



MAR 05 2009

Customs Memorandum Order

No. 10-2009

**Subject:** Procedures for the Implementation of e2m Customs - Import Assessment System (IAS) at the Port of Batangas starting March 21, 2009.

**1 Objectives**

- 1.1 To implement IAS of the Electronic to Mobile (e2m) Customs Project at the Port of Batangas;
- 1.2 To resolve implementation issues in preparation for the roll-out to the Port of Manila and other ports.

**2 Scope**

This Order provides detailed instructions to declarants, importers, warehouse operators, shipping lines, forwarders, transit storage facilities, authorized agent banks, accredited Value-Added Service Providers (VASPs), government agencies issuing licenses and clearances, the concerned Department of Finance offices issuing Tax Exemptions and Tax Debit Memos and Customs personnel in Batangas on the customs clearance process to be observed under IAS of e2m Customs.

The following components of IAS e2m Customs shall be implemented at the Port of Batangas:

- Client Profile Registration System (CPRS)
- Electronic Manifest System (EMS)
- Clearance of Formal Entry System (FES)
- Clearance of Warehousing Entry System (WES)
- Payment Abstract Secure System version 5.0 (PASS5)
- Non-cash Payments (NCP) consisting of Tax Exemptions, Import Entry Declaration (IED) for Advance Duties, Tax Debit Memos (TDM), Deferred Payment of Government Account
- On-Line Release Systems (OLRS)

The License and Clearance System (LCS) shall be implemented for government agencies that are ready to upload their issued licenses, clearances and other authorizations to e2m Customs.

**3 General Provisions**

- 3.1 Dual Declaration System

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Upon effectivity of this order, IAS shall be made operational at the Port of Batangas together with the current Automated Customs Operations System (ACOS).

- 3.1.1 All import shipments, except for transits, arriving at the Port of Batangas on 21 March 2009 and onwards shall be declared in e2m Customs.
    - 3.1.1.1 Import shipments that arrived at the Port prior to 21 March 2009 shall be declared under ACOS using current existing systems and procedures.
    - 3.1.1.2 All transit shipments (from Batangas to other local ports including economic zones) shall continue to be declared under ACOS until e2m Customs Transit System is ready.
    - 3.1.1.3 Export declarations shall continue to be declared under ACOS until e2m Customs Export System is ready.
    - 3.1.1.4 Selected and Unpaid declarations in ACOS as of 21 March 2009 shall be processed, paid and released under ACOS.
  - 3.1.2 Date of Arrival at the Port is the Date of the Registry of the carrying vessel. Importers / Agents must check with the shipping line or Non-Vessel-Owner Common Carriers (NVOCCs) the date of the carrying vessel's registry.
  - 3.1.3 Only Customs brokers and importers registered with CPRS pursuant to CMO 39-2008 shall be allowed to submit declarations in e2m Customs.
  - 3.1.4 e2m Customs cargo declarations must be filed through a VASP accredited for IAS of e2m Customs.
  - 3.1.5 Lodgment of consumption and warehousing declarations under ACOS shall be deactivated when all import shipments that arrived prior to 21 March 2009 are either entered or abandoned.
  - 3.1.6 The changes in the e2m Customs Single Administrative Document (SAD) vis-a-vis the ACOS SAD are listed in Operational Provisions, Item 4.1.
- 3.2 Vessel Arrival Procedures
- 3.2.1 Vessels arriving at the Port of Batangas shall notify the Port Operations Division (POD) of the details of their arrival, following procedures in Operational Provisions, Item 4.2.
  - 3.2.2 For the efficient implementation of e2m Customs, shipping lines/NVOCCs must endeavor to notify the consignee of the successful registration of the manifest and the availability of the Bill of Lading. This provision does not relieve the consignee of his responsibility to file the declaration with the period set forth by law.
- 3.3 Electronic Manifest (EMS)
- 3.3.1 All vessels arriving on and after 21 March 2009 (with Registry dated 21 March 2009 or later) shall submit electronic manifests

in e2m Customs under the procedures in Operational Provisions, Item 4.3.

