

NMM

NAGUE MALIC MAGNAWA & ASSOCIATES
Customs Brokers

COMPLIANCE BEYOND BORDERS

CUSTOMS GAZETTE

Updates on Customs-Related Matters

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CAO NO. 03-2022

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Introduction

This CAO implements Section 1512, Title W and other related provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA) and other related laws, rules and regulations.

Scope

This CAO covers the Cash Reward to Informers or Whistleblowers instrumental in the actual collection of additional revenues, surcharges and fees arising from discovery of violation of the CMTA. This CAO only applies to those shipments and apprehensions made, and information furnished at the time CMTA took effect.

Objectives

- To encourage the public by providing incentives, to extend full cooperation in eradicating smuggling and other violations of customs laws, rules and regulations.
- To provide guidelines and procedures for granting Cash Reward to Informers or Whistleblowers.
- To establish an Information and Communication Technology (ICT) — enabled recording and monitoring system for rewards.

Definition of Terms

Additional Revenue — shall refer to actual proceeds realized from sale of forfeited goods after compliance with Section 1143 of the CMTA or actual collection of additional income for the government such as but not limited to additional duties and taxes on top of the original duties and taxes paid, surcharges, penalties, or other forms of revenue collected or recovered as a result of seizure of goods for violations of the CMTA.

cf. CMTA, Title XV, Section 1512.

Affidavit of Informer or Whistleblower - shall refer to a confidential sworn statement personally and voluntarily executed by the Informer or Whistleblower before the administering officer declaring in detail the facts or acts constituting fraud or violation of the CMTA committed by an importer or exporter.

Bureau – shall refer to the Bureau of Customs.

Cash Reward — shall refer to reward herein authorized to be paid out of the collection of Additional Revenues accounted for as a result of the information furnished by the Informer or Whistleblower.

Certificate of Information — shall refer to a certificate issued by the Committee on Rewards attesting to the filing of information and details thereof.

Confiscated Goods — shall refer to articles, wares, merchandise and any other items which are subject of importation or exportation forfeited pursuant to a final order or decision issued by the Bureau or court of competent jurisdiction for violation of the CMTA and other related laws, rules and regulations.

Informer — shall refer to any person who voluntarily provides definite and sworn information not yet in the possession of the Bureau nor of public knowledge, leading to actual collection of Additional Revenues including surcharges and fines or penalties arising from the discovery of violations of the CMTA and other related laws.

Registry Book of Rewards – shall refer to the official journal approved by the Department of Finance (DOF) where all information relating to claims for reward pursuant to Section 1512 of the CMTA are recorded.

Smuggled Goods - shall refer to goods which are fraudulently imported into or exported from the Philippines.

Whistleblower – shall refer to any person who exposes any kind of information or activity that is deemed illegal or irregular within an organization that is either private or public.

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

cf. Republic Act No. 2338, Section 1, paragraph 2.

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

cf. Bureau of Internal Revenue, Revenue Regulation No. 16-2010, Section 2.1.

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

General Provisions

- A Cash Reward shall be given to Informers or Whistleblowers equivalent to twenty percent (20%) of the Additional Revenues.
- Only actual cash proceeds from the sale of Smuggled Goods and Confiscated Goods, or actual cash collection of Additional Revenues shall be the subject of reward under this CAO.
- For Customs Informer or Whistleblower to qualify for reward, the following must be taken into consideration:
 - He or she must not have had any participation whatsoever to the commission of illegal transaction or activity;
 - He or she must not be performing enforcement or assessment function in the port where the goods are lodged and processed; and
 - The information must not have come to his or her knowledge by the nature of his or her function of office such as being part of a Bureau-wide monitoring or post clearance audit activities.
- The information is deemed not yet in the possession of the Bureau under the following circumstances:
 - The information pertains to outright smuggling or it relates to goods declaration and its supporting documents which are spurious or falsified resulting in the payment of lower duties and taxes and other charges; and
 - The information must not have been formally referred for investigation to the Bureau.
- The Informer or Whistleblower is not entitled to reward if the Smuggled or Confiscated Goods were not sold through public auction or negotiated sale but were instead donated, declared for official use, re-exported, or otherwise disposed of pursuant to Sections 1145 – 1150 of the CMTA. The Informer or Whistleblower is also not entitled to reward if the Smuggled or Confiscated Goods were lost due to fortuitous event or force majeure, or the goods can no longer be subjected to seizure and/or forfeiture.
- The actual proceeds from the sale of Smuggled and Confiscated Goods shall be subject to the following conditions:
 - In case of goods undergoing customs clearance procedure:
 - The goods should be covered by a Warrant of Seizure and Detention (WSD).
 - There must be a final order accepting and approving the offer of settlement by payment of fine or redemption of forfeited property;

CMTA, Title XV, Section 1512; cf. General Appropriation Act of 2017, Special Provision 292.

Whistleblower Protection Act of the United States of America

- There must be payment of Additional Revenues arising from the order accepting and approving the offer of settlement; and
- In case of forfeiture, the actual proceeds from the sale of Smuggled and Confiscated Goods shall apply.
- In case of goods subject of the exercise by the Commissioner of the power to inspect and visit:
 - There must be a duly issued Letter of Authority;
 - The interested party fails to produce evidence of correct payment of duties and taxes on imported goods openly for sale or kept in storage;
 - A Warrant of Seizure and Detention (WSD) has been issued;
 - There must be a final order accepting and approving the offer of settlement by payment of duties and taxes, fine and other charges;
 - There must be payment of Additional Revenues arising from the order accepting and approving the offer of settlement; and
 - In case of forfeiture, the actual proceeds from the sale of Smuggled and Confiscated Goods shall apply.

The actual collection of Additional Revenues shall only be in the form of cash. Payments utilizing Tax Credit Certificates shall not be eligible for reward.

