clearance is a mandatory requirement before any shipment will be sealed with an Electronic Customs Seal, i.e., import shipments must have electronic Single Administrative Document (SAD) lodgments and corresponding electronic On-Line Release System (e-OLRS) while export shipments must have the corresponding Export SAD and Authority to Load.
- The Piers and Inspection Division (PID), or equivalent office at each port of entry or destination shall remotely monitor the sealing and unsealing operations, authorize start and end trip of the vehicle loaded with transit import/export cargo, and monitor for alarms.
- Transfer/transit import cargo without the required Electronic Customs Seal shall not be allowed to be opened by any customs officer without the approval of the District Collector at the port of delivery in coordination with the District Collector at the port where the container was approved for transfer/transit. ESS shall be notified immediately to investigate and submit findings to the Commissioner and District Collector.
- The affixing of the Electronic Customs Seal at the container yard shall be done by authorized personnel of the accredited Service Provider of the Bureau under the supervision of the

Container Cargo Control Division (CCCD) in the case of the Port of Manila (POM) and Manila International Container Port (MICP) or the Piers and Inspection Division (PID) or their equivalent units. Sealing shall be undertaken at designated areas within the port that will not disrupt the flow of traffic in the port.

- The District Collector of the port shall ensure that the responsibilities of the PID, CCCD, and other customs officers including the personnel assigned by the service provider at the port, who are involved in the implementation of this Order, are fully complied with.

Accreditation Committee

- The Accreditation Committee shall process the accreditation of an E-TRACC System Service Provider. The Accreditation Committee shall be chaired by the Deputy Commissioner, AOCG, vice-chaired by the Deputy Commissioners, Revenue Collection and Monitoring Group (RCMG) and Management Information System and Technology Group (MISTG), with representatives from the Customs Intelligence & Investigation Service, Enforcement Security Service, Legal Service, Port Operations Service and Technology Management Service as members.
- The Accreditation Committee may establish a Technical Working Group (TWG) to provide the guidelines on the technical and operational standards to be complied with by the E-TRACC System Service Provider, as well as make recommendations to the Accreditation Committee on other E-TRACC System matters.
- The Accreditation Committee shall have a Secretariat, which shall perform the following functions:
 - Keep a record of the minutes of the meetings and the attendance
 - Ensure that proper notice of the date and agenda of the meetings are given in advance to the members
 - Receive formally the documents in behalf of the committee
 - Perform other functions that may be assigned by the Committee Chair

Electronic Customs Seal

- All container vans covered under this Order, shall be affixed with an Electronic Customs Seal, as prescribed herein, before

clearance is given to depart from the starting point or Port of Discharge for the voyage to the end point or Port of Destination.

- The Electronic Customs Seal shall have the following features:
 - A uniquely identifiable and reusable GPS-equipped device that can be affixed on and secure standard intermodal container doors, or liquid tankers to prevent the undetected opening of doors and tampering of cargo and other manner of surreptitious tampering
 - Meet international and regulatory safety standards and certifications
 - Made of durable material, waterproof, and shall be affixed easily and quickly
 - Transmit location data to the E-TRACC System automatically switching to secondary Subscriber Identification Module (SIM) card in case the primary SIM card lost its signal
 - Bear visible marks of *"Tampering of this Customs Seal is punishable under Customs Law"*

E-TRACC System Software Platform

- The E-TRACC System Software Platform shall be used by the PID or equivalent office to track and monitor the voyage of the cargo that is sealed with an Electronic Customs Seal.

The PID shall likewise remotely monitor the sealing and unsealing operations authorize start and end trip of the vehicle loaded with cargo, and monitor for alarms.

- The E-TRACC System Software Platform shall have the following minimum features:
 - The system and data should be secured against unauthorized access or tampering
 - It shall be compliant with the data privacy and security standards of the Bureau
 - It shall define the geozones, routes and corridor of customs ports, CBWs, CFWs and Free Zones
 - Assign a device to a container and liquid tanker
 - It shall allow the PID to remotely verify electronically and visually that the Electronic Customs Seal is properly installed
 - It shall track the goods in real time and provide alarms in case of unauthorized trips, tampering of the device, deviation of the vehicle from authorized routes, or other events that are deemed unusual based on criteria to be determined by the Bureau

- It shall store information and leave an audit trail, integrated to the Trip record in real time. The data shall be stored for a period of five (5) years.

E-TRACC System Service Provider

- The E-TRACC System Service Provider must have the necessary technical and operational track record to deploy, customize, operate and maintain the E-TRACC System.
- The services to be provided by an accredited E-TRACC System Service Provider shall consist of the following, without prejudice to any other reasonable requirements that may be imposed by the Accreditation Committee:
 - Provide a sufficient number of the Electronic Customs Seals at each customs port
 - Provide the necessary hardware and software to effectively seal, track and monitor the movement and location of the goods
 - Put in place a network of competent personnel deployed in designated customs ports to handle the maintenance, and ensure the availability of fully functioning Electronic Customs Seals
 - Retrieve Electronic Customs Seals from the end point or port of destination
 - Conduct trainings and provide user manuals for authorized officials of the Bureau on sealing, tracking, monitoring, unsealing and E-TRACC System audit

Accreditation of the E-TRACC System Service Provider

Accreditation Process

- The Committee shall establish the accreditation criteria which shall include, but need not be limited to, the following:
 - Eligibility of the candidate based on the company's track record
 - Technical specifications and quality standards of the device
 - Features and functionalities of the software platform that will include ease of use, adaptability to customs procedures, security and audit features, etc.
 - Reliability and accuracy of the hardware and software
 - Security of the system

- The Commissioner may, upon the recommendation of the Accreditation Committee, change any of the accreditation criteria and conditions, in consideration of the developments in technology, laws, international best practices and operational requirements of the Bureau.
- The Accreditation Committee shall establish a scoring system, to be included in the Terms of Reference (TOR), that will be used to evaluate the proposals of accreditation.
- The Bureau, through the Accreditation Committee, shall publish, in a newspaper of general circulation and in its official website, an Invitation for the accreditation of E-TRACC System Service Provider. The Invitation shall include the TOR and Eligibility Requirements, to be defined by the Accreditation Committee, which shall be downloadable from the Bureau's website.
- Applicants shall submit their technical and financial proposal and eligibility documents to the Accreditation Committee, thru the Secretariat, within fifteen (15) calendar days from the publication of the Invitation together with the proof of payment of a non-refundable application fee of Fifty Thousand Pesos (Php 50,000.00).
- The Accreditation Committee shall evaluate the proposal and notify the applications of the result of the evaluation and respective ranking within twenty (20) working days from receipt of the application with complete supporting documents.
- The application that received the highest evaluation score shall undergo quality assurance (QA) test to be conducted by the QA team. The QA Team shall establish the parameters to verify the overall technical compliance and reliability of the proposed service based on the standards set in the TOR. The QA test shall be completed within the thirty (30) calendar days.
- The applicant must successfully pass the quality assurance (QA) test in order to be accredited as E-TRACC Service Provider. Otherwise, the applicant with the next highest evaluation score shall undergo the same QA testing until all the conditions for accreditation have been met.
- The Accreditation Committee shall recommend to the Commissioner the accreditation as the E-TRACC System Service Provider of the most qualified applicant.