3.3.2 All NVOCCs handling cargo on vessels arriving on or after 21 March 2009 shall submit consolidation manifests in e2m Customs under the procedures Operational Provisions, Item 4.3.

3.3.3 The e2m Customs system shall ensure that transit declarations processed under ACOS shall have their bills of lading available in ACOS

3.3.4 Shipping lines and NVOCCs must be registered in CPRS pursuant to CMO 39-2008 before they can submit their manifests to e2m Customs.

3.4 Paper Submission of the Declaration

Until the issuance of further Orders, the declaration shall be submitted in the Bureau's official IEIRD form (BOC Form 236) together with the required supporting documents on the following time period:

3.4.1 Super Green Lane (SGL) Declarations – the paper declaration and the supporting documents shall be submitted to the Entry Processing Unit of the Port of Balangas no later than Tuesday of the week following the declaration Customs Registration date.

3.4.2 All other Declarations: for e2m Customs declarations channeled to the GREEN, YELLOW or RED channel, the paper declaration and the supporting documents shall be submitted prior to release of the shipment.

3.5 Licenses and Clearance

3.5.1 Authority to Release Imported Goods (ATRIG)

3.5.1.1 Authority to Release Imported Goods (ATRIG) prepared by the Bureau of Internal Revenue for motor vehicles that are to be sold commercially are now issued ATRIGs without the presentation of the ACOS-registered IEIRD.

3.5.1.2 Authority to Release Imported Goods (ATRIG) for privately-owned motor vehicles shall be issued, upon presentation of a VASP SAD printout showing the correct calculation of landed cost. The VASP printout shall be considered as the declarant's self-assessment and will be used for evaluating the importer's application for an ATRIG.

3.5.1.3 In all cases of motor vehicle importations, the BIR will be able to issue the ATRIG without the presentation of an ACOS-registered IEIRD. Please see Annex A for a sample of the e2m Customs ATRIG.

3.5.2 License and clearance issued by government agencies that are not yet ready for e2m Customs

3.5.2.1 Manual licenses and clearances shall continue to be processed in the current procedure of selecting the SAD

into the YELLOW channel to enable the verification of the license or clearance by the BOC examiner.

3.6 Assessment

3.6.1 Assessment shall follow the existing procedure.

3.6.2 To ensure that an e2m Customs declaration is accepted and assessed successfully, all non-cash payments claimed in the declaration should be existing in the e2m Customs database before the declaration making the reference is lodged.

3.7 Payment

3.7.1 Payment for duties, taxes and other charges must comply with CAO 10-2008 and CMO 6-2009.

3.7.2 Utilization of a Tax Exemption Certificate shall follow the procedure in Operational Provisions, Item 4.4.

3.7.3 Utilization of a Tax Credit Certificate through a Tax Debit Memo (TDM) for payment shall follow the procedure in Operational Provisions, Item 4.5.

3.7.4 Utilization of TDM previously used for payment and with remaining balance shall follow the procedure in the Operational Provisions, Item 4.6.

3.7.5 Advance Payment of Duties (IED) shall be submitted to e2m Customs through the accredited VASPs in the form of a Single Administrative Document.

3.7.5.1 New IEDs intended to pay for shipments arriving at the Port of Batangas shall be lodged with e2m Customs on and after 21 March 2009.

3.7.5.2 IEDs with existing balances shall be treated as described in the Operational Provisions, Item 4.7.

3.7.6 Processing of Deferred Payment for Government Agencies shall follow the provisions for government importations, Operational Provision, Item 4.8.

