



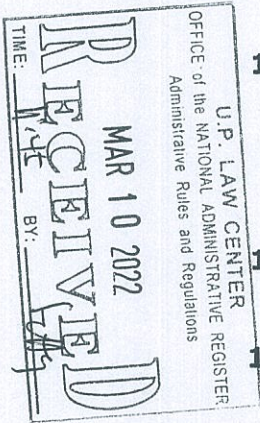
Date MAR 03 2022

CUSTOMS MEMORANDUM ORDER (CMO)
 No. 03-2022

SUBJECT: REVISED RULES AND REGULATIONS ON THE ESTABLISHMENT, SUPERVISION, OPERATION AND CONTROL OF CUSTOMS BONDED WAREHOUSES (CBWs)

Section 1. Objectives.

- 1.1. To provide the procedures for the establishment of Customs Bonded Warehouses (CBWs) and the operations thereof.
- 1.2. To establish, develop and implement a CBW management system making full use of information and communications technology (ICT) and more transparent procedures which would aid the Bureau of Customs (BOC) in the monitoring, supervision and control of CBW operations.
- 1.3. To institute a full compliance regime for operators on CBW operations and provide sanctions for violations thereof.
- 1.4. To provide for the duties, responsibilities and accountabilities of BOC personnel assigned to CBWs and CBW Operators including their accredited members, Client End-Users or Client-Exporters.



Section 2. Administrative Provisions.

2.1. General Considerations.

- 2.1.1. **Transfers of Goods to CBWs.** Goods for transfer to CBWs shall be subject to a mandatory non-intrusive inspection at the port of discharge whether covered by a Goods Declaration for Warehousing (WSAD) or Goods Declaration for Transit (TSAD). Unless the goods entered for warehousing is placed under Alert Order or selected for physical or non-intrusive examination, the District Collector shall allow the immediate transfer of bonded goods to the CBW where the 100% physical examination shall be conducted.
- 2.1.2. **Storage Period of Bonded Goods.** Goods entered for warehousing may remain in a CBW for a maximum period of one (1) year from the time of its arrival at the warehouse, whether covered by a WSAD or TSAD. For Customs Common Bonded Warehouses (CCBWs), reckoning of the storage period shall start from the arrival of the goods to the mother warehouse.

For perishable goods, the storage period shall be three (3)

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months from the date of arrival at the warehouse, extendible for valid reasons, and upon written request, for another three (3) months.

2.1.3. Allowable Importations. Importations shall be made within the limits of the CBW's respective authority/license, as applied for and approved, to wit:

- a. The specific raw materials, according to their corresponding H.S. Tariff lines;
- b. The volume/quantity of said raw materials, in the particular unit of measure (e.g. square meter, kilograms, liters) it is authorized to import; and
- c. In the case of Industry-Specific Customs Bonded Warehouses (ICBWs), the Client End-Users for whom said raw materials, identified according to their corresponding H.S. tariff lines, maybe transferred/sold; and the quantity/volumes, in the particular unit of measure (e.g. square meters, kilograms, liters) allowed per client.

Goods not authorized for importation under warehousing or in excess of the volume and quantity allowed under the CBW's license shall be subject to payment of duties and taxes.

2.1.4. Non-importation of Finished Goods. Except when such goods are intended to be used as a component in the manufacture/production of another finished goods for export as approved by the Customs Bonded Warehouse Committee (CBWC), no importation of finished goods for warehousing shall be allowed.

2.1.5. Restricted and Regulated Goods. Restricted and regulated goods without the corresponding clearance and/or import authority duly issued by a competent authority shall be subject to seizure and forfeiture proceedings.

2.1.6. Withdrawals for Local Sales/Domestic Consumption. No withdrawals for domestic consumption shall be allowed, except upon approval by the District Collector, as recommended by the Operating Division and only upon payment of corresponding duties and taxes, provided such withdrawal for local sales/domestic sales shall not exceed thirty percent (30%) to the total volume of bonded raw materials transferred to the CBW for the year. The prohibition on the threshold limit for local sales shall not apply to Private Customs Bonded Warehouses (PCBWs).

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2.1.7. Withdrawal for Sub-Contracting. A MCBW Operator or accredited member may, on account of insufficiency of operational facilities or lack of material time to meet export commitment, withdraw the bonded goods without payment of duty and/or tax and sub-contract the processing thereof, subject to the approval of the District Collector and the following guidelines:

- a. Only duly accredited sub-contractors may undertake subcontracting jobs;
- b. The work to be undertaken by the sub-contractor shall, whenever practicable, be specified;
- c. For garment manufacturer, transfer of materials required for manufacturing shall be subject to the rules and regulations and approval of the concerned government agency. Only pre-cut or cut-to-pattern materials shall be transferred, unless otherwise approved by the concerned government agency; and
- d. Upon completion of the processing done by the subcontractor, finished materials and the resulting wastages, if any, shall be returned to the CBW or CCBW accredited member which shall be examined by the assigned Warehouseman to account for the duty and/or tax-free raw materials used in processing.

