



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

October 16, 1997

CUSTOMS MEMORANDUM ORDER
NO. 32-97

**Subject: GUIDELINES ON THE IMPLEMENTATION OF
AUTOMATED PROCESSING OF WAREHOUSING
ENTRIES AT CUSTOMS DISTRICT III - NAIA**

1.0 Objectives

- 1.1 To align processing of warehousing entries at Customs District III-NAIA with the automated processing of warehouse entries at the Port of Manila.
- 1.2 To facilitate legitimate cargo clearance by subjecting declared shipments with the Selectivity System.
- 1.3 To initiate the necessary steps towards a queueless, paperless, cashless 24-hour BOC public service.

2.0 Scope

- 2.1 This Order shall be applicable to Customs District III-NAIA and its different CBWs.

3.0 General Provisions

- 3.1 The general provisions embodied in CMO 20-97 shall be followed except item 3.3 which shall be modified to read as:
 - “ Payment of IPF, boatnote, and service fees shall be done using a pre-payment scheme set-up and the amount provided for by consignees and/or CBW operators. In the meantime that this pre-payment scheme

has not been set-up, payment of the service fees shall be done at the Collection Division (CD). ”

- 3.2 Initial implementation of warehouse entry processing shall be at the Customs headquarters but later shall be at the CPBW/CYCFS where the goods are inbonded and a composite team of BOC personnel are detailed.

4.0 Operating Provisions

Processing of warehousing entry shall generally follow existing procedures for formal entry as prescribed in CMO 18-96 A to D and CMO 32-96. Details of the procedure also mirrors the operational provisions of CMO 20-97 for warehousing entries at the Port of Manila (please refer to Annex A for the graphical presentation of the procedure). The detailed procedure is as follows:

4.1 Collection Division

Payment of IPF and other fees shall first be made at CD as prescribed in 3.1.

4.2 Entry Encoding Center (EEC)

4.2.1 Receives and stamps "Warehousing" to distinguish it from the regular consumption entry.

4.2.2 Encodes required data in the ACOS System.

4.2.3 Advises the Broker/Representative on the results of ACOS computation of duties and taxes after conducting a "Check".

4.2.3.1 If the Broker/Importer representative disagrees with the ACOS computation and there is a need for Warehouse Assessment Unit (WAU) staff to resolve the problem, the EEC encoder shall use the appropriate code for the entry to be assigned to Yellow lane.

4.2.4 The EEC encoder shall call the Assessment Module which in turn will trigger Selectivity and then prints two copies of the Assessment Notice (AN). Once the entry has been assessed in the computer or the Broker/Importer representative express agreement on the encoded data, the declaration entry shall now be official and binding on the Importer.

4.2.5 Stamps "Green Lane" or "Selected" on entries based on what was determined by the system.

4.2.6 EEC gives a copy of the AN and the blue copy of the IEIRD to the Broker/Importer representative.

4.2.7 Sends all other copies to Entry Processing Unit (EPU) for the next process.

4.3 Entry Processing Unit (EPU) of WAU

4.3.1 Checks documents.

4.3.2 Segregates the different copies and based on the Selectivity color, immediately sends the working copy and other pertinent documents to Bonds Division (greenlane entries) and to Warehouse Assessment Unit (selected entries).

4.3.2.1 However, the BIR copy shall be used for the manifest write-off while the working copy is being processed in parallel.

4.3.3 Writes-off manifest using the BIR copy of the IEIRD and afterwards sends the BIR copy of the IEIRD to the intended recipient.

4.4. Warehouse Assessment Unit (WAU)

4.4.1. The assigned COO3 Performs mandatory document appraisal, amendment, and registers the entry in ACOS.

4.4.2. Determines Selectivity color:

4.4.2.1 If the channel is Yellow, the assigned COO5 then checks the required documents and amends the entry in ACOS if applicable.

4.4.2.2 If the color is Red, the assigned COO3 then conducts physical examination of the shipment at the Customs bonded warehouse where the goods are located and later enters the results of examination in the working copy and ACOS as prescribed in CMO 18-96 A to D.

4.4.3 The COO5 then performs final review, re-routing, and assessment in ACOS.

4.4.4 Sends all other copies to Bonds Division for the next process.

4.4.5 Aside from the other activities mentioned above, WAU shall perform post audit checks on all greenlane entries from CBWD.