Conditions for Accreditation

- **Service Level Agreement** – The accredited E-TRACC System Service Provider shall enter into a Service Level Agreement

(SLA) with the Bureau. The SLA shall identify the duties and obligations of the E-TRACC System Service Provider, the standards of services to be provided and service targets, including a disaster recovery plan (business continuity plan) to avoid unnecessary delays in the transfer of cargo due to unavailability of the GPS service.

- **Non-Disclosure Agreement** – The accredited E-TRACC System Service Provider shall enter into an NDA with the Bureau. The NDA shall provide for the protection of organization/stakeholder information and shall inform the parties of their responsibility to process confidential business or personal information in a responsible and authorized manner using legally enforceable terms.
- **Performance Bond** – The accredited E-TRACC System Service Provider shall post a Performance Bond, issued by a Bureau-accredited surety company, amounting to Five Million Pesos (Php 5,000,000.00), which shall be made to answer for any actual pecuniary damage resulting from any breach of undertaking by the E-TRACC System Service Provider or any of its agents under the SLA, this Order and/or any applicable rules.

The Performance Bond does not exempt nor limit the civil, criminal and/or administrative liability of the E-TRACC System Service Provider or any of its agents in case of any violation of the SLA, this Order and/or any applicable rules.

Annual Technical Evaluation

The QA Team shall conduct a yearly technical evaluation to determine whether the E-TRACC System Service Provider qualifies for continuous accreditation.

Accreditation Period and Renewal

The E-TRACC System Service Provider shall be given an accreditation status for a period of three (3) consecutive years, and will be renewable every three (3) years thereafter subject to the payment of a renewal fee to be determined by the Commissioner, and evaluation of the quality of its performance as measured by the SLA and continuous compliance with eligibility and accreditation requirements.

This is without prejudice the discretion of the Bureau whether to re-open the accreditation process.

Pre-Termination of Accreditation

The Accreditation Committee may recommend to the Commissioner the pre-termination of the accreditation of the E-TRACC System Service Provider on any of the following reasons:

- Failure to comply with the requirements as provided in the SLA and failure to rectify deficiencies within the period prescribed in the SLA
- Violation of the provisions of this Order and related rules and regulations including the SLA and NDA
- Violation of any law or implementing rules, including the CMTA, the Data Privacy Act, and the Philippine Competition Act, or
- Actions inimical to the security and integrity of customs operations as may be determined by the Commissioner

Operational Provisions

Management of Electronic Customs Seal

The accredited E-TRACC System Service Provider shall provide a platform for the Office of the Deputy Commissioner for AOCC and other concerned offices to monitor the location and availability of all Electronic Customs Seal to be used for the operations of E-TRACC System nationwide.

Booking a Trip

- The Importer/exporter or its authorized representative shall book the Trip at least one (1) hour prior to exit from the port. The booking should contain the following information:

Origin	Starting point or port of discharge
Destination	Destination port, CFW, CBW, or Registered-Free Zone Enterprise
Importer/Exporter	Name of importer/exporter
AWB or B/L No.	Bill of Lading Number
Entry No.	Entry number assigned automatically by the customs system
Container No.	Container number
Container Seal No.	Seal Number of the Container
E-TRACC Seal No.	E-TRACC Seal Number affixed to the door of the container
Driver name	Name of the driver
Contact No.	Contact number of the driver
Vehicle No.	Vehicle number or plate number

- The data provided, including the AWB or B/L number and the container number, shall be verified against a data source validated by the Bureau.
- The importer/exporter or its authorized representative shall be able to check the status of each Trip booked and track the container during the Trip.

Transfer of Cargo to a CY/CFS or other CFWs

- The importer or its authorized representative shall lodge a Permit (P-SAID) to the customs system and pay for the Container Security Fee and Transit Permit Fee (forms, documentary stamps, and other fees as required) to the Bureau's Cashier.
- The importer or its authorized representative shall make a trip booking with an E-TRACC System Service Provider for sealing of each container covered by the said P-SAID; and
- The office of the Deputy Collector for Operations (DCO), or any Customs Officer acting as such, shall login to the E-TRACC System to check the trip details of the container prior to approving the P-SAD. No container trip booking in E-TRACC System shall mean no approval of the P-SAD.

Transit Cargo Bound to Free Zones, Inland Customs Office, Depots or Terminals

- The importer/exporter shall lodge a Transit Single Administrative Document (T-SAD) in its customs system for all transit cargo and pay the prescribed Cargo Transfer Fee and Other Charges.
- The T-SAD shall then be processed by the assigned Customs Operations Officer (Examiner) from the Office of the DCO or equivalent office in accordance with existing customs laws and regulations.
- After processing of the T-SAD by the examiner, the declarant shall book the trip, per container, on the E-TRACC System.
- After booking the trip of the container, the declarant shall process the T-SAD with the assigned Customs Operations Officer V (COO V) from the Office of the DCO or equivalent office. The assigned COO V shall login to the E-TRACC System to check the trip booking details before processing the T-SAD following the existing customs laws, and regulations.

Transit to CBWs

- The Warehousing Entry (W-SAD) lodged in the customs system by the declarant shall then be processed by the declarant to the assigned Customs Examiner from the Warehousing Assessment Division (WAD) or equivalent office and shall undergo the required cargo clearance as stipulated in the existing customs laws and regulations.
- The declarant needs to enroll the trip per container in the E-TRACC System before proceeding to the assigned appraiser.
- The COO V of WAD or equivalent office shall check the trip enrollment details of the container before processing the W-SAD.
- After payment of the import processing fee and other charges is done, the corresponding on-line release message will be generated by the customs system.
- The approved and signed W-SAD and the corresponding on-line release message shall be the basis of the CBW warehouseperson for the unloading of the cargo at the CBW.