3.8 On Line Release System

After completing e2m customs formalities and clearance procedures, release of the shipment shall be as follows:

3.8.1 For shipments stored at the ATI temporary storage facility in Batangas port, e2m Customs shall immediately generate an electronic release instruction after the bank debit confirmation is received from the BOC-BAP/PCHC payment gateway. ATI shall provide e2m Customs with the feedback message on the release of the shipment from the temporary storage facility.

3.8.2 For shipments NOT stored at the ATI temporary storage facility, a release instruction will be printed from e2m Customs, signed by the Port Collector or his designated representative and transmitted to the temporary storage facility. After the release, the paper will be returned to the Ports Operation Division who

will update the bill of lading status to signify shipment has been released to the consignee.

4 Operational Provisions

4.1 Changes in the e2m Customs SAD vis-a-vis ACOS SAD

SAD Box No.	Generic Label	Description
GENERAL SEGMENT		
28	Bank Ref. No.	The AAB Reference Number that was assigned to the debit account by the importer's bank of choice shall be indicated in this field. The Bank Reference Number has the format of NNNNNNNN-NNNNNNN where N stands for a numeric digit. Previously, this field contained the Document Serial Number of the BOC-issued IEIRD form.
ITEM SEGMENT		
37	PROCEDURE	Government importations availing of the Deferred Payment scheme shall indicate the code "DPG" in the Additional Code portion of this box.
ATTACHED DOCUMENT TAB (per item)		
	Code for License and Permit	Enter the code for License and Permit (28), if the commodity requires a license
	Reference	Enter the License Number assigned by e2m Customs to the License when the license was submitted by the issuing government agency to the e2m Customs License and Clearance System. The e2m Customs License Number shall be given the importer by the license-issuing agency. <b>Important:</b> The e2m Customs License Number is different from the license-issuing agency license reference number.
	Date	Enter the date of the License Approval by e2m Customs
CONTAINERS LIST		
	Container Reference	Enter the container number(s) covered by the shipment. Container number format is validated against ISO 6346, a standard for container naming.
	Description	A free text field

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SAD Box No.	Generic Label	Description
TERMS OF PAYMENT SEGMENT		
	Code	Enter 56 for a Tax Exemption Certificate Enter 57 for an IED (Advance Payment) Enter 58 for a Tax Debit Memo
	Account No	If code is 56, enter the system-issued Tax Exemption Certificate Number in this field If code is 57, enter the IED reference number in this field If code is 58, enter the TDM Number in this field

#### 4.2 Vessel Arrival Procedures

4.2.1 The cut-off time for the submission of shipping line manifest is set at 12 hours before the arrival of the vessel in accordance with CAO 1-2007.

4.2.2 Before the estimated date and time of vessel arrival, the shipping line shall officially inform the POD of the following details:

Port of Discharge	Port of Balangas
Registry Number	The format of the Registry Number is xxxNNNN-yy where xxx is the three letter code assigned to the shipping line, NNNN is a sequence number, a dash, yy which stands for the shortened year code.
Carrier code	The 3-letter alphabetic code assigned to the shipping line
Estimated Date and Time of Arrival	Estimated Date and time of vessel arrival

4.2.3 The cut-off time for manifest submission is calculated from the submitted Estimated Date and Time of Arrival.

4.2.4 If the vessel arrival is delayed, the shipping line must submit an updated date and time of arrival to the POD, who shall promptly update the e2m Customs Arrival Schedule with the new information.

