



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA
BOX NO. 443
ZIP CODE NO. 1099

December 14, 1993

CUSTOMS MEMORANDUM
ORDER NO. 30 A-93

TO : All Deputy Commissioners
District/Port Collectors
Service/Division Chiefs
Others Concerned

SUBJECT: Implementation of the Monetary Board Resolution
Exempting Shipments of Garment Exporters from Pre-
shipment Inspection Scheme under Joint Order No. 1-
91 subject to certain conditions, modifying CMO 30-
93.

I. OBJECTIVES :

1. To facilitate the clearance of shipments of garment firms operating Customs Manufacturing Bonded Warehouses (CMBW).
2. To adopt control measures in preventing smuggling thru CBMW in view of the removal of SGS Pre-Shipment Inspection Scheme.

II. ADMINISTRATIVE PROVISIONS :

1. General Provisions :

All importations by garment manufacturers operating Customs Bonded Manufacturing Warehouses as well as by members of Customs Common Bonded Manufacturing Warehouses may be exempted from Pre-shipment inspection under the Comprehensive Import Supervision Scheme upon proper accreditation and satisfaction of the following conditions :

- 1.1 that the firm has been in the garment manufacturing business for the last five (5) years;
- 1.2 that the firm has demonstrated regular export sales of at least US\$500,000.00 per annum;

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- 1.3 that the firm and its principal stockholders and officers have not violated any rules and regulations of the Garment and Textile Export Board (GTEB), Bangko Sentral ng Pilipinas (BSP) and Bureau of Customs (BOC) governing import/export operations during this five year period nor have any pending case whether administrative or judicial regarding the conduct of importation of its raw materials;
 - 1.4 that the firm is not delinquent in the liquidation of imported raw material;
 - 1.5 that the raw materials and supplies are directly used in the manufacture of the products to be exported;
 - 1.6 that the firm will commit to computerize its operations with due consideration to its size and scope, along the lines to be set by the Bureau of Customs (Annex "A") especially in the matter of accounting and liquidation of its raw material import;
 - 1.7 that the firm must show a substantial asset base commensurate to its level of operations as indicated by the (a) ownership of long term lease of manufacturing facility; (b) ownership or long term lease of the land and the building on which the factory is operating.
2. Documentary Requirements :
- 2.1 List of raw materials and supplies allowed by GTEB and Customs to be imported.
 - 2.2 Computerization proposal following the guidelines set in Annex "A" hereof.
 - 2.3 Copies of Transfer Certificate of Title or equivalent documents indicating ownership to the land and/or improvements or certified copy of lease contract for at least five (5) years or that of its manufacturing facilities for the same period.
 - 2.4 Board resolution designating the person as its authorized representative to sign for and on behalf of the applicant firm.

3. Accreditation :

The Accreditation Committee constituted under CMO No. 34-93 shall continue to evaluate all applications for accreditation indorsed by GTEB,

4. Secretariat

The Secretariat of the Accreditation Committee shall be the Bonded Warehouse Coordination Division under the Import Assessment Service.

5. Suspension of Certificate of Accreditation -

The Commissioner of Customs, motu proprio or upon recommendation of the District Collector, may suspend or cancel/revoke the Certificate of Accreditation any time.

III. OPERATIONAL PROCEDURE :

1. The operator/applicant shall accomplish and file the application in the form Annex "B" accompanied with the required documents which GTEB shall initially evaluate.
2. If the application is in order, GTEB shall favorably indorse the application to the Commissioner (Attention : The Secretariat) using a format that GTEB will design for the purpose.
3. Upon receipt of the indorsement from GTEB the Secretariat shall secure clearance from the Office of the Commissioner which shall be considered by the Committee in the evaluation of the application.
4. Computerization Proposal :
 - a. Applications without the computerization proposal but covered with commitment to computerize its operation shall be conditionally approved subject to submission of the proposal within ninety (90) days from date of conditional approval.
 - b. Applications covered with computerization proposal shall also be conditionally approved subject to the approval of the plan by the Customs Computer Center.

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- c. After the lapse of ninety (90) days and no computerization plan is submitted or having submitted such plan is rejected by Customs Computer Center, the conditionally approved application shall be automatically suspended.
- d. The approved computerization plan by Customs Computer Center shall in all cases be made operational within six (6) months from receipt of the approved application for accreditation otherwise the accreditation shall be automatically revoked/cancelled.

IV. PENALTIES :

Any willful violation by the applicant/operator of any provision of the Tariff and Customs Code, as amended and related special laws, rules and regulations more particularly this Customs Memorandum Order and its implementing orders, shall be a cause for the immediate suspension, revocation or cancellation of the Certificate of Accreditation without prejudice to the imposition of whatever penalty/ties prescribed under the provisions of Part 4, Title VI and the criminal liability of the importer under Part 3 Title VIII both of the Tariff and Customs Code.