Export of Cargo from Free Zones, Inland Customs Office, Depots or Terminals and CBWs to Port of Loading

- Export declaration (E-SAD) shall be lodged through the customs system for all export cargo.
- The declarant shall book the trip per container to the E-TRACC System before proceeding to the assigned COO V from the Export Division or equivalent office.
- The COO V from the Export Division shall check the trip enrollment details of the container before processing the E-SAD.
- After payment of documentary stamp fee is done, the corresponding on-line release message will be generated by the customs system. The OLRs is the basis of the Export Division to stamp Authority to Load in the ED-SAD.
- The approved and signed ED-SAD and the corresponding Authority to Load is the basis of CCCD to issue Permit to Load to allow the export cargo to be loaded to the container.

Transfer of Shipments Subject to Further Verification and/or Monitoring

- Shipments subject to further verification and/or monitoring, such as but not limited to those which cannot be physically examined at the Port or those that are subject to

condemnation or destruction, may be allowed conditional transfer to the consignee's facility or any other location authorized or directed by the District Collector or the Commissioner.

- The declarant needs to enroll the trip per container in the E-TRACC System before proceeding to the assigned COO V.
- The COO V of FED or equivalent office shall check the trip enrollment details of the container before processing the goods declaration.
- After confirmation of payment of duties, taxes and other charges, the corresponding on-line release message will be generated by the customs system.

Sealing of Import Cargo using the Electronic Customs Seal

- The vehicle driver shall stop at the designated arming station for the sealing of Electronic Customs Seal to the door of the container.
- The E-TRACC Service Provider authorized personnel shall check the truck details and documents against the trip booking details.
- The E-TRACC Service Provider authorized personnel shall take a visual evidence of the container wherein the container number, container seal number for the particular voyage and Electronic Customs Seal are visible as visual evidence and transmit to the PID or equivalent office for the approval of the Start Trip.

Once Start Trip Authorization is approved by PID or equivalent office following the procedures outlined in the "Approval of the Start Trip Authorization by PI or Equivalent Office of Import Cargo Bound to CFW, CBW, Inland Customs Office, Free Zones, Depots, Terminals, and Consignee's Facilities or Authorized Location" section of this Order, the vehicle carrying the imported cargo can leave the vicinity to proceed to its destination.

Sealing of Export Cargo Using the Electronic Customs Seal

- After stuffing, the Export Examiner or authorized Customs Officer shall affix the Electronic Customs Seal. Other seals as may be required shall be affixed by authorized personnel under the supervision of the Export Examiner or authorized Customs Officer.

- The Export Examiner or authorized Customs Officer shall check the truck details against the trip enrollment on the E-TRACC System, and if it tallies, proceed to the net procedure. Otherwise, the declarant shall modify the trip enrollment on the E-TRACC System.
- The Export Examiner or authorized Customs Officer shall take visual evidence of the container wherein the container number, container seal number for the particular voyage and Electronic Customs Seal are visible as visual evidence and transmit to PID or authorized office for the approval of the Start Trip.

Approval of the Start Trip Authorization by PID or Equivalent Office of Import Cargo Bound to CFW, CBW, Inland Customs Office, Free Zones, Depots, Terminals, and Consignee's Facilities or Authorized Location

- The PID or equivalent office shall review trip details and visual evidence that the Electronic Customs Seal has been properly installed before authorizing the start of Trip.
- The Trip authorization confirmation shall be sent electronically from PID or equivalent office to the authorized personnel who installed the seal.
- Once the authority to start the Trip is given the said cargo is considered **Tag Transferred** automatically in E-TRACC system.

Approval of the Start Trip Authorization by PID or Equivalent Office of Export Cargo from CBW, Inland Customs Office, Free Zones, Depots, and Terminals to Port of Loading

- The PID or equivalent office shall review trip details and visual evidence that the Electronic Customs Seal has been properly installed before authorizing the Trip to start.
- The Trip authorization confirmation shall be sent electronically from PID or equivalent office to the authorized personnel who installed the seal.
- Once the Trip is authorized to start, the said cargo is considered **Tag Transferred** automatically in E-TRACC System.

E-TRACC System Trip Monitoring

- The PID or equivalent office shall monitor the authorized trips and alarms.
- The E-TRACC System shall provide the following alarms:

Corridor Alarm/Route Deviation	A vehicle has deviated from normal routes. Tolerance for corridor deviations is given if the container is moving towards the general direction of the destination.
Unauthorized Start Trip	A vehicle has departed origin before the Control Tower has authorized the start trip.
Tamper Alarm	The cable of the Electronic Customs Seal is cut, or the seal has been disengaged.
Missing Heartbeat	The device has not transmitted a signal for more than 3 minutes.
Unauthorized End Trip	The container has reached the destination, but the Electronic Customs Seal was disengaged before the Control Tower authorized the end of trip.

**Approval of PID or Equivalent Office for the End Trip
Authorization of Import Cargo Arriving at CFW, CBW, Inland
Customs Office, Depots, Terminals, Free Zones and
Consignee's Facilities or Authorized Location**

- Upon arrival of the vehicle and container at the destination (**Tag Arrived** upon entering the geozone), the Bureau's authorized personnel shall perform the following before removing/disarming the Electronic Customs Seal from the container:
 - Compare the container's visual evidence during sealing of Electronic Customs Seal against the actual container that arrived and look for any discrepancy or signs of tampering (i.e., if the bottom of the container bear any markings or indication that a hole or opening is done, or if the container is newly painted and hinge pins have markings that they were forcibly opened, etc.)
 - Compare if the container seal number for the particular voyage as well as the Electronic Customs Seal number is the same as that indicated in the Trip Details.

The above information shall be transmitted to PID or equivalent office for the approval of End Trip.

- The Bureau's authorized personnel shall not remove or disarm the Electronic Customs Seal of the container if any sign of tampering or discrepancy is observed. ESS shall be notified immediately to investigate and submit findings to the Commissioner and District Collector. PID shall be notified also and upon receipt of notification shall perform manual end trip and update the status of the container as "Subject for

Investigation" in the E-TRACC System when it arrived at the Port of Destination.

- PID or equivalent office shall review the trip details and visual evidence of the armed container, and if found to be in order, authorize End Trip.
- Once End Trip is authorized, the Bureau's authorized personnel shall disarm the container by removing the Electronic Customs Seal (cargo is **Tag Received**)
- For shipments subject to further verification and/or monitoring, the designated Customs Operations Officer III or assigned Customs Officer shall disarm the container by removing the Electronic Customs Seal (cargo is Tag Received) and shall then proceed with the physical examination, condemnation or destruction of the shipment.