4.2.5 The POD shall update the Arrival Schedule with the Actual Date and time of arrival after the vessel has arrived.

#### 4.3 Submission of Electronic Manifest

##### 4.3.1 Inward Foreign Manifest

4.3.1.1 Shipping lines shall submit their Inward Foreign Manifests to e2m Customs through an accredited VASP.

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- 4.3.1.2 Manifests submitted before the cut-off time shall be accepted by e2m Customs and auto-registered when the vessel arrival date and time lapses. A manifest submitted after the cut-off time but before vessel arrival shall be accepted by e2m Customs but has to be manually registered by an authorized BOC officer at the POD. A manifest that is submitted after vessel arrival shall be accepted by e2m Customs but shall be subject to existing rules and regulations for late submission of manifest.
- 4.3.1.3 The shipping line through the VASP shall be provided with electronic notification of successful or erroneous submissions.
- 4.3.1.4 Until further orders, all shipping lines discharging at Batangas shall e-mail their ACOS text file to the Port cargo handler. The manifests shall be stored with port cargo handler, ready to be uploaded to ACOS, in case an implementation blocker is encountered that will require a reversion from e2m Customs to the ACOS system.
- 4.3.2 Consolidation Manifest
- 4.3.2.1 NVOCCs shall submit their consolidation manifests to e2m Customs through an accredited VASP.
- 4.3.2.2 NVOCCs shall ensure that their master bill of lading has been registered in e2m Customs before they submit their consolidation manifests. NVOCCs shall register their consolidation manifests in e2m Customs after the manifests have successfully undergone e2m Customs registration.
- 4.3.2.3 e2m Customs shall accept submission of consolidation manifest after the cut-off time, but POD shall manually register the consolidation manifest in e2m Customs pursuant to existing rules and regulations.
- 4.3.2.4 The NVOCCs through the VASP shall be provided with electronic notification of successful or erroneous submissions.
- 4.3.2.5 Until further orders, NVOCCs shall e-mail their consolidation manifests in the ACOS text file format to the e-mail address [P04ConsolManifest@customs.gov.ph](mailto:P04ConsolManifest@customs.gov.ph). The consolidation manifest shall be kept by the Bureau, ready to be uploaded in ACOS, in case an implementation blocker is encountered that will require a reversion from e2m Customs to the ACOS system.

  
  
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#### 4.3.3 Manifest Amendment

Amendments to the manifest will be implemented in e2m Customs. There will be no change to the manual procedure accompanying this operation.

#### 4.3.4 Abandonment

Failure to file the entry or release the shipment as prescribed under Section 1301 in relation to Section 1801 of the Tariff and Customs Code of the Philippines (TCCP) and relevant customs rules and regulations shall render the shipment as abandoned by the system.

#### 4.4 Utilization of a Tax Exemption Certificate

##### 4.4.1 Tax Exemption Certificates (TEC) to be issued on or after 21 March 2009

4.4.1.1 Importers with shipments arriving at Batangas Port on or after 21 March 2009 and intending to use a TEC to effect the release of the shipments shall apply for the exemption at any of the following Department of Finance (DOF) Revenue Department offices: Mabuhay Lane, Internal Revenue Division and the Customs and Tariff Division.

4.4.1.2 Aside from the currently required supporting documents (Bill of Lading, Invoice, etc.), Importer shall also present a printout of the declaration printed out from his VASP submission (but not yet submitted to e2m Customs) to serve as a guide for the proper classification of the commodities being applied for exemption.

4.4.1.3 After the existing approval process (including the signing by the DOF designated signatory of the pre-printed Tax Exemption Certificate), Tax Exemption Certificates shall be encoded into the e2m Customs Tax Exemption system. The electronic Tax Exemption Certificate shall be assigned a unique reference number by e2m Customs.

4.4.1.4 This e2m Customs-assigned reference number is to be entered in the Terms of Payment Page of the declaration by the importer. (Please see Operational Provisions, Item 4.1)

4.4.1.5 A copy of the e2m Customs Tax Exemption Certificate is printed (A sample printout is in Annex B), and attached to the pre-printed Tax Exemption Certificate for release to the importer. The pre-printed Tax Exemption Certificate shall also be forwarded by official messenger to the Tax Exempt Division of the Bureau of Customs. ] //

4.4.1.6 The e2m Customs Tax Exemption Certificate and the pre-printed Tax Exemption Certificate are prepared only

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for DOF and the importer's reference. The electronic TEC is the valid authorization for the tax exemption.