2.1.8. Prohibition on Importations by Industry-Specific Customs Bonded Warehouses. Importation by ICBWs of fibers, yarns, fabrics and accessories for the manufacture of garments shall not be allowed.

2.2. Provisions Specific to Common Customs Bonded Warehouses and its Accredited Members.

2.2.1. A manufacturer-exporter shall be accredited with only one CCBW which shall be known as the mother warehouse.

2.2.2. The mother warehouse and its accredited members shall maintain at all times in their place of business and make available for inspection their books of accounts, supporting documents and records of imported materials and shall secure the materials imported through the CCBW against pilferage and loss due to fires, floods, and other such occurrences.

2.2.3. The warehouse/place of business of the mother warehouse and its accredited member shall be made accessible to all authorized Customs Officials or representatives upon presentation of an approved Mission Order issued by the District Collector or Commissioner of Customs.

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- 2.2.4. All goods for transfer to CCBWs must first pass through the CCBW Operator for recording and stock inventory purposes unless the District Collector allows the direct transfer to the warehouse of the accredited members of CCBWs.
- 2.2.5. The CCBW Operator shall be directly responsible for the liquidation of all raw materials imported by the accredited members.
- 2.2.6. The accreditation of a member of a CCBW which has no importation/exportation within a minimum period of one year shall be deemed pre-terminated without prejudice to the filing of a new application for accreditation.
- 2.2.7. The transfer of membership from one CCBW to another shall not be used as a means to circumvent the requirement to manufacture and re-export the finished or semi-finished products out of imported raw materials within one (1) year or within three (3) months in case of perishable goods, from the date of original transfer to the CCBW.
- 2.2.8. The transfer/sale of bonded goods between accredited members belonging to same CCBW shall not be used to extend the original storage period counted from the date the imported materials were received at the mother warehouse by the CCBW Operator.
- 2.2.9. Only semi-finished/finished products which had undergone processing/manufacturing by one member may be transferred/sold without the payment of duties and taxes to another member belonging to the same CCBW, provided that the transferee/buyer member shall further process the same or use them as inputs, holders, coverings or containers of its own semi-finished/finished products for subsequent exportation.
- 2.2.10. A WSAD shall be filed for monitoring purposes by the new CCBW for the account of the member to replace the former import entries.
- 2.2.11. Subsequent transfer/sale by the first transferee/buyer member to another accredited member of the same CCBW is not allowed.
- 2.2.12. The transfer/sale of bonded goods shall be subject to the approval of the District Collector who exercises jurisdiction, supervision and control over the CCBW.
- 2.2.13. The CCBW and the accredited member shall be jointly and severally responsible for the liquidation of the WSADs covering the bonded goods.

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2.2.14. The CCBW and the accredited member-buyer of bonded goods sold or transferred shall likewise be jointly and severally liable in cases where there is transfer/sale between accredited members of the same CCBW.

Section 3. Procedures for Application for the Issuance of Authority to Operate a CBW.

3.1. Application for Authority to Operate a CBW. The application to operate a CBW shall be filed with the Collection District having jurisdiction over the area where the proposed CBW is located, describing the premises, location, capacity, and purpose of such establishment.

In the case of a CCBW, the Authority to Operate is given to the mother warehouse. Thus, the application must be filed by the latter with the Collection District having jurisdiction over the area where the mother warehouse is located. Accredited members of CCBWs shall not be given their own Authority to Operate.

Multinational companies who have established regional headquarters under Book III of Executive Order (E.O.) No. 226 and desiring to apply for an Authority to Operate an ICBW to act as a Multinational Regional Bonded Warehouse shall file its application with the Board of Investments (BOI). The BOI shall endorse to the Bureau the multinational company's application for regional warehouse(s).

3.2. Documentary Requirements. Any person or firm desiring to establish and operate a CBW shall submit the duly filled-up Application to Operate a CBW (Annex "A") together with the following required documents:

- a. BOC Certificate of Accreditation as importer;
- b. Lease contract or certificate of title to the real property where the proposed CBW is located;
- c. Warehouse location or vicinity map showing the area and means of access;
- d. Warehouse layout showing and describing the following:
 - i. Floor plan and building structure;
 - ii. Storage areas for raw materials, finished products and wastages;
 - iii. Production area;
 - iv. Office spaces for both CBW and customs personnel; and
 - v. Physical security feature;
- e. List of machineries and equipment;
- f. Feasibility Study. The Project Feasibility Study following the format in Annex "B" shall present the viability of operation for a period of five (5) years, which shall include the technical aspect of the business;

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- g. Monthly requirement of the list of materials to be imported;
- h. Hard and soft copies of the Formula of Manufacture (FOM), if applicable. The FOM duly issued by the Industrial Technology Development Institute (ITDI) must specify in detail the usage of imported raw materials for producing the finished products, as well as the percentage of wastages and by-products and in what particular stage of production they will be incurred. Soft copies of the FOM must be in a non-editable/non-PDF format; and
- i. In case of garments, endorsement from the concerned government agency.