Approval of CCCD or Equivalent Office for the End Trip Authorization of Export Cargo

- Upon arrival of the vehicle and container at the destination, (Tag Arrived upon entering the geozone), the authorized personnel of the CCCD or equivalent office shall perform the following:
 - Check the E-SAD, Authority To Load, and other export documents
 - Compare the container's visual evidence during sealing/arming of Electronic Customs Seal against the actual container that arrived and look for any discrepancy or signs of tampering (i.e., if the bottom of the container bear any markings or indication that a hole or opening was done, or if the container is newly painted and hinge pins have markings or indication that they have been forcibly opened, etc.)
 - Compare if the Electronic Customs Seal is the same as that indicated in the Trip Details
 - If all is in order, issue Special Permit to Load and Load Sequence to the authorized Bay Service (BS) personnel
- The container cleared by the authorized personnel of CCCD or equivalent office shall be brought by the truck to the CY-Wharf. The CCCD authorized personnel or equivalent office shall take a visual evidence of the container wherein the container number, container seal number for the particular voyage and Electronic Customs Seal are visible. Visual evidence of the bottom of the container shall be taken also if there are markings of any hole or opening done in the container.

- The PID or equivalent office shall review the trip details and visual evidence of the sealed/armed container, and if found to be in order, authorize End Trip.
- The authorized personnel of the CCCD or equivalent office shall remove/disarm the Electronic Customs Seal from the door of the container (cargo is **Tag Received**)
- The authorized personnel of CCCD or equivalent office shall not remove or disarm the Electronic Customs Seal of the container if any sign of tampering or discrepancy is observed. ESS shall be notified immediately to investigate and submit findings to the Commissioner and District Collector. PID shall be notified also and upon receipt of notification shall perform manual end trip and update the status of the container as "Subject for Investigation" in the E-TRACC System when it arrived at the Port of Loading.

Pursuit and Apprehension in Case of Alarms

- The PID or equivalent office shall be responsible for the 24/7 monitoring of the E-TRACC System’s alarms, and in cases of violations, the pursuit, apprehension and detention shall be under the primary jurisdiction and responsibility of the Enforcement and Security Service (ESS) of the Enforcement Group.
- In case of alarms, the following actions shall be taken:

<p>Corridor Alarm/Route Deviation</p>	<p>An agent of the E-TRACC System Service Provider shall call the driver to verify the situation.</p> <p>In case of a confirmed route deviation, the ESS shall be informed. The ESS shall make follow up calls to the necessary parties.</p> <p>As the circumstances warrant, investigation, apprehension and/or detention shall be carried out by the ESS.</p>
<p>Unauthorized Start Trip</p>	<p>An agent of the E-TRACC System Service Provider shall call the driver to verify the container status.</p> <p>In case of a confirmed alarm, the ESS shall be informed for the necessary investigation and/or enforcement actions.</p>

Tamper Alarm	<p>The E-TRACC System shall register an alarm in case the Electronic Customs Seal is cut or the seal has been disengaged. An agent of the E-TRACC System Service Provider shall call the driver to verify the container status.</p> <p>In case of a confirmed alarm or as the circumstances warrant, investigation, apprehension and/or detention shall be carried out by the ESS.</p>
Missing Heartbeat	<p>The E-TRACC System shall register an alarm in case the GPS enabled device has no transmitted a signal for more than 3 minutes.</p> <p>As the circumstances warrant, investigation, apprehension and/or detention shall be carried out by the ESS.</p>
Unauthorized End Trip	<p>An agent of the E-TRACC System Service Provider shall call the Bureau wharfinger to verify the container status.</p> <p>In case of a confirmed alarm, the ESS shall be informed for the necessary investigation and/or enforcement actions.</p>

- The ESS, subject to the approval of the Bureau Commissioner, may create a special team or unit to perform the assigned functions under this Order.
- The Bureau, through the ESS, shall coordinate with the Philippine National Police (PNP) or other law enforcement agencies for the effective apprehension and detention of alarmed transit cargoes on a nationwide level.

Fees Payable to the E-TRACC System Service Provider

- Each E-TRACC System Service Provider will determine its respective fee structures for the use of the Electronics Customs Seal based on several factors such as market conditions and systems sustainability requirements, among others, which shall be submitted in the financial proposal. The schedule of fees as proposed shall be one of the bases for accreditation.
- The Bureau shall not collect any fees on behalf of the E-TRACC System Service Provider.
- The E-TRACC System Service Provider shall comply with the following fee structure:
 - Php 500.00 – within 10km radius from port of discharge
 - Php 700.00 – beyond 10km radius from port of discharge

- The Bureau shall collect from the Service Provider a service fee for monitoring and supervision of the E-TRACC System equivalent to ten percent (10%) of the fees collected in accordance with the published rate for the use of the Electronic Customs Seal.
- The Committee shall conduct an annual review of the fee structure and may recommend changes, subject to the approval of the Commissioner.

Protection and Treatment of Electronic Data from the E-TRACC System

- For purposes of customs procedures, electronic data coming from the E-TRACC System Service Provider shall be acceptable and shall have the legal effect, validity or enforceability as any other document or legal writing.
- The E-TRACC System Service Provider shall be fully compliant with the requirements under the Data Privacy Act, particularly the appointment of a regular data protection officer and the submission of the electronic processing system to the National Privacy Commission.
- The E-TRACC System Service Provider shall likewise be fully compliant with the guidelines issued by the Philippine Competition Commission in so far as processing of confidential business information are concerned.
- Any information or by-products of said information collected by the E-TRACC System Service Provider arising from the implementation of E-TRACC System shall be the exclusive property of the Bureau.

Sanctions and Penalties

- An E-TRACC System Service Provider that is not able to meet its SLA targets shall be subject to the penalties states in the SLA, without prejudice to the right of the Bureau to exercise its right to revoke or pre-terminate the accreditation status.
- Any person or entity who obstructs, or attempts to obstruct, the implementation of this Order and its related rules and issuances, or who assists in the same, or allows himself/herself to be used in the commission of the same, shall be subject to the appropriate civil, criminal and/or administrative penalties.

- In addition to the sanctions under the CMTA, and Civil Service laws, rules and regulations, any Bureau official and/or employee found to be violated any of the provisions of this Order or commit acts prejudicial to the effective implementation of this Order, shall be immediately relieved, transferred to another office, or assigned to a less sensitive in the Bureau.
- The penalties as prescribed under Sections 1418, 1419, 1420, 1421, and 1430 of the CMTA, as may be pertinent or applicable, shall be imposed for violations of this Order and its related rules and issuances.

Repealing Clause

CMO No. 24-2010, CMO No. 48-2010 and all orders, memoranda, circulars and issuances inconsistent herewith are hereby repealed and/or deemed modified accordingly.

Separability Clause

If any part or provision of this Order is later declared invalid or illegal, the remaining portion shall remain valid and enforceable.