- 4.4.1.7 The Tax Exemption-issuing offices of the DOF may query the e2m Customs Tax Exemption System to get the status of the Tax Exemption Certificates that they have issued.
- 4.4.2 Tax Exemption Certificates (TEC) issued prior to 21 March 2009
- 4.4.2.1 Importers holding unused TECs issued prior to 21 March 2009 shall bring their TECs to the original issuing office of the DOF Revenue Group.
- 4.4.2.2 After verification against DOF files and completion of the approval process, the unused TEC shall be encoded into the e2m Customs Tax Exemption System. The system shall assign a unique number to the TEC.
- 4.4.2.3 A copy of the e2m Customs Tax Exemption Certificate is printed (A sample printout is in Annex A), and attached to the pre-printed Tax Exemption Certificate for release to the importer. There is no need to forward the Tax Exemption Certificate to the BOC Tax Exempt Division as this office already has a copy of the pre-printed Tax Exemption Certificate.
- 4.4.3 This e2m Customs-assigned reference number is to be entered in the Terms of Payment Page of the declaration by the importer. (Please see Operational Provisions, Item 4.1)
- 4.4.4 The pre-printed Tax Exemption Certificate and the Tax Exemption Certificate printed from e2m Customs shall be attached to the paper IEIRD.
- 4.4.4.1 Upon submission to e2m Customs through the VASP, the Tax Exemption Certificate and the declaration are electronically matched. A Tax Exemption Certificate cited in the declaration must be existing in the e2m Customs database at the time the declaration is lodged. Otherwise, the declaration is rejected by e2m Customs. The importer may re-lodge the entry after making sure that the Tax Exemption Certificate has been successfully submitted by the DOF Revenue Department.
- 4.4.4.2 If the declaration is Selected, the Tax Exemption Certificate is verified by the BOC Examiner at the Assessment Division using the License and Clearance System.
- 4.4.4.3 If the declaration is channeled to Green, the paper IEIRD and the supporting documents, including the Tax Exemption Certificate, shall be routed by the Entry Processing Unit to the Tax Exempt Division for post-clearance verification.
- 4.4.5 The Tax Exempt Division shall conduct a review and evaluation of the pre-printed Tax Exemption Certificate they receive from

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DOF Official messenger in parallel with the e2m Customs clearance process that the declaration is subjected to.

4.4.5.1 At any time that the Tax Exempt Division discovers a Tax Exemption that is inappropriate or fraudulent, it shall immediately inform the originating office of the DOF Revenue Group who shall then cancel the Tax Exemption. Cancellation will render the Tax Exemption invalid during the e2m Customs matching of the Exemption against the importer declaration.

#### 4.5 Utilization of a Tax Credit Certificate

##### 4.5.1 Jointly-issued Tax Credit Certificate

4.5.1.1 The importer shall proceed to the One-Stop Shop Center of the Department of Finance to apply for a Tax Credit Certificate.

4.5.1.2 The One-Stop Shop Center of the Department of Finance shall issue the Tax Credit Certificate following its existing evaluation process. The original Tax Credit Certificate shall be conveyed to the BOC Tax Credit Secretariat, Attn: Deputy Commissioner for Operations and Assessment by an OSS-designated courier. The importer is given a photocopy of the TCC.

4.5.1.3 Before acceptance, the Tax Credit Secretariat shall verify the authenticity of the Jointly-issued TCC using the DOF system DIVAS. The BOC Tax Credit Secretariat shall treat the jointly-issued TCC in the same manner as a BOC-issued TCC by encoding the details of the TCC in the Tax Credit Module of e2m Customs. (Please refer to Item 4.5.3).

4.5.1.4 The BOC Tax Credit Secretariat shall be responsible for submitting TCC utilization reports to the DOF-OSS on periodic intervals, as agreed upon by the two offices.