Other documentary requirements which have been submitted during the application for accreditation as importer may be requested from the Accounts Management Office (AMO) of the Bureau during the evaluation of the application by the CBWC and shall no longer be required to be submitted by the applicant.

3.3. Evaluation of the Application.

3.3.1. Upon receipt of the application, the District Collector shall immediately refer the same to the Warehousing Documentation and Records Division (WDRD)/equivalent unit or Operating Division, whichever is applicable, to determine the completeness of the documents submitted in support of the application.

3.3.2. The WDRD/equivalent unit or Operating Division shall immediately refer the same to the Warehousing Inspection Division (WID)/equivalent unit which shall conduct inspection of the proposed CBW and submit the Inspection Report in the prescribed format (Annex "C") to the WDRD/equivalent unit or operating division concerned, whichever is applicable, within seven (7) working days from receipt thereof.

The following shall be considered in the preparation of the report:

- a. The location of the proposed warehouse is accessible to all means of land transportation.
- b. Occupancy Permit issued by Local Government Unit (LGU) concerned.
- c. The proposed warehouse is designed and configured to accept, store, and withdraw imported raw materials, finished goods and by-products in a secured manner. Entry and withdrawal of bonded goods shall only be through the designated entrance and exit. All other openings such as windows, secondary exits, and backdoors shall be secured in order to prevent theft,

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pilferage, unauthorized withdrawal or removal of bonded goods.

- d. The storage capacity of the warehouse is consistent with the expected volume of bonded goods.
- e. Provision for working and storage areas, including the compartments for imported raw materials, semi-finished and finished products, wastages, by-products, and rejects and must be properly partitioned by a permanent structure from one another to secure the bonded goods.
- f. Offices for customs personnel and CBW Operator with computer systems and internet connectivity are provided.
- g. CCTV cameras in strategic places are installed.
- h. For CCBW and ICBW, a facility for the examination of goods shall be required.

In case there are deficiencies noted, the applicant shall be given fifteen (15) days upon receipt of Notice of Deficiency to comply with the requirements subject to extension upon filing of a request and approval of the District Collector concerned.

3.3.3. Simultaneous with the referral of the application to the WID/equivalent unit, the WDRD/equivalent office or Operating Division shall secure clearances or Certificate of No Accountability from the Operating Division, Collection Service-Revenue Collection and Monitoring Group, Collection Division, Bonds Division, Liquidation and Billing Division (LBD) and clearances from the Enforcement and Security Service (ESS), Customs Intelligence and Investigation Service (CIIS), within seven (7) working days from receipt of the Memorandum.

3.3.4. The WDRD/equivalent office or Operating Division concerned shall submit its evaluation and recommendation to the District Collector within three (3) working days from completion of the required clearances, attaching thereto the Inspection Report, application form and other supporting documents.

3.3.5. If the application is found to be in order, the District Collector shall recommend approval within seven (7) working days from receipt of complete documents and inspection report and shall forward the same to the CBWC.

3.3.6. The CBWC shall conduct a deliberation on the application within twenty (20) working days from receipt of the

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application with complete documentary requirements and recommendation from the District Collector and shall submit to the Commissioner the CBWC's evaluation report and recommendation for approval.

- 3.3.7. The Commissioner shall act on the recommendation of the CBWC within seven (7) working days from receipt of the recommendation.
- 3.3.8. Within three (3) days from receipt of the approval by the Commissioner of the application, the Deputy Commissioner, Assessment and Operations Coordinating Group (AOCG) as head of the CBWC shall forward the approval to the District Collector concerned for implementation.
- 3.3.9. In cases where the Commissioner denies the application for establishment of a CBW, the Deputy Commissioner, AOCG as head of the CBWC shall forward the denial to the District Collector concerned within three (3) days from receipt thereof. The District Collector shall inform the applicant of the denial of his application within three (3) days from receipt thereof.

3.4. Application for Membership to a CCBW.

3.4.1. Evaluation of the Application.

- a. Upon receipt of the application, the operating division concerned shall check whether the applicant is not accredited nor connected with any other CCBW.
- b. The evaluation of the application shall conform with the procedures laid down under Section 3.1 to 3.4 of this Order.

3.4.2. Application for Transfer of Membership from one CCBW to Another.

- a. **Documentary Requirements.** In addition to the documentary requirements listed in Section 3.2, the following additional requirements shall be submitted:
 - i. Letter from the member manifesting its intent to transfer membership to another CCBW.
 - ii. Sworn Statement by the member that it has no outstanding obligation with its former CCBW.
 - iii. Written approval by the former CCBW to the transfer or reason for objecting within five (5) working days from receipt of letter of intent. Failure of the mother CCBW to submit comment or objection shall be

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construed as a no objection on his part to the transfer of membership of the accredited member.