Effectivity

This Order shall take effect on 10 February 2020.

CMO 05-2020

Issue Date: February 10, 2020

Pursuant to DOH Department Circular No. 2020-0034 dated 04 February 2020, the following rules and regulations are hereby issued governing the conduct of boarding formalities for all vessel coming from China, Macau and Hongkong SAR or has passed through in the part fourteen (14) days prior to arrival in the country.

- As provided under the Port Operations Manual, boarding formalities by the Customs Operations Officer on vessels shall be made after the conduct of Quarantine Boarding formalities and issuance of the Free Pratique by Quarantine officials.
- Boarding by Customs Officials shall be made at anchorage, as a general rule, unless boarding at anchorage is not possible by reason of safety or vessel limitation. In such cases, boarding shall be done pierside.
- Customs officers involved in the conduct of boarding formalities must ensure that they are equipped with safety equipment prescribed by the Quarantine Medical Officer (QMO).
- As far as practicable, the No Contact policy shall be observed during the conduct of boarding formalities.
- The Chief of the Piers and Inspection Division (PID) or equivalent office shall report all possible cases where symptoms of nCOV ARD are manifested by any officer, crew and passengers of the vessel.
- The PID officer concerned shall maintain a log recording all procedures and activities undertaken in the vessels subject of DOH Circular 2020-0034, from the conduct of boarding formalities until the vessel's departure from the Port. A copy of the log shall be provided the Deputy Collector for Operations of the Port.
- To contain or prevent possible spread of nCOV ARD, issuance of all Boarding Passes is hereby suspended, except for chandling purposes, during the duration of the nCOV ARD threat or until further notice.
- All District/Port Collectors shall ensure that all BOC personnel involved in boarding formalities and supervision of vessels are equipped with the proper safety and health equipment as may be prescribed by the Bureau of Quarantine. Funding for the purchase of safety and health equipment shall be sourced from the budget of the Bureau, subject to procurement, accounting and auditing laws, rules and regulations.

- As provided under DOC Circular 2020-0034, the following activities shall be strictly prohibited:
 - Embarkation of Filipinos in any cruise ship going to China;
 - Embarkation/disembarkation for all vessels calling from China, Hongkong and Macau SAR; and
 - Waste disposal of vessels coming in from China, Hongkong and Macau SAR, in the past fourteen (14) days.
- Hygienic practices and sanitary measures shall be observed at all times, including the disposal of used safety and health equipment.
- Violation of this Order by any Customs personnel or any individual concerned shall be a ground for imposition of sanctions as may be provided under Section 1433 of the Customs Modernization and Tariff Act and other related laws, rules and regulations.

CMO 06-2020

Issue Date: February 11, 2020
UP Law Center Received: February 18, 2020

Introduction

This Order prescribes the operational guidelines for the processing of commercial goods under the informal entry process in the E2M customs system.

Scope

This Order shall apply to all commercial goods with Free on Board (FOB) or Free Carrier (FCA) value of less than Fifty Thousand Philippine Pesos (P50,000.00) but above Ten Thousand Philippine Pesos (P10,000.00). This Order shall apply to all ports and sub-ports of the Bureau of Customs. The clearance procedure for express shipments, postal items and e-commerce shall be governed by separate guidelines.

Objectives

- Automate the informal entry clearance process for commercial goods using the E2M system
- Enhance the capability of the Bureau to collect information, assess risks and target high-risk shipments
- Improve revenue collection and reduce opportunities for illicit trade

Definition of Terms

Airway Bill (AWB) – a transport document for airfreight used by airlines and international freight forwarders which specify the holder or consignee of the bill who has the right to claim delivery of the goods when they arrive at the port of destination. It is a contract of carriage that includes carrier conditions, such as limits of liability and claims procedures. In addition, it contains transport instructions to airlines and carriers, a description of the goods, and applicable transportation charges

Bill of Lading (B/L) – a transport document issued by carriers and international freight forwarders or non-vessel operating common carrier for water-borne freight. It is a contract of carriage between the carrier and the shipper which defines the liabilities of each party. The holder or consignee of the bill has the right to claim delivery of the goods at the port of destination. It is a contract of carriage that includes carrier conditions, such as limits of liability and claims procedures. In addition, it contains transport instructions to shipping lines and carriers, a description of the goods, and applicable transportation charges

Bureau – the Bureau of Customs

De Minimis Goods – goods with Free on Board (FOB) or Free Carrier (FCA) value of Ten Thousand Philippine Pesos (P10,000.00) or below

Free Carrier (FCA) – an international commercial term covered by the Incoterms rules developed by International Chamber of Commerce (ICC) which means free carrier of that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The parties of this type of sale are well advised to specify clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point

Free on Board (FOB) – an international commercial term covered by the Incoterms rules developed by the International Chamber of Commerce (ICC) which means free on board or that seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards

Informal Entry – the customs clearance process for goods of a commercial nature with Free on Board (FOB) or Free Carrier (FCA) value of less than Fifty Thousand Philippine Pesos (P50,000.00) but above Ten Thousand Philippine Pesos (P10,000.00)

Small Value Importer (SVA) – an importer who imports goods of a commercial nature with Free on Board (FOB) or Free Carrier (FCA) value of less than Fifty Thousand Philippine Pesos (P50,000.00) [note: CMTA, Title IV, Chapter 1, Section 402] but above Ten Thousand Philippine Pesos (P10,000.00)

CMTA, Title IV, Chapter 3, Section 423

CAO No. 3-2017

CAO No. 3-2017

CMTA, Title IV, Chapter 1, Section 402

Non-Regular Importers (NRIs) – importers previously known as Once-a-Year Importers covered under CMO 46-2019

cf. CMO 46-2019, Sections 2 and 3

Value Added Service Provider (VASP) – entities authorized by the Bureau to facilitate electronic transactions with the customs Information and Communications Technology (ICT) System

Registration of SVI

- Registration in the CPRS as SVI shall be through the VASP. The SVI shall have a Unique Reference Number (URN) in their CPRS Registration.
- The following requirements shall be submitted to the Office of the District Collector of the Collection District preferably nearest their place of business for CPRS registration as SVI:
 - Application Form completely filled and signed by the applicant and duly notarized
 - BIR Tax Identification Number (TIN)
 - Government issued Identification Card (ID), e.g. driver's license, GSIS/SSS, Postal ID, UMID, PhilHealth or passport
 - Notarized print out of the stored CPRS Form
 - Special Power of Attorney (SPA) with copy of government issued ID of both principal and representative, if applying through a representative
- Approval and activation of CPRS registration as SVI shall be with the District Collector
- SVIs shall not include Non-Regular Importers (NRIs) that are governed by separate regulations.
- SVIs registered in the CPRS as such shall not be allowed to file goods declarations under the formal entry process.