- The Cash Reward shall be subject to income tax collected as a final withholding tax at a rate of ten percent (10%).
- Except when the information is proven to be malicious or false, or unless required by law, the identity of the Informer or Whistleblower shall be kept confidential at all times either before or after termination of the case and shall not be disclosed to unauthorized persons, especially to the tax payer, importer or exporter involved, without the Informer's consent. The confidentiality shall extend to the Affidavit of Informer or Whistleblower executed by the Informer or Whistleblower and supporting documents. Any government official or employee who maliciously reveals the identity of any Informer or the Affidavit of Informer or Whistleblower without his or her consent shall be subject to disciplinary action in accordance with existing laws, rules and regulations.
- Except in the context of judicial proceedings, any disclosure of confidential Information under this CAO shall not be made except upon the written consent of the party concerned.

Republic Act No. 8424, as amended, Title X, Chapter IV, Section 282 (b), paragraph 3.

Rules on Administrative Cases in the Civil Service and CMTA, Title XIV, Chapter 2, Section 1431.

cf. CMTA Title XV, Section 1502.

Operational Provisions

- **Form of Information.** The information shall be in the form of a written sworn statement given voluntarily and shall state:
 - The fact or acts constituting fraud or violations of the CMTA against a particular shipment, provided that the said violation should be specific.
 - Name and address of importer or exporter, committing the same;
 - Exact or approximate date or period when fraud or violation was or will be committed; and
 - Names and addresses of witnesses, if any.

Any document, records or books including copies or excerpts thereof, which may serve as evidence of the fraud or violation, shall be submitted with the sworn statement. If the Informer or Whistleblower does not have possession or control of such documents, records, or books, but he or she has knowledge of the person(s) who has/have the custody, possession or control thereof, or the place(s) where they are kept, he or she shall state in his or her sworn statement the name(s) and address(es) of such person(s) and place(s). The sworn statement shall bear the left and right thumbmarks and signature of the informer or Whistleblower. The attached Informer's Form No. 1 should be substantially followed.

The sworn statement shall be accomplished in quadruplicate. The original and all copies thereof, except the duplicate which shall be given to the Informer or Whistleblower, shall be kept by the Committee on Informer's Rewards through the Secretariat.

- **To Whom Affidavit of Informer or Whistleblower May Be Subscribed.** Affidavit of Informer or Whistleblower may be sworn to before any officer authorized to administer oath.
- **Types of Information.** Information that may be the subject of an Affidavit of Informer or Whistleblower may refer to shipments either still in customs custody or those already released, or those which did not pass through customhouse.

For information on shipments already released from customs custody or those which did not pass through customhouse, the Affidavit of Informer or Whistleblower shall be submitted directly to the Committee on Informer's Rewards through the Secretariat. In cases where the shipments are still in customs custody, the Affidavit of Informer or Whistleblower may, at the

option of the Informer, be filed with the Committee through the Secretariat or the District Collector in the port where the shipment is located or destined.

If the Affidavit of Informer or Whistleblower is filed with the District Collector of the port, a copy of said Affidavit shall be sent through the fastest means available to the Secretariat and the original copy of the same within seventy-two (72) hours from receipt thereof.

If directly filed with the Committee on Rewards, the Head Secretariat shall, not later than one (1) hour from receipt, relay the information through the fastest means available such as but not limited to text messaging, electronic mail or phone call to the port concerned. The Office of the Commissioner, Deputy Commissioners for Intelligence Group (IG) and Enforcement Group (EG) shall likewise be notified within the same period.

- **Recording of Affidavit of Informer or Whistleblower.** The Committee Secretariat shall receive and record the Affidavit of Informer or Whistleblower in the Registry Book on Rewards.

Committee on Informer's Rewards

- The Commissioner shall create a Committee on Informer's Rewards, or "Committee," for brevity.
- The Committee shall exercise exclusive authority to evaluate and act on claims for reward filed with the Bureau. Subject to existing laws, rules and regulations, the Committee shall create and maintain accurate and reasonably complete customs records on all Informers' reward granted by the Bureau.
- The Committee shall exercise the following duties and functions:
 - Act as custodian of the DOF-approved Registry Book on Rewards, including the Affidavit of Informer or Whistleblower and other documents relating thereto. For this purpose, the Committee shall be provided with its own office and a vault to secure all the above-mentioned documents. The Head, Committee on Informer's Reward Secretariat, "Secretariat," for brevity, shall act as the records custodian and shall ensure that all documents are properly secured and kept confidential;

cf. Executive Order No. 724 s. 2008,
Section 3 (2) (a) (i).

- Receive and safe-keep all Affidavits of Informer or Whistleblower and all other relevant documents required in the processing of reward claims;
- Evaluate claims for reward and recommend actions to the Commissioner including the issue of preference, amounts and all issues relative to claims of rewards, filed by persons instrumental in the discovery and seizure of Smuggled Goods;
- Coordinate with the appropriate officer of the Bureau or any other appropriate government agencies in identifying the Informers who are instrumental in the discovery and seizure of such Smuggled Goods;
- Recommend filing of appropriate actions against persons who provided false or malicious information;
- Draft, review, and revise rules and regulations to effectively implement Section 1512 of the CMTA or other applicable laws on Informers rewards in coordination with the DOF Rewards Committee, subject to Secretary of Finance's approval.
- Study and propose measures to automate claims for rewards including the Bureau of Customs-DOF interface on reward matters;
- Monitor the progress, status of the case, and actual revenue collected arising from the Affidavit of Informer or Whistleblower; and
- Other functions as may be assigned by the Commissioner.
- The Committee shall be assisted by a Secretariat which shall provide administrative support to the workings of the Committee. The Members of the Secretariat shall be designated by the Commissioner, as recommended by the Chairman of the Rewards Committee. In addition, the Head of the Secretariat of the Committee is authorized to administer oath on all Affidavits of Informer or Whistleblower personally filed with the Committee.

Executive Order No. 724 s. 2008 Section 3 (2) (a) (ii)

Executive Order No. 724 s. 2008, Section 3 (2) (a) (iii).

Executive Order No. 724 s. 2008, Section 3 (2) (a) (iv).