- V. This supersedes CMO 30-93 and shall be numbered CMO 30A-93. All Memorandum order. Rules and Regulations inconsistent with this Order are deemed repealed or modified accordingly.

VI. Effectivity :

This Order shall take effect immediately.


GUILLERMO L. PARAYNO, JR.
Commissioner

ANNEX "A"

GUIDELINES FOR COMPUTERIZATION

A) CONCEPT OF OPERATIONS :

As a qualification requirement for exemption from pre-shipment inspection under the Comprehensive Import Supervision Scheme and to enable the Bureau of Customs to monitor the accounting and liquidation of raw material imports, the following shall serve as guidelines for computerization of the operations of garments exporters, or where computerized systems already exist these guidelines shall serve as enhancement or extension thereto.

B) OPERATIONAL OBJECTIVES :

1. Relational Database Management System (RDBMS) files on Imports Entries, Exports Permits/Declarations, bill of Lading/Airway Bills, and Dollar Remittances shall be created and maintained with the computerized system; such files to be convertible to MS-DOS format in order to assure compatibility with the EOC systems;

2. Reports showing :

- * dollars inflows and outflows resulting from the operations as well as the net foreign exchange earnings generated.
- * remaining stocks (in warehouse) by commodity groups.
- * list of overstaying shipments.
- * list of uncanceled bonds.

shall be generated and submitted to the Bureau, at any time, upon demand.

C) Action Required :

A project plan outlining how the operational objectives will be complied with, shall be included in the Computerization Proposal to be submitted as required under Section II (1.6) of the Administrative Provisions of this Customs Memorandum Order.

- 6.2 that the firm has demonstrated regular export sales of at least US\$500,000.00 per annum;
- 6.3 that the firm and its principal stockholders and officers have not violated any rules and regulations of the Garment and Textile Export Board (GTEB), Bangko Sentral ng Pilipinas (BSP) and Bureau of Customs (BOC) governing import/export operations during this five years period nor have any pending case whether administrative or judicial regarding the conduct of importation of its raw materials;
- 6.4 that the firm is not delinquent in the liquidation of imported raw material;
- 6.5 that the raw materials and supplies are directly used in the manufacture of the products to be exported;

U N D E R T A K I N G

Applicant has read all pertinent BOC, GTEB and BSP rules and regulations and hereby undertakes and commits to abide by them.

Applicant HEREBY SOLEMNLY DECLARES, under pain of perjury that the information herein mentioned and the documents submitted herewith are true/genuine. It is hereby understood that any misrepresentation, false statement, non-disclosure of any material information herein required shall be a cause for denial of this application without prejudice to whatever administrative or legal action that Customs may take against the applicant under the circumstances.

Operator/Company
Name

By : _____
Signature over printed name

Position _____

Date _____

REPUBLIC OF THE PHILIPPINES
In the City/Province of _____

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ANNEX "B"
(As modified)

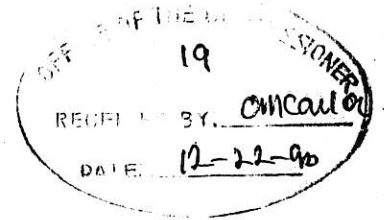
APPLICATION OF ACCREDITATION FOR
EXEMPTION FROM SGS PRE-INSPECTION SCHEME

Fursuant to Joint Order 1 91, as amended, I have the honor to apply for Exemption from SGS Inspection and hereby state the following relative to this application:

1. Name of Firm :
2. Address: Office : Tel. No.
Plant : Tel. No.
3. Nature of Warehouse : Customs Bonded Mfg. Warehouse
 Member of Customs Common Bonded Warehouse
4. Kind of Business Entity :
 Corporation Partnership Single Proprietorship
5. Attached are the following required documents :
 - 5.1 Computerization proposal set along the line provided in Annex "A" hereof.
 - 5.2 List of materials and supplies/accessories authorized by BOC/GTEB to be imported in connection with the warehousing operations.
 - 5.3 Copies of Transfer Certificate of Title or equivalent documents indicating ownership to the land and/or improvements or certified copy of lease contract for at least five (5) years or its manufacturing facilities for the same period.
 - 5.4 Board resolution designating the person as its authorized representative to act for and in behalf of the firm.
6. We hereby further manifest :
 - 6.1 that the firm has been in the garment manufacturing business for the last five (5) years;



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1st Indorsement
22 Dec. 1993

Respectfully forwarded to the Commissioner of Customs the within draft CMO 30A-93 superseding CMO 30-93 and other Orders relative to the implementation of Joint Order No. 1-91 exempting the importation of the garment industry from SGS inspection.

The aim of this Order is to consolidate into one (1) Memorandum Order this regulation to avoid confusion.

For his consideration.


TITUS B. VILLANUEVA
Deputy Commissioner