- iv. Acceptance Letter of the new CCBW and its assumption of all liabilities of the member and a Certification stating that its warehouse can accommodate and handle the volume of importations of the applicant member.

b. Procedure for Evaluation of the Request for Transfer of Membership.

- i. The request shall be filed with the Chief, Operating Division concerned for evaluation and recommendation.
- ii. The recommendation of the Chief, Operating Division concerned together with the documentary requirements shall be submitted to the District Collector through the Deputy Collector for Operations.
- iii. The evaluation of the application shall conform with the procedures laid down under Section 3.3.5 to 3.3.9 of this Order.

3.4.3. Application for Accreditation as Subcontractor.

a. Requirements for Accreditation of Subcontractor.

A firm may be accredited as a subcontractor for bonded manufacturing warehouse by filing an application (Annex "A") to the District Collector. In addition to the documents enumerated in Section 3.2 hereof, the following shall also be submitted:

- i. Service Agreement and/or Memorandum of Understanding with the principal;
- ii. List of raw materials/semi-finished goods to be subcontracted; and
- iii. For garments manufacturing, endorsement from the concerned government agency.

- b. The evaluation of the application for accreditation as subcontractor shall conform with the procedures laid down under Section 3.3.5 to 3.3.9 of this Order.

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3.4.4. Application for Accreditation as Client End-User of ICBW.

a. The following may be accredited as Client End-User of an ICBW:

- i. CBW
- ii. Free Zone-registered enterprise
- iii. Vessels or aircrafts engaged in international trade

b. Requirements for Accreditation as Client End-User. An ICBW Operator may apply for the accreditation of a company as its Client End-User by filing an application (Annex "A") with the Collector of Customs accompanied with the same documents in Section 3.2 with the following additional requirements:

- i. Supply Contract or Service Agreement;
- ii. Raw materials requirement per Client End-User identified according to their corresponding H.S. tariff lines and the quantities/volumes in the particular unit of measure (e.g. square meters, kilograms, liters);
- iii. Finished product produced by Client End-User from raw materials imported by the ICBW; and
- iv. For vessels and airlines engaged in international trade, Certificate issued by Maritime Industry Authority (MARINA) or Civil Aviation Authority of the Philippines (CAAP), whichever is applicable, showing proof that the vessels or aircrafts are engaged in international trade.

c. The evaluation of the application for accreditation as Client End-User shall follow the procedures laid down under Section 3.3.5 to 3.3.9 of this Order.

3.4.5. Application for Accreditation as Client-Exporter of a Manufacturing Customs Bonded Warehouse (MCBW) or of an Accredited Member of a CCBW. An operator of a MCBW or a CCBW may apply for the accreditation of a company as its Client-Exporter by filing an application (Annex "A") with the Collector of Customs accompanied with the same documents in Section 3.2 hereof with the following additional requirements:

- a. Accreditation as exporter with the Bureau;
- b. Accreditation as exporter with the BOI, Department of Trade and Industry (DTI) or other investment promotions agency;

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- c. Supply contract or agreement between the Client-Exporter and the MCBW Operator or accredited member of the CCBW, as the case may be; and
- d. Written undertaking from Client-Exporter that he will submit copies of his export documents for liquidation of the covering WSAD by the CBW Operator or accredited member, whichever is applicable.

In the case of applications for accreditation as Client-Exporter of an accredited member of a CCBW, the application shall be filed jointly with the CCBW Operator and the accredited member.

The evaluation of the application for accreditation as Client-Exporter shall conform with the procedures laid down under Section 3.3.5 to 3.3.9 of this Order.

Section 4. Application for Renewal of Authority to Operate a CBW.

- 4.1. The application for Renewal of Authority to Operate a CBW (Annex "D") shall be filed with the Collection District having jurisdiction over the CBW not earlier than one hundred twenty (120) days but not later than ninety-one (91) days before the expiration of the Authority.
- 4.2. CCBWs, ICBWs and MCBWs with more than ten (10) members or Client End-Users or Client-Exporters, respectively, may file the application for renewal jointly within one hundred fifty (150) days but shall not be later than ninety-one (91) days before the expiration of the Authority.
- 4.3. **Requirements for Renewal.** The application for renewal of Authority to Operate CBW shall be supported by the following:
 - a. Current Importer's Accreditation with AMO;
 - b. Income Tax Return (ITR) and Latest Audited Financial Statement, if applicable;
 - c. Certificate of Clearance/No Outstanding Accountability from Bureau offices concerned;
 - d. Import/export performance for the past three (3) years of CBW operations;
 - e. Copy of the certificate of title to the real property or, if applicable, copy of renewal of lease contract;
 - f. Warehouse location or vicinity map showing the area and means of access;
 - g. Updated list of machineries and equipment, if applicable;
 - h. Updated Statement of Monthly Raw Materials Importation Requirements (SMRMIR) with the corresponding HS code validated by the Warehousing Assessment Division (WAD)/equivalent unit;
 - i. Updated ITDI FOM, if applicable; and

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- j. Affidavit of No Change of Circumstances where there are no changes in the circumstances relative to paragraphs e, f, g, h, and i with supporting documents;

In case of MCBW with sub-contractors and/or Client-Exporters, CCBW, and ICBW, the joint application for renewal shall be supported with all of the above requirements complied by all MCBW, CCBW, ICBW and each sub-contractor, member and Client End-User, if applicable.