Filing and Processing Claims for Reward

- The Informer or claimant shall file his or her claim for reward with the Committee, attention Secretariat;
- The Informer or claimant shall file his or her claim for reward with the Committee, attention Secretariat;
- The Committee shall evaluate the claim and determine whether the Informer or Whistleblower is entitled to the reward as detailed in this CAO.
- After evaluation, the Committee shall forward its recommendation of approval/denial of the claim, to the Commissioner.

- Receive and safe-keep all Affidavits of Informer or Whistleblower and all other relevant documents required in the processing of reward claims;
- The Commissioner shall act on the recommendation within thirty (30) days from receipt of the Committee report. Should the Commissioner find the claim meritorious, the same shall be forwarded to the Secretary of Finance for final approval.

Otherwise, the Commissioner shall notify the claimant/Informer or Whistleblower of the denial of the claim.

- **Filing of Claims by Attorney-in-Fact or Authorized Representative.** In cases where the Informer uses an alias, filing of claims by said Informer through an attorney-in-fact or authorized representative must be supported by a special power of attorney which shall bear the left and right thumbmarks and signature or other reliable means of identification of the Informer, and the original copy of the Certificate of Information issued by the Secretariat.
- **Action in Cases of False or Malicious Information.** Should the information later turn out or is proven to be false or malicious, the Bureau may file the appropriate administrative, criminal or civil action against the Informers or Whistleblowers, as the facts and circumstances may warrant.
- **Conflicting Claims.**
 - Whenever two or more persons claim to be the Informer or Whistleblower entitled to a reward arising from the same case, the person whose Affidavit of Information was first received by the Bureau shall be entitled to the reward.
 - Where two or more Informers or Whistleblowers furnished the information simultaneously, all of them shall be equally entitled to the reward; and
 - In order that the reward may be paid to the proper person, the identity of the Informer shall be duly established by requiring him or her to present copies of his or her information and Certificate of Information issued to him or her by the Head of the Committee on Reward Secretariat to whom he or she gave the COPY information and filed his or her claim. He or she may be required to submit additional evidence that will satisfactorily establish his or her identity.
- **Period to File Claim Reward.** The claimant shall file his or her claim for reward not later than three (3) years from receipt of notice from the Committee Secretariat of the realization of the proceeds by personal or electronic service, by registered mail or any of the recognized modes of service at his or her last known address. The three-year period shall run from the date the claimant was notified by any means of notification mentioned above.

The Secretariat shall cause the above notification within five (5) days from notice of realization of the proceeds.

- **Obligation to Provide Claimants with Pertinent Documents.** The office where the Affidavit of Informer or Whistleblower was originally filed shall, upon request, provide Informer or claimant with a sworn statement of the officer receiving the information and all pertinent documents relevant to the claim for Informer's reward.
- **Rewards Payable from Proceeds Realized from Additional Assessment or Collection of Customs Duties, Taxes, Surcharges, Fines, Penalties, and Compromises.**
 - The office which effects confiscation, seizure, or apprehension, based from the information received shall immediately submit a report, by the fastest means available, to the Committee. The report shall include a statement that such confiscation, seizure or apprehension was the result of the information (specify registry number) and that a claim for reward is being filed. The office shall also forward to the Committee all the papers, documents and records of the cases including a copy of the Affidavit of Informer or Whistleblower, together with its comment and recommendation.
 - The findings and recommendations of the Committee on Rewards shall be accompanied by the Statement of Revenue Collections issued by the port concerned attesting that revenues were collected arising from the settlement, redemption or auction of goods seized based on the information supplied by the Informer. Said Statement of Revenue Collection must be supported by the certification from the Revenue Accounting Division certifying that the revenues collected were deposited with the National Treasury.
 - The Bureau shall automatically separate the twenty percent (20%) Informer's reward from the collected Additional Revenues which shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. 338, s. 1996.
 - The Accounting Division, in coordination with the Revenue Accounting Division, shall request from the Bureau of Treasury a Certification of deposited collection intended for Informer's Reward.
- **Payment of Rewards.** Payment shall be made only upon identification of the Informer or claimant or Whistleblower. The amount shall be given personally to the Informer upon presentation and verification of the sealed copy of information, copy of his or her claim and receipts given to him or her by the Bureau.

cf. General Appropriation Act of 2019,
Bureau of Customs, Special Provisions,
No. 4.

Rewards not claimed within one (1) year after its approval shall be deemed forfeited in favor of the government.

- In case of death of claimant after proper identification for purposes of payment of reward by the Committee, said reward shall form part of his or her estate, to be paid in accordance with the laws on succession.

The running of period to claim the reward provided under Payment of Rewards section of this CAO shall be tolled upon receipt of the Committee of any notification of the claimant's fact of death by the administrator, executor or any person who appear to have successional rights to the estate of the claimant.

Monitoring of Reward

The Bureau shall establish an efficient mechanism using ICT-based systems to properly record and monitor the amount set aside for Informer's Reward vis-a-vis the number and amount of approved claims, including other reportorial requirements.

Periodic Review

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

Separability Clause

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

Effectivity

This CAO shall take effect thirty (30) days after its complete publication in the Official Gazette or a newspaper of general circulation.

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Order.

CAO NO. 04-2022

Issue Date: June 16, 2022

KEYWORDS: BOC, Customer Care Centers, CCC, delivery of services

Introduction

This Customs Administrative Order (CAO) implements Transparency as one of the key factors under the Revised Arusha Declaration, Article 1.3 on Enquiry Points under the Agreement on Trade Facilitation, Section 7, Zero-Contact Policy of Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, in relation to Section 101 (a), (b), (c) and (f) of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA).

Scope

This Order shall cover the receiving and releasing of transaction documents, walk-in stakeholders' inquiry, granting of access pass to stakeholders with approved appointment to enter the Bureau of Customs premises, and acceptance of payment of allowable fees and charges imposed and collected by the Bureau and issuance of corresponding Bureau of Customs Official Receipt (BCOR).