4.5.1.4.1 The BOC Tax Credit Secretariat shall generate the TCC utilization report from e2m Customs.


4.5.1.4.2 In cases where the Tax Credit utilization is used to manually pay duties and taxes due for special calculations, the office of the District Collector shall prepare the TCC utilization report for these TCCs.

#### UTILIZATION

4.5.1.5 The importer shall present a copy of the VASP printout of his declaration with the complete calculation of duties and taxes as supporting documents to his application to the District Collector for utilization of the TCC. The importer's declaration is on a pending status with the VASP and has not been submitted to e2m Customs.

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- 4.5.1.6 The processing of the application for utilization shall be performed following existing procedures.
- 4.5.1.7 Upon approval of the importer's application for TCC utilization, the Tax Debit Memo covering the single shipment shall be generated using the e2m Customs TCC module.
- 4.5.1.8 The Tax Debit Memo shall be printed out for the importer's reference of the TDM Number. The electronic TDM uploaded in the e2m Customs TDM System shall be considered the authentic and authoritative document that is valid to be used for non-cash payment.
- 4.5.1.9 A ledger for the TCC is created in the system and this ledger will be updated as the TCC is utilized as payment of the duties and taxes is accomplished in the clearance process of the single shipment.
- 4.5.1.10 The importer or his representative shall cite the TDM number in the Terms of Payment (TOP) page of the declaration that he wishes to pay with the TDM. Please see Operational Provisions, Item 4.1 for additional details on filling up the e2m Customs SAD TOP.
- 4.5.1.11 When a TDM is used for the payment of duties and taxes, the electronic TDM is USED and shall not be available for subsequent payment of declarations. The importer may apply for a refund of the un-utilized portions of the TDM, if any, with the Tax Credit Secretariat.
- 4.5.2 Sole-issued Tax Credit Certificate by the DOF-OSS (For BOI Companies)
- 4.5.2.1 The importer shall proceed to the Port of Batangas District Collector, presenting a copy of the VASP printout of his declaration with the complete calculation of his duties and taxes, among other supporting documents required for his application for utilization of the TCC. This declaration is on a pending status with the VASP and has not been submitted to e2m Customs.
- 4.5.2.2 The processing of the application for utilization shall be performed following existing procedures.
- 4.5.2.3 The BOC Tax Credit Secretariat shall evaluate and approve the importer's application for TCC utilization, marking the application with the approved amount following existing procedures.
- 4.5.2.4 The approved importer's application and all supporting documents shall be brought by the importer to the DOF-OSS who shall issue the Tax Debit Memo for the amount approved by BOC. The DOF-OSS shall issue one TDM for one single shipment covered by the self-declaration of the importer evidenced by his declaration printout.

  
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- 4.5.2.5 Upon the approval of the application for a Tax Debit memo, the processing office at the Department of Finance shall encode the details of the Tax Debit Memo data into the e2m Customs TDM System.
- 4.5.2.6 The Tax Debit Memo shall be printed out for the importer's reference of the TDM Number. The electronic TDM uploaded in the e2m Customs TDM System shall be considered the authentic and authoritative document that is valid to be used for non-cash payment.
- 4.5.2.7 For a period of time before the 21 March 2009 start of implementation in the Port of Batangas, the OSS Center shall issue new TDMs for Port of Batangas utilization under the existing system but with the validity period up to 20 March 2009 only.