Clearance Processing of Goods Declaration under Informal Entry System for Commercial Goods

- All entities registered as regular importer or SVI with the Client Profile Registration System (CPRS) shall be allowed to lodge a goods declaration under the informal entry process.
- Goods declarations shall be lodged to the E2M through the VASP by filling up the required information in the Single Administrative Document (SAD) form. The following fields in the SAD shall be filled up as follows:

- Model of Declaration (Box 1) = IE4
- Customs Value (Box 22) = value must be above P10,000.00 but below P50,000.00
- Financial and Banking Data (Box 28) = not mandatory, may be left blank
- Procedure Code (Box 37) = 4500 (Informal entry Commercial Goods)
- Extended Procedure Code (Box 37) = 000 unless availing of tax exemption, in which case, the applicable extended procedure code shall be entered.
- Once electronically lodged in the E2M, all goods declarations shall be automatically tagged as RED in the E2M selectivity system
- The SVI shall file the hard copy of the SAD to the Entry Processing Unit (EPU) or equivalent unit of the port of entry together with the following supporting documents
 - Endorsed Bill of Lading/Airway Bill
 - Commercial Invoice
 - Packing List
 - Certificate of Origin, if applicable
 - Tax Exemption Indorsement/Certificate, if applicable
- The EPU personnel shall check the completeness of the documents submitted by the SVI. Thereafter, the documents shall be forwarded to the Informal Entry Division (IED) or equivalent unit of the port.
- The CHIEF of IED or equivalent unit of the port of entry shall assign the goods declaration to a COO III (Customs Examiner) of the port. After examination, the COO III shall enter his findings in the Inspection Act in the E2M.
- The COO V (Customs Appraiser) shall review the findings of the COO III and shall, based upon his evaluation, re-route the entry to GREEN for further processing or in case of discrepancy, shall recommend appropriate action to the Chief, IED or equivalent unit.

cf. CMO 22-2011

Provided that, the re-routing of the selectivity color to Green is only to allow further processing of the shipment and the electronic release thereof through the On-Line Release System (OLRS) for the conduct of non-intrusive inspection. Provided further, that the original selectivity upon lodgement shall not be changed and the re-routing shall be reflected in the E2M system's audit log.

- The SVI shall be notified of the assessment of payable customs duties and taxes through the VASP.

- Payment of customs duties and taxes shall be made in cash through an Authorized Agent Bank (AAB), if payment is through Payment Abstract Secure System version 5 (PASS5), or through E2M Cash SAD Module if payment is to be made through the in-house bank, or the Collection Division of the port.
- Once payment has been confirmed, the Bureau shall electronically transmit the release instruction message to the respective Customs Facilities/Customs Warehouses for the release of the goods to the proper party.

Goods Declaration That Exceeds, Upon Assessment, the Threshold Value for Informal Entry of Commercial Goods

- If upon examination and assessment, it was determined that the goods declaration filed by the importer exceeds the threshold value for Informal Entry of commercial goods, processing and clearance of the said entry may be continued under the Informal Entry System on a one-time basis only, provided that, the assessment and computation thereof shall be based on formal entry, provided further that the foregoing shall be without prejudice to Section 1400 of the CMTA.
- Any succeeding lodged declaration subject to adjustment of value exceeding the threshold shall be cancelled by the Appraiser. The SVI shall be reodge the goods declaration under the Formal Entry System as a regular importer. The SVI who intends to file an import declaration under the formal entry process must first acquire CPRS registration with the Account Management Office (AMO).

Repealing Clause

All rules and regulations inconsistent with this Order are hereby deemed repealed, superseded or modified accordingly.

Separability Clause

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

Effectivity Clause

This Order shall take effect on 28 February 2020.

CMC 33-2020

Issue Date: February 3, 2020

With reference to the letter dated 20 January 2020 from the Office of the Secretary, Department of Finance, and the 02 January 2020 letter with Department Administrative Order No. 20-01 s. of 2020 from Ramon M. Lopez, Secretary, Department of Trade and Industry (DTI), all concerned are informed regarding the DTI's order dismissing the application for general safeguard measure on the importation of ceramic floor wall tiles from various countries. The Tariff Commission (TC) has established that ceramic floor and wall tiles were not imported in increased quantities during the period of investigation and it recommended that no definitive safeguard measure be imposed on importations of ceramic floor and wall tiles classified under HS 2017 Subheading Nos. 6907.22 and 6907.23.

Further, it directed the Commissioner of Customs to immediately release the cash bond to the concerned importer/s which may be imposed on shipments of ceramic floor and wall tiles starting 14 August 2019, the effectivity of Customs Memorandum Order (CMO) No. 42-2019.

For your guidance.

CMC 35-2020

Issue Date: February 4, 2020

With reference to the letter dated January 14, 2020 from Secretary William D. Dar, Department of Agriculture, all concerned are informed that all rice grain samples for quality testing be sent to National Food Authority – Technical Research and Services Division (NFA-TRSD).

The BOC normally sends the grain samples to Bureau of Plant Industry through the National Seed Quality Control Services (NSQCS) for quality testing to determine the percentage grain broken. NSQCS is currently focused on the application for seed certification since the implementation of the rice seed component program under the Rice Competitiveness Enhancement Fund, a provision of RA No. 11203 or Rice Trade Liberalization Act.

For your information and guidance.

OCOM MEMORANDUM 17-2020

Issue Date: February 4, 2020

In view of the enactment of Republic Act (“RA”) No. 11467 or the “Act Amending Sections 109, 141, 142, 143, 144, 147, 152, 263, 263-A, 265 and 2880A and Adding a New Section 290-A to Republic Act No. 8428, As Amended, Otherwise Known as the National Internal Revenue Code of 1997, and for other Purposes”, please be guided that beginning 27 January 2020, the following products shall be subject to the exemption and corresponding excise taxes as provided in RA No. 11467:

- Exemption from VAT on the importation of certain prescription drugs subject to the guidelines to be issued by the Bureau and other agencies (Section 1).
- Excise tax of alcohol products (Section 2):

Product	2020	2021	2022	2023	2024	2025 onwards
Fermented liquors (PHP per liter)	35	37	39	41	43	6 percent annual indexation rate
Distilled spirits and alcopops (PHP per proof liter + ad valorem based on NRP per proof)	42	47	52	59	66	
22 percent ad valorem						
Wines (Php per liter)	50	53	56.2	59.6	63.1	