Objectives

- To establish a modernized customer service center that will provide services such as centralized document receiving and releasing, information area for inquiry and other general concerns, payment center, pass control and other Customs services in conjunction with the Bureau's modernization projects.
- To promote transparency and ensure high level of professionalism, integrity and accountability while dealing with the stakeholders of the Bureau.
- To outline the duties and responsibilities of Customs personnel assigned at the Customer Care Centers nationwide to handle concerns of stakeholders transacting with the Bureau.

- To provide a mechanism where stakeholders' queries and Bureau of Customs concerns are handled promptly.
- To lessen face-to-face transactions between personnel of the Bureau and stakeholders, therefore minimizing the opportunity for graft and corruption.

Definition of Terms

Bureau — shall refer to the Bureau of Customs.

Client Satisfaction (CSat) — shall refer to the numerical measure of stakeholder satisfaction based on their general CCC experience on a scale of 5 to 1. This rating allows CCC to determine the level of satisfaction of the stakeholders with corresponding equivalence.

Customer Care Center (CCC) — shall refer to a modern service center that will provide services such as centralized document receiving and releasing, information area for inquiry and other general concerns, payment center, pass control and other Customs services.

A modern Customs Service Center at the port to serve as a One-Stop-Shop Facility that shall be the focal point on all Customs related inquiries for walk-in stakeholders in compliance with Ease of Doing Business law.

Public Relations Officer — shall refer to a well-trained and competent personnel manning the Customer Care Center.

Service Kiosk — shall refer to an ICT equipment designed for the stakeholders to select the services themselves

Stakeholder — shall refer to the transacting public of the Bureau of Customs.

Establishment of Customer Care Centers (CCC)

All Collection Districts and its Supports shall establish a Customer Care Center (CCC) that will provide the following functions:

- Document management. The CCC shall receive and release all communications (documents) from and to external stakeholders except correspondence from Other Government Agencies, Official Courier, and Subpoena;

- Information management. The CCC shall handle walk-in stakeholders queries and concerns and liaise with appropriate Offices in the Bureau of Customs to resolve inquiries;
- Pass Control. The CCC shall manage the appointment of visitors and stakeholders to regulate their movement within Customs premises;
- Payment Management. The CCC shall facilitate payments made under the Cash Miscellaneous Module (CMM); and
- Perform other functions as maybe directed by the District or Sub-Port Collector.

Composition of the Customer Care Center

CCC Primer

The CCC shall be under the direct supervision of the District Collector and shall be composed of the following Public Relations Officers (PROs) which shall perform specific functions:

- **Head** (Supervising PRO) shall be designated by the District Collector and assigned under the District Collector.

The Head shall perform the following duties and responsibilities:

- Manage and lead the CCC;
- Ensure that the objectives of the CCC be carried out by accumulating the needed manpower, equipment, supplies, and trainings, among others;
- Address concerns and complaints that cannot be resolved by the PROS;
- Schedule the shifting of all PROS;
- Monitor the performance and attendance of all PROS; and
- Report to the District Collector as needed.
- **Assistant Head.** An Assistant Head may be assigned by the District Collector to perform the function of the Head, CCC in the absence of the latter. Each CCC established in the Sub-Port or Customs Facilities and Warehouses (CFW), if applicable, shall be headed by an Assistant Head under the direct control and supervision of the Head.
- **Document Receiving Officer.**

The Document Receiving Officer shall perform the following duties and responsibilities:

- Receive all documents from stakeholders with a receiving coupon or any other methods (i.e., "received" stamp with date and signature) as provided by the procedures in handling documents;
- Reject documents/things that are unofficial in nature;
- Assist stakeholders with wrong coupon; and
- Perform any other tasks related to their function.

- **Document Releasing Officer.**

The Document Releasing Officer shall perform the following duties and responsibilities:

- Release verified documents to their respective stakeholders once the status has been cleared;
- Inform the stakeholders of the availability of their documents that are for release;
- Ensure proper release of documents to the rightful owner/recipient; and
- Perform any other tasks related to their function.

- **Document Sorting Officer.**

The Document Sorting Officer shall perform the following duties and responsibilities:

- Sort all the documents to its designated shelf/area;
- Attach a QR code if needed; and
- Scan the QR code to serve as a receiving copy.

- **Document Distribution Officer.**

The Document Distribution Officer shall perform the following duties and responsibilities:

- Distribute the documents promptly and efficiently to the respective offices;
- Observe the prescribed turn-around time in the distribution of documents; and
- Ensure that all documents are received by the concerned office.

- **Client Service Specialist.**

The Client Service Specialist shall perform the following duties and responsibilities:

- Assist and address the concerns, complaints, and inquiries of all stakeholders using the different systems such as Automated Routing and Monitoring System (ARMS), Parcel and Balikbayan Box Tracking System (PBBTS) or Document Tracking System (DTS) by communicating with the concerned office, and utilize other tools and references, as may be necessary;
- Verify stakeholders' official transactions with the Bureau and create an appointment to grant their access;
- Assist the stakeholder in the purchase of accountable forms; and
- Perform any other tasks related to their function.

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- Verify stakeholders' official transactions with the Bureau and create an appointment to grant their access;
- Assist the stakeholder in the purchase of accountable forms; and
- Perform any other tasks related to their function.

- **National Collecting Officer.** The National Collecting Officer shall facilitate stakeholder's payment transactions using the Cash Miscellaneous Module (CMM).
- **Pass Control Officer.** The Pass Control Officer issues access pass for stakeholders with approved appointment and reclaims the access pass for outgoing stakeholders.
- Other Customs Officers such as the following, if applicable:
 - Personnel from Entry Processing Unit (EPU) — to evaluate the completeness of the Goods Declaration and supporting documents
 - Representatives from Management Information System and Technology Group (MISTG) – to provide technical assistance and support the CCC.
 - Piers and Inspections Division (PID) – to evaluate completeness of document related to the issuance of Gate Pass.
 - Personnel from Accounts Management Office (AMO) – to evaluate completeness of documents related to the applications for accreditation/registration of importers, brokers or other third parties and/or to perform other functions as may be directed by the Chief, AMO.