#### UTILIZATION

- 4.5.2.8 The importer or his representative shall cite the TDM number in the Terms of Payment (TOP) page of the declaration that he wishes to pay with the TDM. Please see Operational Provisions, Item 4.1 for additional details on filling up the e2m Customs SAD TOP.
  - 4.5.2.9 When a TDM is used for the payment of duties and taxes, it shall be marked USED and shall not be available for subsequent payment of declarations. Unutilized portions of the TDM, if any, shall be available for refund, under the existing refund process.
  - 4.5.2.10 For a period of time before the 21 March 2009 start of implementation in the Port of Batangas, the OSS Center shall issue new TDMs for Port of Batangas utilization under the existing system but with the validity period up to 20 March 2009 only.
- 4.5.3 BOC-Issued Tax Credit Certificate
- 4.5.3.1 The authority to use the TCC or a portion of it shall be termed a Tax Debit Memo in e2m Customs to align DOF and BOC processing of Tax Credit Certificates.
  - 4.5.3.2 An importer shall apply for the issuance of a Tax Debit Memo to cover a single importation in the Port of Batangas following the steps below:
    - 4.5.3.2.1 If the original Tax Credit Certificate is kept with any of the non-Manila ports, the importer shall retrieve the TCC from the non-Manila port and surrender the same to the Tax Credit Secretariat in OCOM. The Tax Credit Secretariat shall enter the balance of the Tax Credit Certificate in the existing TCC System, hereinafter to be called Precedent TCC.
    - 4.5.3.2.2 Following existing procedures for the application for a TDM, the importer requests for

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the issuance of a Tax Debit Memo to cover his single importation at the Port of Batangas.

4.5.3.2.3 Upon approval of the application by the Office of the Commissioner, the Tax Credit Secretariat shall issue the Tax Debit Memo from the Precedent TCC, currently executed through the issuance of a BOC Official Receipt.

4.5.3.2.4 The TDM (BOC Official Receipt) from the Precedent TCC shall be encoded in e2m Customs TCC Module as a Tax Credit Certificate. Immediately after, a new Tax Debit Memo (with a system-assigned number) shall be issued to the importer using e2m Customs TCC module. The TDM will have the same amount as the TCC, rendering the TCC as completely USED. There shall be no need to cover the TDM issued by the e2m Customs TCC system with a BOC Official Receipt.

4.5.3.3 The e2m Customs TDM shall be printed out for the importer's reference. The electronic TDM generated by the e2m Customs TCC module shall be considered the authentic and authoritative document that is valid to be used for non-cash payment.

4.5.3.4 The importer or his representative shall cite the e2m Customs TDM number in the Terms of Payment Page of the declaration that he wishes to pay with the TDM.

4.5.3.5 E2m Customs shall generate reports for both the Precedent TCC and the e2m Customs TCC. The reports shall be reconciled by the TCC Secretariat.

#### 4.6 Utilization of TDM with unused balances

4.6.1 TDMs with unused balances and intended to be used for non-cash payment in Batangas starting 21 March 2009 shall be returned to the issuing office (One-Stop Shop Center at the Department of Finance or the Tax Credit Secretariat of the BOC) for their re-validation and conversion to new electronic TDMs.

4.6.2 The verification of the validity of the TDM balance shall be the responsibility of the issuing office. The holder of the TDM with unused balance shall be responsible for the presentation of documents required by the issuing office to establish the accuracy of the TDM balance.

4.6.3 For TDMs issued by the BOC, unused balances shall be administratively converted to Tax Credit using the e2m Customs TCC module, under COA audit procedures. New TDMs may be subsequently issued from this Tax Credit as described in Item 4.5.3.