- Excise tax of Heated Tobacco Products, and Vapor Products (Section 3):
 - Heated Tobacco Products

Product	2020	2021	2022	2023	2024 onwards
Heated tobacco products (HTPs)	25	27.5	30	32.5	5 percent annual indexation rate
(Php per pack of 20)					

- Nicotine Salt or Salt Nicotine

Product	2020	2021	2022	2023	2024 onwards
Salt nicotine vape*	37	42	47	52	5 percent annual indexation rate
(Php per mL)					

**Regardless of nicotine content.*

- Conventional 'Freebase' or 'Classic' Nicotine

Product	2020	2021	2022	2023	2024 onwards
Freebase vape*	45	50	55	60	5 percent annual indexation rate
(Php per 10 mL)					

The importation of the abovementioned products shall comply with the proper importation procedure as prescribed by the Bureau including the presentation of the Authority to Release Imported Goods (ATRIG) by the Bureau of Internal Revenue (BIR) pursuant to Revenue Memorandum Order No. 35-2002 issued by the BIR and circularized in Customs Memorandum Circular No. 34-2019, and subject to the payment of the corresponding excise taxes, VAT, customs duties, as may be applicable.

OCOM MEMORANDUM 25-2020

Issue Date: February 20, 2020

This is to remind all concerned that the National Value Verification System (NVVS) values are not substitute values but reference values to support/assist assessment personnel in the valuation of goods. Assessment personnel should strictly value the imported goods in accordance with the provisions of Sections 700-707 (Sequential Application of Valuation Method) of the CMTA.

Moreover, the NVVS value information is a risk management tool to establish doubt to alert customs officials to do value verification check (Sec. 707, CMTA) to ascertain the truth or accuracy of any statement, documents or declarations presented before the Bureau to avoid trade mis-invoicing or undervaluation (Sec. 1400, CMTA).

Lastly, whenever the NVVS is to be used, the same should not in any manner cause undue delay, obstruct or impede the regular procedure of cargoes.

OCOM MEMORANDUM 27-2020

Issue Date: February 13, 2020

For the implementation of Informal Entry System for goods of a commercial nature, the Small Value Importer (SVI) is hereby required to register in BOC's Client Profile Registration System. SVI refers to importer who imports goods of a commercial nature with Free on Board (FOB) or Free Carrier At (FCA) value of less than Fifty Thousand Pesos (PhP50,000.00) but above Ten Thousand Pesos (PhP10,000.00).

The following requirements shall be submitted to the Office of the District Collector of the Collection District preferably nearest their place of business for CPRS registration as SVI:

- Application Form completely filled-out and signed by the applicant and duly notarized
- BIR Tax Identification Number (TIN)
- Government issued Identification Card (ID), e.g. driver's license, GSIS/SSS, Postal ID, UMID, PhilHealth or passport
- Notarized print out of the stored CPRS Form
- Special Power of Attorney (SPA) with copy of government issued ID of both principal and representative, if applying through a representative

The approval and activation of CPRS registration as Small Value Importer (SVI) shall be with the District Collector.

OCOM MEMORANDUM 31-2020

Issue Date: February 21, 2020

In order to provide the stakeholders and the general public with relevant and significant information about the Bureau of Customs (BOC), all District Collectors, Local Public Information Officers (PIOs) and BOC Offices are directed to prioritize the dissemination of information on BOC's growth and development in the areas of revenue collection, border protection, and trade facilitation.

All are directed to submit real-time (within 24 hours) news and updates to the Public Information & Assistance Division (PIAD) to ensure dissemination of correct and accurate information, and prevent misinformation both at the national and district levels.

News and updates must be submitted with photos, videos (if any), and supporting documents.

Topics not indicated in this memorandum such as Corporate Social Responsibility (CSR) activities, special celebrations, and other trivial events may be shared but only during weekends.

OCOM MEMORANDUM 35-2020

Issue Date: February 27, 2020

In view of the numerous queries regarding the applicable period to lodge and file the goods declaration, there is a need to clarify the provisions of Customs Memorandum Order No. 27-2019 in relation to Customs Administrative Order No. 17-2019 and the CMTA.

For purposes of this Memorandum the following definitions must be noted:

- **Lodgement** –the registration of a Goods Declaration with the Bureau
- **Filing** – the submission of the hard copy of the Goods Declaration coupled with complete set of requisite supporting documents
- **Tagged 'Abandoned'** – the system-generated status of the shipment in case the period to lodge the Goods Declaration lapses without action from the interested party

cf. CMTA, Title I, Chapter 2, Section 102 (dd); CAO No. 17-2019, Section 3.8.

CAO No. 17-2019, Section 3.5.

Accordingly, the following guidelines should be followed:

- The Goods Declaration must be **lodged** within **SEVEN (7) DAYS** from the date of discharge of the last package from the vessel or aircraft. Failure to lodge the Goods Declaration within the said period shall result to the shipment being tagged 'abandoned'.
- The Goods Declaration must be **filed** within **FIFTEEN (15) DAYS, inclusive of the 7-day period to lodge**, from the date of discharge of the last package from the vessel or aircraft. Failure to file the Goods Declaration within fifteen (15) days shall result to the shipment being deemed abandoned pursuant to Section 1129 of the CMTA and the provisions of CAO 17-2019.
- Failure to file the Goods Declaration within fifteen (15) days shall result to the shipment being deemed abandoned pursuant to Section 1129 of the CMTA and the provisions of CAO 17-2019.
- In cases wherein the declarant does not have all the information or supporting documents to complete the lodgement within the prescribed period, and in order for the shipment not to be tagged and/or declared abandoned, the declarant may lodge a **provisional goods declaration** in accordance with Section 403 of the CMTA.

CMO No. 27-2019, Item 4.

The 7-day period to lodge the goods declaration shall remain effective from the date of the issuance of CMO No. 27-2019 and in all future issuances of the Bureau relating to the period to lodge the goods declaration until expressly revoked.