The Commissioner or the District Collector may provide other duties and responsibilities, as may be necessary for the efficient implementation of this CAO.

Administrative Provisions

- In compliance with existing rules and regulations on working hours, the CCC shall operate from 8:00AM to 5:00 PM, Monday to Friday. Overtime service may be rendered, if necessary.
- All internal offices of the Bureau are mandated to provide and extend full support and cooperation to the CCCs. A focal person in every Office shall be designated to monitor and follow-up status of issues and concerns lodged through the Customer Care Portal System (CCPS) or other online support system.
- Additional manpower complement necessary for CCC operations to accomplish its assigned functions shall be coordinated by the District Collector with Human Resource Management Division (HRMD), and with the Budget Division and Financial Management Office (FMO) for budgetary support.

- Administrative support such as provision for office supplies and equipment, personnel augmentation, conduct of capacity building activities, etc. shall be coordinated with the Administrative Division of the Collection District except for the CCC in the Port of Manila which shall be coordinated with the concerned office under Internal Administration Group (IAG).

Technical Support

- The MISTG shall ensure that customer relationship management software (support systems) and hardware are fully functional and shall accord support and assistance in its maintenance.
- MISTG and CCC shall provide and maintain Service Kiosks which feature the following support systems:
 - **BOC Website (www.customs.gov.ph)** — the official Bureau of Customs webpage.
 - **BOC Citizen's Charter** — a document which represents a systematic effort to focus on the commitment of the Bureau towards its stakeholders in respects of standard of services, information, choice and consultation, non-discrimination and accessibility, grievance redress, courtesy, and value for money.
 - **Aduana e-Library (E-LIB)** — online records of Customs issuances.
 - **Document Tracking System (DTS)** — online tracking of real time location/status of documents.
 - **Automated Routing and Monitoring System (ARMS)** — online tracking of status of Goods Declaration for Consumption.
 - **Parcel and Balikbayan Box Tracking System (PBBTS)** — online tracking of balikbayan boxes and air parcels.
 - **Customer Care Portal System (CCPS or BOC Portal)** — online tracking of document feedback, submission, and compliance. It also a platform for inquiries, issues, and complaints.
 - **Queueing System (QS)** — an electronic platform to institute systematic flow in handling clients.
 - Other ICT and support system improvements which may be established in the future.
- MISTG shall provide guidelines in the registration and/or removal of CCPS accounts of authorized personnel assigned at the CCC.

Miscellaneous Provisions

- CCCs in Collection Districts shall implement quality management system pursuant to ISO 9001 Quality Management System standards. The ISO 9001 Certification is mandatory to all CCCs, and this should include the integration of the CCC process with the Collection Districts.
- No correspondence from Other Government Agencies, Official Courier, and Subpoena shall be received and processed by the CCCs. The process server shall be advised to proceed directly with the specific office or personnel covered by the correspondence.
- As accountable officer of the Bureau, the assigned National Collecting Officer shall be bonded with the Bureau of Treasury, Fidelity Bond Division, in accordance with Customs Memorandum Order No. 5-2013.
- The District Commander of Enforcement and Security Service (ESS) of Collection Districts shall designate a Pass Control Officer.
- The District Collector may issue additional directive for the efficient issuance of access pass taking into consideration the peculiar situation or location of the CCC.
- All CCCs shall ensure compliance to the provisions of RA 11032 or Ease of Doing the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 Zero Contact Policy.
- The processing of data and disclosure of information in the CCCs shall be guided by the provisions of Republic Act 10173 otherwise known as Data Privacy Act of 2012, Executive Order No. 2 series of 2016, Republic Act No.10667 otherwise known as Philippine Competition Act, and other relevant laws, rules and regulations and international conventions.

Reportorial System

An ICT-enabled reportorial system shall be established by the Bureau for statistical and monitoring purposes. The Head, CCC shall monitor and submit CSat survey results to the District Collector on a monthly basis for consolidation by the Public Information and Assistance Division (PIAD), Internal Administration Group (IAG).

Implementing Rules and Regulations

The Bureau may issue corresponding CMO to further prescribe additional duties and responsibilities, as may be necessary for the efficient and effective implementation of this CAO.

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 immediately after its publication in the Official Gazette or newspaper of general circulation.

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Order.

CAO NO. 05-2022

Issue Date: June 16, 2022

KEYWORDS: collection district, customs office, La Union, NAIP-SEZ, North Luzon Aero Industrial Park - Special Economic Zone, San Fernando

Pursuant to Section 204 of the Customs Modernization and Tariff Act (CMTA) in relation to Sections 206 and 207 of the same Act, Proclamation No. 1191 and Republic Act (RA) No. 7916 as amended by RA No. 8748, there is hereby created a Customs Office at the North Luzon Aero Industrial Park-Special Economic Zone (NAIP-SEZ) to meet the needs of the registered enterprises thereat whose operations require supervision by the Bureau of Customs of their respective importations or exportations.

Objectives

- To provide basis for the exercise of jurisdiction of the Customs Office at the NAIP-SEZ by the Port of San Fernando, La Union.
- To be able to monitor the movement of goods/merchandise brought into and out of the NAIP-SEZ.

Administrative Supervision

The NAIP-SEZ Customs Office shall be under the administrative supervision and control of the District Collector of the Port of San Fernando, La Union who shall authorize the detail or assignment of personnel of the Port in such number as may be necessary to effectively carry out the objectives of this Order.

Assignment of Personnel

In the interim and until such time provisions for the permanent creation of a Customs Office at the NAIP-SEZ is included in the proposed restructuring of the Bureau, the District Collector shall assign the necessary customs personnel at the NAIP-SEZ to service the needs of its locators on their importations and exportations.