#### 4.7 Utilization of IEDs with remaining balance

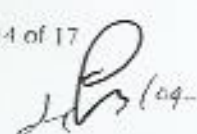


- 4.7.1 Importers wanting to use IEDs originally presented at the Port of Batangas and with remaining balances shall proceed to the Port of Batangas Cash Division section in charge of IEDs and secure a Certificate of Balance. There will be no change in the procedures for the issuance of the Certificate of Balance.
- 4.7.2 Importers wanting to use IEDs originally presented at ports other than Batangas to pay their declarations lodged at Batangas shall proceed to the Port holding the original IED and get a Certificate of Balance. There will be no change in the procedures for the issuance of the Certificate of Balance.
- 4.7.3 The Certificate of Balance shall be presented to the authorized officer of the Cash Division of the Port of Batangas for use of e2m Customs IED system. The authorized officer shall encode the data in the Certificate of Balance into e2m Customs IED using a special purpose program. The converted IEDs shall be issued new reference numbers by e2m Customs.
- 4.7.4 Importer owning these IEDs shall have the responsibility to secure from the Port of Batangas the new reference number for their converted IEDs.
- 4.7.5 The importer or his representative shall cite the e2m Customs IED number in the Terms of Payment Page of the declaration that he wishes to pay with the IED.
- 4.7.6 To reduce the conversion efforts, the Collector of the Port of Batangas is hereby tasked to encourage the immediate utilization of the IEDs with remaining balance for shipments arriving before 21 March 2009.
- 4.8 Government importations
- 4.8.1 Government Agencies who are eligible for the deferred payment scheme must be registered in the CPRS with their JO 2-91 identification number. Their eligibility shall be verified in the course of approval of their CPRS Registration.
- 4.8.2 The government agency shall secure a clearance from the Collection Service before lodgment of their declaration.
- 4.8.3 Declaration of these pre-registered government agencies shall avail of the deferred payment scheme by entering the code "DPG" in Part 2 of Box 37 – PROCEDURE of the SAD. e2m Customs checks that the government agency is eligible for the deferred payment scheme by verifying its eligibility in CPRS.
- 4.8.4 These importations shall be selected YELLOW to allow the examiner of the Assessment Division to verify the supporting documents of the government agency, including the clearance issued by the Collection Service.

## 5 Administrative Provisions

### 5.1 Port Implementation Task Force (PITF)

There is hereby established a PITF that will have the responsibility for the day to day implementation of IAS and other systems of e2m



Customs at the Port. In particular, the PITF shall monitor the implementation and resolve issues arising from the implementation.

#### 5.1.1 Organization

- 5.1.1.1 The TF Head shall be the District Collector of Customs with the Deputy Collectors for Assessment and Operations as TF Assistant Head. The MISTG Head at the Port shall provide Technical Assistance to the PITF.
- 5.1.1.2 The District Collector shall determine the composition of the TF which must include representatives from the shipping lines calling at the Port cargo handlers and other temporary storage facilities authorized to receive shipments for temporary store pending Customs Clearance, and from the AABs providing payment services.
- 5.1.1.3 A PITF Operation Center must be set up that shall be the point of contact by the public for any question and/or issues related to the proper implementation of e2m Customs. The Center must be manned during office hours and must be equipped with adequate communications and staff for the purpose. The Center must maintain the contact numbers of all its members to include the Help Desk of all BOC-Accredited VASPs.

#### 5.2 National Implementation Task Force (NITF)

An NITF is hereby established headed by the Deputy Commissioner of MISTG with the following responsibilities:

- 5.2.1 Provide technical, administrative and logistical support to the PITF for the proper implementation of this Order including the resolution of all implementation issues
- 5.2.2 Recommend adjustments and changes to e2m Customs implementation
- 5.2.3 Draft for approval of the commissioner, a CMO for the implementation of Phase 3 e2m Customs at the Port of Manila and other Ports of Entries.

#### 6 Repealing Clause

All Customs Memorandum Order inconsistent with the provisions of the Order are hereby deemed modified and/or amended accordingly.

#### 7 Effectivity

This Order shall take effect in the Port of Batangas 21 March 2009.

**NAPOLEON L. MORALES**  
Commissioner



**Annex A**  
BIR Authority to Release Imported Goods

*[Handwritten signature]*



**Annex B**  
e2m Customs Tax Exemption Certificate

*R.* *W.P.*



### GENERAL TEC INFORMATION

TEC Number 2007TEC0000000012

Bill of Lading Number test001

Registry Number samplecode

Shipment Description EXEMPTED

Importer TIN 111222333555

Importer Name JOHNNY WALKER

Importer Address CIP II

Approval Date 11/27/2007

*P.* *7/16*