4.4. Evaluation of the Application for Renewal of License to Operate a CBW.

4.4.1. Evaluation of the application for renewal of license shall follow the procedures outlined in Sections 3.1 to 3.4 hereof.

4.4.2. Any Division or Service that fails to issue the required clearance or certification within the prescribed period shall be deemed, ipso facto, to have no derogatory information or record on the applicant's accountability. Should the contrary be the case, the Division or Service Chief concerned shall be held solely responsible and answerable therefore.

4.4.3. No application for renewal of authority / license to operate shall be endorsed by the District Collector unless upon certification or clearance duly issued that the applicant has no outstanding obligation or liability whatsoever, monetary or otherwise, with the Bureau.

4.4.4. Evaluation of the application for Authority to Operate or its renewal endorsed by the District Collector shall be made by the CBWC through its Secretariat headed by the Warehouse Coordinating Division (WCD) within twenty (20) days from receipt thereof.

The Secretariat of the CBWC shall assign an Officer-on-Case to review and evaluate the application and documents submitted by the port. It shall be the responsibility of the Officer-on-Case to secure a Clearance from the WCD attesting that the applicant has no outstanding accountability or liability and submit its report together with its recommendation on the action to be taken on the application for approval by the CBWC members.

4.4.5. The Commissioner shall act on the recommendation of the CBWC within seven (7) working days from receipt of the recommendation.

In case the Commissioner fails to act on the application for renewal within the prescribed period, the Authority to Operate shall be deemed automatically extended until the

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regular Authority to Operate is issued. The effectivity of any Authority to Operate shall retroact to the first day immediately after the expiration of the previous authority.

Section 5. Appeal Mechanism.

5.1. Rejection of the Application by the District Collector.

- 5.1.1.** The District Collector may reject an application at any stage of the evaluation process in cases where the application is attended with fraud or material misrepresentation, or the applicant does not meet the regulatory requirements to operate a CBW.
- 5.1.2.** The District Collector shall send a notice to the applicant stating clearly the grounds for the rejection of the application.
- 5.1.3.** The applicant may seek for reconsideration of the rejection of his application by filing a Motion for Reconsideration with the District Collector within fifteen (15) days from receipt of the notice of rejection, copy furnished the Office of the Commissioner, when all the lacking documents are secured and/or when the grounds for rejection have ceased to exist.

In cases where the denial is based on non-compliance to the structural requirements for a CBW, the applicant may request for the extension of the period to file the Motion for Reconsideration subject to the approval of the District Collector. A Notice of Compliance issued by the WID/equivalent unit must be attached to the Motion for Reconsideration attesting that applicant has fully complied to the structural requirements of a CBW.

The District Collector shall resolve the Motion for Reconsideration within seven (7) days from receipt thereof and shall forward his recommendation together with the entire records to the CBWC for evaluation.

- 5.1.4.** The CBWC shall proceed with the review, evaluation and deliberation on the application as provided under Section 3.3.4 and 3.3.5 of this Order.

5.2. Denial of Application by the Commissioner.

- 5.2.1.** An applicant whose application for Authority to Operate a CBW or its renewal was denied by the Commissioner may file a Motion for Reconsideration with the Commissioner through the Legal Service within fifteen (15) days from receipt of the Notice of Denial, copy furnished the CBWC and the District Collector.

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- 5.2.2.** The Legal Service, within twenty (20) days from receipt of the Motion for Reconsideration, shall recommend action on the application based on the grounds clearly stated in the Motion for Reconsideration.
- 5.2.3.** The Commissioner, within seven (7) days from receipt of the recommendation of the Legal Service, shall affirm or reverse his previous denial of the application.
- 5.2.4.** The applicant whose application was denied by the Commissioner, instead of filing a Motion for Reconsideration, may choose to file a new application.

Section 6. Certificate of Authority to Operate. Upon approval of the CBW application of authority to Operate, the Commissioner shall issue a Certificate of Authority to Operate a CBW, which shall be conspicuously displayed at all times at the CBW and its extension offices. Members of CCBW shall be issued their Certificate of Accreditation with their respective accreditation number indicated thereon which shall also be conspicuously displayed at all times at the CBW and its extension offices.

- 6.1. Validity of Authority to Operate.** The Authority to Operate a CBW, shall be valid for three (3) years counted from the date of its approval, as stated in the Certificate of Authority to Operate.

If the term of the lease of contract submitted during the application is less than three (3) years, the validity of the Authority to Operate shall be coterminous with the lease contract unless a new contract of lease with a longer period is submitted. In such case, the Authority to Operate shall be amended to its maximum period of three (3) years counted from its date of original issuance. Filing of the request for amendment of validity of Authority to Operate shall be made directly with the CBWC copy furnished the District Collector concerned. The CBWC shall act on the request and submit its recommendation to the Commissioner within seven (7) days from receipt thereof.