Systems and Procedures

The systems and procedures for the management and control of goods/merchandise brought to the NAIP-SEZ as well as those goods/merchandise taken out therefrom shall be those prescribed in the Joint Memorandum Orders between the Philippine Export Zone Authority (PEZA) and the Bureau and their implementing rules and regulations and any revision or modification thereat.

The Deputy Commissioner of the Management Information and Systems Technology Group (MISTG) is hereby directed to put in place the necessary ICT-infrastructure needed for the Bureau to effectively discharge its mandate at NAIP-SEZ.

Effectivity

This CAO shall take effect fifteen (15) days after its complete publication in the Official Gazette or newspaper of general circulation.

The Office of the National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this CAO.

CMO NO. 17-2022

Issue Date: June 16, 2022

KEYWORDS: Electronic to Mobile System, Electronic Tracking of Containerized Cargo System, implementation

Objectives

- To provide guidelines to the integration of Electronic to Mobile System (E2M) and Electronic Tracking of Containerized Cargo System (E-TRACC) in reference to CMO No. 04-2020; and
- To define the process flow in the E2M with the additional fields for E-TRACC as reference for Examiners and Appraisers.

Scope

This Order shall cover the integration process of the **E-TRACC** and **E2M** systems and its general guidelines.

Definition of Terms

Electronic Tracking of Containerized Cargoes (E-TRACC) System – shall refer to a secure and interactive web-based system that allows the Bureau of 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.

E-TRACC Personnel – shall refer to a person who attached the E-TRACC device to the container/s.

Goods Declaration – shall refer to 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.

Online Release System (OLRS) – shall refer to the electronic transmission to deliver instruction messages from the Bureau to the concerned operator of the facilities handling the goods which include terminal operators, off-dock container yard-container freight station (CY-CFS) operators, their respective transit

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

facilities, which include Arrastre and warehouse operators, granting these entities authority to release the goods to the rightful owner.

cf. CAO NO. 9-2020, Section 3.36

Single Administrative Document (SAD) – shall refer to an internationally used form as customs declaration or goods declaration, designed to standardize customs documents, harmonize codification and simplify procedures in international trade exchanges.

cf. CAO No. 9-2020, Section 3.44.

Value Added Service Provider (VASP) – shall refer to any Bureau-accredited ICT company who may provide the services enumerated under Section 4.1 of CAO No. 14-2020 and collect transaction fees as authorized by the Bureau.

General Provisions

- 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; and
 - Transfer of Shipments Subject to Further Verification and/or Monitoring.
- The E-TRACC booking is applicable to the following models of declaration:

	Description	Code
a.	Consumption	4,4
b.	Export	EX
c.	Warehousing	7
d.	Transit	8

- Unless otherwise directed by the Commissioner, the goods declarations for consumption under the following models of declaration are exempted from the E-TRACC booking system:

	Description	Code
a.	Consumption (Formal Entry for Home Use via EDI Super Green Lane)	4ES
b.	Consumption (Formal Entry Delivered Duty Paid)	4FD
c.	Informal Entry (Express Shipment Low Value, Dutiable)	IES
d.	Informal Entry	IE

- Goods declaration covered under Section 4.1. of this Order can only be assessed by the Assessment Division or Equivalent Unit after the E-TRACC booking has been completed.

Operational Procedure

- A broker shall lodge the import or export declaration in the E2M through the chosen VASP.
- For goods declarations covered under Electronic Customs Seal, the broker or importer/exporter shall likewise login to E-TRACC System using the given account to book a Trip. The following details shall be entered in the E-TRACC System:
 - Entry number; and
 - Bill of lading.

Booking payment is automatically deducted from the E-TRACC prepaid booking account. The account holder cannot proceed with the booking in case of non-availability of fund.

- Through the application programming interface (API) between E2M and E-TRACC Systems, the E-TRACC shall send the given information of E2M.

The information entered in the E-TRACC System will be validated in the E2M System. If one of the details is not existing or incorrect, the booking will not push through. E2M System will send an error message to the E-TRACC System in which the broker or importer/exporter shall see a statement that the information is not existing or incorrect. This should be corrected by the declaration by repeating the procedure under the previous item of this section.

- If the SASD contains a single container and is already paid, the E-TRACC status column in SAD and OLRs Fingers and E-TRACC Status will be in "Booked" status.

If the SAD contains a single container and is not yet paid, the E-TRACC status column in SAD and OLRs Fingers and E-TRACC Status will remain in "No Booking" status.

- If the SAD contains multiple containers and some containers are already paid, the E-TRACC Status column in SAD Finder will be in "Partially Booked" status.

If the SAD contains multiple containers and all containers are already paid, the E-TRACC status column in SAD and OLRs Finders will be in "Booked" status.

If the SAD contains multiple containers and some containers have "Exempted" status and some have "Booked" status, the E-TRACC Status column shall be in "Booked/Exempted" status.

- If all containers are exempted from E-TRACC, the E-TRACC Status column shall be in "Exempted" status.
- The Customs Operations Officer V (Appraiser) shall check the E-TRACC Status column of the goods declaration.

If the E-TRACC Status column has "Booked" status, the Appraiser should be able to complete the assessment of the goods.

If the E-TRACC Status column has "Partially Booked" status, the Appraiser shall check the E-TRACC tab in SAD to determine if all the containers have booking or some of the containers area exempted from E-TRACC booking.

If all the containers require booking, the Appraiser shall inform the broker, importer or exporter to complete the booking.

If some of the containers are exempted, the Appraiser can update the E-TRACC tab and modify the E-TRACC Status column by changing the status to "Exempted."

- Upon completion of the assessment and the goods are already in released status as reflected in the OLRs, the E-TRACC personnel can proceed to attach the arm and the E-TRACC device to the container/s. The E-TRACC System shall send a timestamp when the container is released from the port. The timestamp shall also be reflected in the E2M OLRs Release Instruction Container tab's "Time Released" field containing the date and time of release from the port.