AOCG MEMORANDUM 17-2020

Issue Date: February 7, 2020

Pursuant to the provisions of Section 1603 (f) of the Customs Modernization and Tariff Act (Republic Act 10863), the Tariff Commission issued Advance Rulings (AR) on Tariff Classification with Tariff Classification Circulars (TCC/AR) issued 23-29 January 2020, for various imported articles, and the same were submitted and reviewed by the Office, summarized as follows:

TCC. NO.	DESCRIPTION OF ARTICLES	2017 AHTN CODE	2019/2020 RATES OF DUTY
20-002	"Pro-Se – Selenium Yeast"	2102.20.10	MFN – 3% Ad Valorem ACFTA – Zero*
20-006	"KARRY YOKI (Q22D)"	8704.31.29	MFN – 30% Ad Valorem ACFTA – 5% Ad Valorem*
19-479	"PROTECO® MOTOR, Model: UNIVERSAL"	8501.40.19	MFN – Zero
19-577	"ON GUARD®"	3301.90.90	MFN – 3% Ad Valorem
19-590	"SAMSUNG 2 DOOR TOP MOUNT FREEZER 9.1 CU.FT. MODEL: RT25M4003DX/TC"	8418.10.19	MFN – 10% Ad Valorem ATIGA – Zero* ACFTA – Zero* AKFTA – Zero*
19-597	"SAMSUNG SIDE BY SIDE NO FROST SPACE MAX INTERIOR REFRIGERATOR, MODEL: RS64R5301B4/TC"	8418.10.19	MFN – 10% Ad Valorem ATIGA – Zero* ACFTA – Zero* AKFTA – Zero*
19-642	"AVIALITE® OBSTRUCTION LIGHT, MODEL: Li-3248H Series"	9405.40.99	MFN – 7% Ad Valorem ATIGA – Zero*
19-643	"PANASONIC® SPLIT-TYPE AIR CONDITIONER, MODELS: CS-E28NFQ (INDOOR) AND CU-E28NFW (OUTDOOR)"	8415.10.10	MFN -10% Ad Valorem ACFTA – 5% Ad Valorem
19-646	"ARLA® MIPRODAN 30 SODIUM CASEINATE"	3501.90.10	MFN – 3% Ad Valorem
19-656	"LAMINATE (PRINTING FLEXIBLE PACKAGING MATERIAL)"	3920.10.19	MFN – 15% Ad Valorem AIFTA – 12.05% Ad Valorem*
19-657	"PVC SHRINKABLE FILM"	3920.49.00	MFN – 7% Ad Valorem ACFTA – 5% Ad Valorem*
20-001	"PROX5—MOLASSES YEAST HYDROLYSATE"	2106.90.99	MFN – 7% Ad Valorem ACFTA – Zero*

***Subject to submission of their corresponding CERTIFICATE OF ORIGIN (CO).**

AOCG MEMORANDUM 20-2020

Issue Date: February 14, 2020

Pursuant to the provisions of Section 1603 (f) of the Customs Modernization and Tariff Act (Republic Act 10863), the Tariff Commission issued Advance Rulings (AR) on Tariff Classification with Tariff Classification Circulars (TCC/AR) issued 30 January – 04 February 2020, for various imported articles, and the same were submitted and reviewed by the Office, summarized as follows:

TCC. NO.	DESCRIPTION OF ARTICLES	2017 AHTN CODE	2019/2020 RATES OF DUTY
19-338A	"OPT ENGINE ASSEMBLY; WU"	8529.90.99	MFN – Zero ACFTA – Zero*
19-489	"PROTECO® CAT 5"	8479.89.39	MFN – 1% Ad Valorem
19-608	"NESTLÉ® KOKO KRUNCH® MAXX"	1904.10.10	MFN – 1% Ad Valorem
20-004	"TORAY ROMEMBRA® REVERSE OSMOSIS MEMBRANE, MODEL: TMG20D-440"	8421.99.99B	MFN – 1% Ad Valorem AJCEPA – Zero* PJEPA – Zero*
20-005	"BIOVITAL L"	3824.99.99	MFN – 3% Ad Valorem
20-009	"CAMBRO® EPICTREAD™ TRAYS (1216ET)"	3924.10.90	MFN – 15% Ad Valorem ACFTA – 15% Ad Valorem*
20-012	"HOSE BAND, PART CODE: W0245-8DV60"	7326.20.90	MFN – 15% Ad Valorem ATIGA – Zero*
20-013	"LID HINGE SPRING, PART CODE: W1116-8DV00"	7320.20.90	MFN – 15% Ad Valorem ATIGA – Zero*
20-015	"MOTOR PULLEY, PART CODE: 10410-9XG00"	8483.50.00	MFN – Zero ATIGA – Zero*

****Subject to submission of their corresponding CERTIFICATE OF ORIGIN (CO).***

AOCG MEMORANDUM 31-2020

Issue Date: February 27, 2020

Pursuant to the provisions of Section 1603 (f) of the Customs Modernization and Tariff Act (Republic Act 10863), the Tariff Commission issued Advance Rulings (AR) on Tariff Classification with Tariff Classification Circulars (TCC/AR) issued 31 January – 14 February 2020, for various imported articles, and the same were submitted and reviewed by the Office, summarized as follows:

TCC. NO.	DESCRIPTION OF ARTICLES	2017 AHTN CODE	2019/2020 RATES OF DUTY
19-607	"MALTODEXTRIN (GLUCOSE SYRUP POWDER) DE37-41"	1702.30.10	MFN – 3% Ad Valorem AANZFTA – Zero* ACFTA – Zero*
19-609	"FLAVOR MILK CREAM 84283-71"	3302.10.90	MFN – 1% Ad Valorem ATIGA – Zero*
19-623	"EGG CREAM FLAVOUR (POWDER)"	3302.10.90	MFN – 1% Ad Valorem ATIGA – Zero* PH-EFTA FTA (CHE/LIE) – Zero*
20-017	"FOREVA® LFC 50/80/100 AND 150"	6815.10.99	MFN – 5% Ad Valorem
20-021	"AIR TRAP B, PART CODE: W1299-8DV10"	3926.90.99B	MFN – 15% Ad Valorem ATIGA – Zero*
20-026	"SPACER"	3926.90.99b	MFN – 15% Ad Valorem PJEPA – Zero* AJCDEPA – Zero*
20-027	"STEEL BASE PLATE & NNS PLATE"	7326.90.99	MFN – 15% Ad Valorem PJEPA – Zero* AJCEPA – Zero*
20-028	"NNS STEEL BAR ROD"	7215.90.90	MFN – 7% Ad Valorem AJCEPA – Zero* PJEPA – Zero*
20-029	"WIRE ROPE WITH TURNBUCKLE"	7312.10.99	MFN – 15% Ad Valorem AJCEPA – Zero* PJEPA – Zero*
20-031	"CETRALIZER"	7326.90.99	MFN – 15% Ad Valorem AJCEPA – Zero* PJEPA – Zero*
20-034	"KARRY YOYO (Q22L)"	8702.90.89	MFN – 20% Ad Valorem ACFTA – 5% Ad Valorem*
20-036	"MILKPROMAX 18/18"	2309.90.20	MFN – Zero*

***Subject to submission of their corresponding CERTIFICATE OF ORIGIN (CO).**

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/>

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