Validity of extension warehouses, additional facilities, subcontractors, and membership to CCBWs shall be coterminous with the validity to operate of the main CBW.

- 6.2. Amendment of Certificate of Authority.**

6.2.1. The CBW Operator shall notify the District Collector having jurisdiction over the CBW of any changes to the following together with a request for the amendment of the Certificate of Authority:

- a. Change of company name;
- b. Change of the name of the street or building number without actual change of the physical location of the CBW; or

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c. Such other changes which do not substantially alter the conditions specified in the existing Authority to Operate CBW.

6.2.2. The said notice and request must be accompanied by an affidavit of Change in Circumstance together with the supporting documents which shall be submitted by the CBW Operator within ten (10) days from the change in business information.

6.2.3. The District Collector shall, within three (3) days from receipt of the request, direct the WID or equivalent unit to confirm or validate the changes reported.

6.2.4. The WID/equivalent unit shall validate the information and submit its reports within seven (7) days from receipt of the directive of the District Collector.

6.2.5. The District Collector shall, within three (3) days, from receipt of the report of the WID/equivalent unit forward the report to the CBWC for evaluation and recommendation to the Commissioner.

6.2.6. The CBWC shall, within seven (7) days from receipt of the endorsement of the District Collector, submit its recommendation to the Commissioner for approval.

6.2.7. The Commissioner shall, within seven (7) days, act on the recommendation of the CBWC and issue the amended Authority to Operate accordingly.

6.2.8. The CBW Operator, upon receipt of the amended Authority to Operate, shall surrender the previously issued Authority to Operate to the District Collector concerned for records purposes.

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Section 7. Assignment of Warehouse Number. Before the bonded warehouse shall be allowed to operate, the WCD under the Office of the Deputy Commissioner, AOCG, shall assign a warehouse number for all CBWs given an Authority to Operate after the effectivity of this Order. The CBW number shall follow a unique alpha-numeric sequence of letter/s and four numbers to identify a particular CBW. Accredited members of CCBWs shall likewise be given accreditation numbers. The numbering shall follow the following format:

- 7.1. CBWs with Authority to Operate - Type-number-Port
 - a. Common - "C"
 - b. Garment - "G"
 - c. ICBW - "I"
 - d. Miscellaneous - "M"
 - e. Private CBW - "Pv"

7.2. Extension warehouses – CBW No.- Letter prefix (e.g. M-1234-A)

7.3. Accredited members – CCBW No.- Number prefix (e.g. C-1234-01)

All existing CBWs whose warehouse numbers were previously assigned by the Collection District having jurisdiction over the same shall be retained.

Section 8. Post-Approval Requirements.

8.1. Requirements Prior to Operation. The applicant upon receipt of the approval of the Commissioner shall further comply with the following before actual operations begin:

8.1.1. Full payment of the applicable annual Warehousing Supervision Fees to the District Collector. However, CBWs granted Authority to Operate after June of the current calendar year shall only pay half of the annual warehousing supervision fee;

8.1.2. Submission of a notarized Power of Attorney or Secretary's Certificate whichever is applicable, designating the person authorized to sign or act in behalf of the bonded warehouse, and the broker/s authorized to transact with the Bureau;

8.1.3. Designation of Accountable Officer whose position shall not be below the rank of Manager or equivalent;

8.1.4. Filing a Performance Bond with the District Collector to guarantee compliance with the provisions of laws and regulations on CBWs in the amount of Php1,000,000.00;

8.1.5. Posting of a General Transportation and Surety Bond (GTSB) in the amount of Php1,000,000.00 or the equivalent duties and taxes of the CBW's three (3) months importation, whichever is higher, to guarantee direct, immediate and faithful delivery of goods covered by transit entries to the destination CBWs and enrollment to the ABMS;

8.1.6. Posting of a General Warehousing Bond (GWB) equivalent to the estimated amount of duties and taxes due on its importation for the whole year to guarantee the payment of duties and taxes in case the imported raw materials are not manufactured and exported within the prescribed period.

8.1.7. Enrollment to the Automated Bonds Management System (ABMS) of the GTSB and the GWB.

8.1.8. Subscription to the Automated Inventory Management System (AIMS) and compliance to the uploading of the required documents and data to the system as required under CMO No. 20-2021.

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8.1.9. Enrollment to the Bureau's Electronic Tracking of Containerized Cargo (E-TRACC) System.

8.1.10. The District Collector shall assign customs personnel to supervise the operations of the warehouse. The customs personnel to be assigned shall consist of an Account Officer, Warehouseman, a Storekeeper and a Customs Guard. Their duties and responsibilities are enumerated in Annex "E".