- Upon arrival of the container/s at the point of destination, the E-TRACC shall send the timestamp for Time Arrived. E2M shall record the timestamp in OLRIS Release Instruction Container tab's "Time Arrived" field containing date and time of arrival.
- For the disarming of the E-TRACC device from the container/s, a timestamp shall be sent to the E2M as "Time Received". E2M shall record the timestamp in OLRIS Release Instruction Container tab's "Time Received" field containing date and time of receipt.
- The disarming of the E-TRACC device shall also prompt E2M for the auto-tagging of the "Tag Arrived" status for T-SAD/P-SAD and "Validate Shipment" for W-SAD.

As for E-SAD, all E-TRACC timestamps and OLRIS release status should be specified before E2M auto-tags E-SAD for the "Export Release" status.

For other transfers using the E-TRACC System as directed by the Commissioner or duly authorized customs official, the Management Information System and Technology Group (MISTG) shall develop a similar system to auto-tag in the E2M the disarming of the E-TRACC device.

Implementation

Unless inconsistent with this Order, CMO No. 4-2020 shall remain in full force and effect.

The Deputy Commissioner, Assessment and Operations Coordinating Group (AOCG) shall ensure that the brokers, importers and exporters are fully informed of the changes of operational procedure for booking of containers under the E-TRACC System. SAD and "Validate Shipment" for W-SAD.

Repealing Clause

All CMOs and Memoranda issued contrary to this Order are hereby repealed or amended accordingly.

Effectivity

This Order shall take effect immediately.

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Order.

CMC NO. 75-2022

Issue Date: June 3, 2022

KEYWORDS: duty, import, modification

In view of the effectivity of **Executive Order No. 171 (series of 2022)** on "Temporarily Modifying the Rates of Import Duty on Various Products under Section 1611 of Republic Act No. 10863, otherwise known as the "Customs Modernization And Tariff Act"" on 15 June 2022, which shall be effective until 31 December 2022, all concerned are informed that all articles specifically listed in Annex A of EO 171 (s. 2022), which are entered into or withdrawn from warehouses in the Philippines for consumption, shall be levied the temporary MFN rates of duty as prescribed therein.

Thus, the Bureau of Customs' Electronic to Mobile (E2M) System is hereto required to reflect the temporary MFN rates of duty pursuant to the said EO.

All District and Sub-Port Collectors, and all others concerned are hereby directed to confirm the dissemination of this Order throughout their offices within five (5) days from receipt thereof for records purposes.

This Order shall take effect on 15 June 2022.

MISTG MEMO NO. 07-2022

Issue Date: June 16, 2022

KEYWORDS: exemption, San Miguel Aerocity Incorporated, RA No. 11506, tax

In accordance with Customs Memorandum Circular No. 220-2021 relative to the tax exemption of San Miguel Aerocity Incorporated under Republic Act No. 11506, Section 16, please be informed that the following procedural code has been created effective on 17 June 2022:

Procedural Code	Description
L20	RA 11506, San Miguel Aerocity Inc, Duty, VAT & Excise Exempt

The above procedural code can be utilized upon issuance of electronic Tax Exemption Certificate (TEC) by Tax Exempt Division which is subject to the submission of documentary requirements.

For your information.

OCOM MEMO NO. 75-2022

Issue Date: June 16, 2022

KEYWORDS: line item, net weight, PEZA, shipments

In consideration of the concerns raised by the Conference of Asia Pacific Express Carriers (CAPEC) relative to the implementation of Net Weight per line item in the Transshipment Single Administrative Document (TSAD) declaration covering all Philippine Economic Zone Authority (PEZA) shipments, and in the exigency of service, the use of Total Gross Weight as Net Weight Value in the TSAD declaration and the use of proration method based on gross weight to get the net weight per line item are hereby allowed, provided, that the net weight can be ascertained in the submitted import documents of goods such as the packing list, to check on the accuracy of declared weight.

However, the use of this method shall only be employed for purposes of trade facilitation and pending the net weight inclusion and E2M-PEZA integration in the CAPEC's system.

For your strict compliance.

OCOM MEMO NO. 76-2022

Issue Date: May 12, 2022

KEYWORDS: Basic Governance Documents, BOC

In connection with the Disposition Form dated March 7, 2022 re: "Cascading of the Refreshed 2019 to 2027 Basic Governance Documents," the PGS Core Team, in coordination with the Office for Strategy Management (OSM) – Central, cascaded the approved BOC Basic Governance Documents such as Strategy Map, Roadmap and Governance Scorecards to all the Deputy Commissioners, Assistant Commissioner and OSM Senior and Junior Representatives of March 11, 2022.

In view of the foregoing, the adoption of the 2022 BOC Basic Governance Documents shall take effect immediately. The OSM Central shall distribute the posters of the Basic Governance Documents for the information of all BOC Personnel.

For strict compliance.

AOCG MEMO NO. 201-2022

Issue Date: June 1, 2022

KEYWORDS: coal, export, price, Vietnam

To guard against undervaluation and trade misinvoicing, all district collectors shall vigilantly monitor and ensure the correct valuation of Coal from Vietnam.

In this regard, the following table shows the export price of Coal obtained by the Department of Trade and Industry (DTI) from its official source in Thailand:

Product Description	CO	Source	Price	Price (USD/KG)
Coal / Coal Product	VN	Thai, Ministry of Industry and Trade	USD 401/Ton	0.401

For strict implementation.