4.5 Bonds Division (BD)

4.5.1 Receives and checks the documents.

4.5.2 Checks the Selectivity color of the entry by retrieving the electronic copy in ACOS.

4.5.3 Applies the bond against the shipment.

4.5.4 Sends the declaration entry and other necessary documents to Operations Division (CBWD).

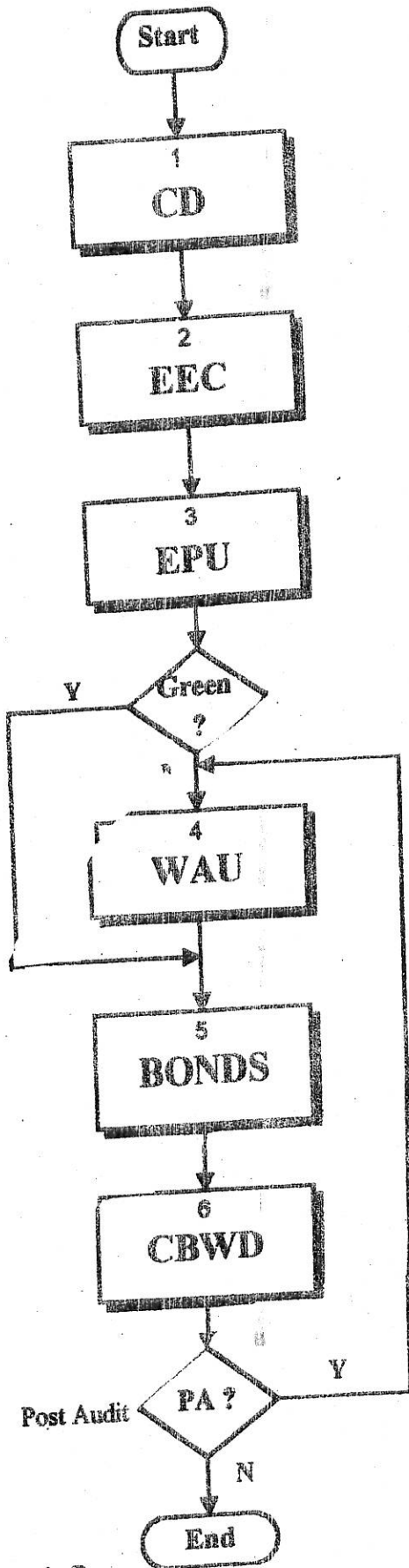
4.6 Customs Bonded Warehouse Division (CBWD)

4.6.1 Posts the warehousing transaction.

4.6.2 Checks importable and accounts quota balances.

4.6.3 Lifts the duty stop. However, if the On-line Release System is not yet operational, existing procedure of transmitting the release order to the appropriate warehouse shall be followed. The transmittal shall be official and necessary security in the transmittal of the release order shall be strictly implemented.

NAIA WAREHOUSE CLEARANCE PROCESS General Work Procedure



Collection Division
* Collection of IPF, Boatnote & OT fees

Entry Encoding Center
* Encoding of entry
* Triggering of Selectivity
* Printing of assessment notice

Entry Processing Unit
* Document check
* Segregation and transmittal
- Working copy to proceed to next process
- Manifest write-off using BIR copy only

Warehouse Assessment Unit
* Document appraisal, amendment, & registration
* Final appraisal, re-routing, and electronic assessment
* Physical examination
* Post Entry
* Post Audit of Green Lane entries

Bonds Division
* Checking of entry in ACOS
* Bond application

Customs Bonded Warehouse Division
* Posting of transactions
* Checking of Importables
* Lifting of duty stop/ transmittal of release order
* Safekeeping of warehousing entries

Note :
Procedure to change slightly when processing is move to individual warehouses

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5.0 Repealing Clause

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

6.0 Effectivity

This Order shall take effect on September 8, 1997.


GUILLERMO L. PARAYNO, JR.
Commissioner

CMO-32-97

5.0 Repealing Clause

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

6.0 Effectivity

This Order shall take effect on September 8, 1997.


GUILLERMO L. PARAYNO, JR.
Commissioner