For CCBW, the assignment of CBW personnel shall be as follows:

- 1 Warehouseman assigned at the mother warehouse
- 1 storekeeper assigned at the mother warehouse
- 1 storekeeper for every member of CCBW
- 5 or more Customs Guards stationed at the Mother Warehouse depending on the volume of imports and exports of the CCBW and its members.

8.1.11. The CBW Operator shall provide customs personnel with suitable working areas complete with office equipment and supplies necessary to perform their basic function.

8.1.12. The CBW Operator shall ensure that customs employees assigned to work in CBWs shall strictly observe regular work hours set by the Civil Service Commission. They shall record their office attendance in accordance with Civil Service rules and regulations. Their absences shall be promptly reported by the CBW Operator to the Collector of Customs.

8.1.13. The CBW Operator shall be required to submit an Affidavit of Commitment allowing the customs personnel assigned at CBW to render overtime services whenever necessary subject to the approval of the Collector of Customs. All work performed outside of regular office hours and days shall be considered overtime, the rate shall be as prescribed in pertinent orders on overtime work. Overtime pay shall be charged to the account of the CBW Operator who shall remit it to the Collector of Customs for appropriate payment to the customs personnel concerned.

8.1.14. The door and entrance to a CBW shall have a secured locking system which complies with the standards and specification set by the Bureau. The designated compartments for raw materials, finished goods and wastages, rejects and by-products shall have two locks and keys each, one (1) set for the assigned Warehouseman and one (1) set for the CBW Operator. Access to the areas shall be limited to personnel duly authorized by both the Bureau and the CBW Operator.

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8.1.15. Provisional ITDI FOM used as basis in the approval of the SMRMIRs of CBWs must be converted into validated FOM within six (6) months from start of operations of the CBW.

8.2. Requirements During Operation.

8.2.1. Maintenance of Principal Books of Account. The Bureau and the CBW Operator shall keep and maintain Principal Books of Accounts containing the records of importation, exportation and liquidation, including wastages, of all goods delivered to and withdrawn from a CBW. The General Services Division of the Bureau shall design a uniform template for the books of accounts which shall then be officially issued to each CBW Operator for a fee. Importation data shall include, among others, Warehousing Entry Number, Date of Arrival, Date received at the CBW, Specific Description of Goods and Tariff Heading, Quantity/Volume/Weight, Duties and Taxes/amount of Bonds and Date of Expiry. Exportation data shall include, among others, Export Declaration Number, Date Exported, Description of Finished Goods and Product Code, Certificate of Identification (CI) Number, Certificate of Inspection and Loading (CIL), Transfer Note (Boatnote)/Transfer Note No. if applicable, and Bill of Lading (BL) No.

8.2.2. Annual Submission of Records of Financial Statements and CBW Operations. CBWs which were granted Authority to Operate shall submit annually to the Collection District through the WDRD/equivalent unit their BOC Certificates of Accreditation as Importer and Exporter, ITRs and Audited Financial Statements for the immediately preceding calendar or fiscal year duly filed with the BIR, CTC of Mayor's Permit, Import and Export Performance, and Year-end Stock Inventory Report (Annex "F"). Non-submission of these requirements is a ground for the suspension of operations of the CBW.

8.3. Duties and Responsibilities of CBW Operators. In addition to the responsibilities set forth in the preceding sections, the CBW Operator shall:

8.3.1. Comply with all Customs rules and regulations governing the operation of CBW.

8.3.2. Present evidence of payment of duties, taxes and other charges to the assigned Warehouseman before making any withdrawal from the warehouse of the Bonded Goods for Local Sales/Domestic Consumption.

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- 8.3.3. Physically secure the warehouse in order to prevent pilferage, unauthorized withdrawal, and loss of cargoes through fires, floods, and other such occurrences.
- 8.3.4. Indemnify the Bureau of the duties and other charges on the cargoes entered into the warehouse which were lost or destroyed, damaged pilfered or stolen while in storage.

Section 9. Application for Structural Changes or Additional Facilities within the CBW/Extension Warehouse/Relocation.

9.1. Application for Structural Changes or Additional Facilities within the CBW.

- 9.1.1. The CBW Operator may introduce structural changes or additional facilities in the CBWs provided that the ingress and egress or the physical security feature of the CBW shall not be altered or compromised;
- 9.1.2. The CBW Operator shall file the application with the Collection District prior to the introduction of any structural changes or additional facilities. In case of members of CCBWs, the application shall be filed by the mother warehouse;
- 9.1.3. The application shall be supported by the following documents:
 - a. Building permit, if applicable;
 - b. Description of the proposed structural changes or additional facilities;
 - c. CBW layout, estimated capacity and physical security features after the introduction of these changes; and
 - d. Such other documents that may be required by the District Collector in the exercise of power of supervision and control.
- 9.1.4. Upon receipt of the application, the District Collector shall refer the same to the WID/equivalent unit which shall conduct physical inspection of the premises and submit recommendation/s to the District Collector.
- 9.1.5. The District Collector shall act on the recommendation of the WID/equivalent unit within three (3) working days from receipt of the recommendation.
- 9.1.6. Any structural changes and additional facilities shall be approved by the District Collector concerned.
- 9.1.7. The District Collector shall notify the Commissioner through the Deputy Commissioner, AOCG of the structural changes

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or additional facilities in the CBW to form part of the CBW's 201 File.