AOCG MEMO NO. 202-2022

Issue Date: June 3, 2022

KEYWORDS: advance rulings, import, tariff classification

Pursuant to the provisions of Section 1603 (f) of the Customs Modernization and Tariff Act (Republic Act 10863) and Section 4.9 of Commission Order No. 2017-1 (Procedure on Application for an Advance Ruling on Tariff Classification related to Importation of Goods), the Tariff Commission furnished copy of the Advance Ruling (AF) on Tariff Classification with Tariff Classification Circular (TCC/AR) issued on 31 May 2022 and the same having been reviewed and summarized as follows:

TCC NO.	DESCRIPTION OF ARTICLES	2017 AHTN CODE	2020 RATES OF DUTY
22-046	"MECHANICAL COARSE SCREEN, MODEL: FHG 1.488 x 3.09"	8428.90.90	MFN - Zero* ACFTA - Zero*
<i>*Subject to submission of their corresponding CERTIFICATE OF ORIGIN (CO).</i>			

AOCG MEMO NO. 204-2022

Issue Date: June 10, 2022

KEYWORDS: advance rulings, import, tariff classification

Pursuant to the provisions of Section 1603 (f) of the Customs Modernization and Tariff Act (Republic Act 10863) and Section 4.9 of Commission Order No. 2017-1 (Procedure on Application for an Advance Ruling on Tariff Classification related to Importation of Goods), the Tariff Commission furnished copy of the Advance Ruling (AF) on Tariff Classification with Tariff Classification Circulars (TCC/AR) issued on 06 June 2022 and the same having been reviewed and summarized as follows:

TCC NO.	DESCRIPTION OF ARTICLES	2017 AHTN CODE	2020 RATES OF DUTY
22-024	"PREMIX A AND FOLIC ACID"	2936.90.00	MFN - Zero* ATIGA - Zero*
22-102	"IONITY HAIR BRUSH MODEL: EH-HE10VP421"	8509.80.90	MFN - 5% Ad Valorem ACFTA - Zero*
21-374	"POTENTIAL TEST TERMINAL BLOCK, MODEL: YS PTT-04C"	8536.90.12	MFN - Zero* AKFTA - Zero*
22-057	"TABASCO BRAND HABANERO SAUCE"	2103.90.13	MFN - 7% Ad Valorem

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

AOCG MEMO NO. 205-2022

Issue Date: June 10, 2022

KEYWORDS: advance rulings, import, tariff classification

Pursuant to the provisions of Section 1603 (f) of the Customs Modernization and Tariff Act (Republic Act 10863) and Section 4.9 of Commission Order No. 2017-1 (Procedure on Application for an Advance Ruling on Tariff Classification related to Importation of Goods), the Tariff Commission furnished copy of the Advance Ruling (AF) on Tariff Classification with Tariff Classification Circulars (TCC/AR) issued on 07 June 2022 and the same having been reviewed and summarized as follows:

TCC NO.	DESCRIPTION OF ARTICLES	2017 AHTN CODE	2020 RATES OF DUTY
22-088	"IKEA 365+ CARAFE WITH STOPPER 0.5 L CLEAR GLASS/CORK AP"	7013.42.00	MFN - 15% Ad Valorem
22-086	"IKEA 356+ CARAFE WITH SOPPER 1 L CLEAR GLASS/CORK AP"	7013.42.00	MFN - 15% Ad Valorem
<i>*Subject to submission of their corresponding CERTIFICATE OF ORIGIN (CO).</i>			

AOCG MEMO NO. 207-2022

Issue Date: June 17, 2022

KEYWORDS: Certificate of Origin Form D, electronic, paper-based

This is to reiterate that manual Certificate of Origin cannot be viewed and verified using the TradeNet System. Hence, verification of manual/paper-based CO Form D shall be done thru the Specimen Signature folder provided by the Export Coordination Division (ECD), Port Operations Service, AOCG.

For electronic Certificate of Origin (e-CO) Form D, verification and utilization shall be made using the TradeNet System.

For information.

AOCG MEMO NO. 208-2022

Issue Date: June 1, 2022

KEYWORDS: linear alkyl benzene sulphonate (LABS), linear alkyl benzene sulphonic acid (LABSA), undervaluation

To guard against undervaluation and trade misinvoicing all district collectors shall vigilantly monitor and ensure the correct valuation of Linear Alkyl Benzene Sulphonic Acid (LABSA)/Linear Alkyl Benzene Sulphonate (LABS).

In this regard, the following table shows the export prices obtained by the Department of Trade and Industry (DTI) from official sources in the following countries:

PRODUCT DESCRIPTION	CO	SOURCE	PACKAGING TYPE	PRICE PER PACKAGING TYPE	PRICE EQUIVALENT IN USD/KG
Alkyl Benzene Sulfonate (ABS) Hard	ID	Cakra Kimia Retailindo	500 grams	Rp 20,000 (USD 1.39/500g)	2.78
			1 kg	Rp 35,000	2.44
Linear Alkyl Benzene Sulfonate (LABS/ABS Soft)	ID	Maestro Kimia	1 kg	Rp 32,000	2.23
			5 kg	Rp 135,000 (USD 9.41/5kg)	1.88
Linear Alkyl Benzene Sulphonate (LABSA)	ID	PT. Indokemika Jayatama	Metric Ton (210 kg Drum)	USD 1650/MT	1.65
Linear Alkyl Benzene Sulphonic Acid Not Processed	KR	Official Source in Seoul, South Korea	Metric Ton	₩ 2,225,000	1.81
Linear Alkyl Benzene Sulphonic Acid Heat Resistant				₩ 2,600,000	2.11
Linear Alkyl Benzene Sulphonic Acid Flame Retardant				₩ 3,085,000	2.50

Estimated Exchange Rates:
 1 USD = 14,350 Rp (Indonesian Rupiah)
 1 USD = 1,232 ₩ (Korean Won)

For strict implementation.

AOCG MEMO NO. 220-2022

Issue Date: June 27, 2022

KEYWORDS: CAO 03-2020, CMO 24-2021, reiteration

Pursuant to the Provisions of CMO 24-2021, particularly Section 13 thereof which states that in selecting accredited service contractor/s who shall undertake condemnation, the Condemnation Committee shall observe that "Only service contractors with sufficient facility/equipment/machineries to perform the required mode of condemnation will be considered."

In view thereof, you are hereby reminded to strictly observe the proper selection of accredited service contractors in relation to their capabilities to accomplish the condemnation activities of certain commodities. Be further reminded that the Director, Port Operations Service as mandated by CAO 03-2020, is given the duty to resolve any disputes or complaints arising from the decisions or actions of the Condemnation Committee.

For strict compliance.

ABOUT US

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

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

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