9.2. Application for Extension Warehouse.

9.2.1. The CBW Operator may apply for an extension warehouse which should be located within the same territorial jurisdiction of the Collection District that has supervision and control over the main warehouse.

9.2.2. A member of a CCBW may apply for an extension warehouse provided that the extension warehouse shall be used as an extension of its production or processing area only and should be located within the territorial jurisdiction of the Collection District that has supervision and control over the main warehouse of the accredited member. Extension warehouses of accredited members of CCBW shall be limited to only one.

However, applications for extension warehouse of members of CCBW may be filed with the same Collection District that has supervision and control over the mother warehouse even if the extension warehouse of the member is located outside the Collection District in cases where there is no other CCBW operating in the Collection District where the proposed extension warehouse shall be located. Provided that, upon the establishment of a CCBW in said Collection District, the accredited member shall immediately apply for membership to the said CCBW.

9.2.3. The storage period of goods transferred to extension warehouses for production shall be limited to one (1) month and extendible for another one (1) month subject to approval by the District Collector.

9.2.4. The application shall be supported by a justification and the following documents:

- a. Certified True Copy (CTC) of Mayor's Permit for the extension CBW, if applicable;
- b. Lease contract or certificate of title to the real property where the proposed extension warehouse is located;
- c. Location or vicinity map of the proposed extension warehouse showing the area and means of access;
- d. Layout of the proposed extension warehouse showing and describing the following:
 - i. Floor plan and building structure;
 - ii. Storage areas for raw materials, finished products and wastages, and production area, as appropriate;
 - iii. Office spaces for both CBW and customs personnel; and

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- iv. Physical security features;
- e. List of machineries and equipment, as appropriate; and
- f. Clearance of No Outstanding Accountability or Liability as of the date of application.

9.2.5. In case the proposed extension warehouse or facility is located in a place outside the territorial jurisdiction of the Collection District where the main warehouse or facility is situated, such shall be treated as a new application and shall be filed with the Collection District that has territorial jurisdiction over the area where the new warehouse is located.

The supporting documents to be submitted for such application shall be the same as those provided under Section 2.2 of this Order.

9.2.6. NCBW shall not be allowed to operate extension warehouses.

9.2.7. The same procedure as provided for under Section 3.3 of this Order shall be followed in the evaluation of the application.

9.3. Application for Relocation.

9.3.1. The application for relocation of a CBW shall be filed with the Collection District having jurisdiction over the area where the proposed new warehouse is located.

9.3.2. In cases where the CBW is relocated to another structure or warehouse within the same compound or building, the application shall be approved by the District Collector concerned. Application for relocation to a different address within the same Collection District shall be approved by the Commissioner following the procedures provided in Section 3.3.

9.3.3. In case the proposed new warehouse or facility is located in a place outside the territorial jurisdiction of the Collection District where the old warehouse or facility is situated, such shall be treated as a new application and shall be filed with the Collection District having jurisdiction over the area where the new warehouse or facility is to be located.

9.3.4. The application shall be supported by the following documents:

- a. CTC of Mayor's Permit for the new CBW, if applicable;
- b. Lease contract or certificate of title to the real property where the proposed new warehouse is located;

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- c. Location or vicinity map of the proposed new warehouse showing the area and means of access;
- d. Layout of the proposed new warehouse showing and describing the following:
 - i. Floor plan and building structure;
 - ii. Storage areas for raw materials, finished products and wastages, and production area, as appropriate;
 - iii. Office spaces for both CBW and customs personnel; and
 - iv. Physical security features; and
- e. List of machineries and equipment, as appropriate.

9.3.5. The same procedure as provided for under Section 3.3.1 to 3.3.9 of this Order shall be followed in the evaluation of the application.

9.4. Annual Warehousing Supervision Fee and Other Charges.
The Bureau shall impose an annual warehousing supervision fee, service fee, and other charges on the operations of CBWs, including extensions, accredited members and additional facilities, if any, in accordance with the schedule provided under existing CAOs.

Section 10. Lodgement, Filing and Processing of Goods Declaration for the Transfer of Goods to CBWs.

10.1. Transfers to CBW through Direct Filing of WSAD. Where the goods to be entered through warehousing procedures are discharged at the Collection District which has jurisdiction over the destination CBW, the WSAD lodged in the E2M system through the accredited Value-Added Service Provider (VASP) shall be filed and processed at the said Collection District following the procedures outlined herein.

10.1.1. Prior to filing of the WSAD with the WAD/equivalent unit, the CBW Operator or his authorized representative may print either the Pre-WSAD or the WSAD and submit the same together with the shipping and commercial documents to the assigned Account Officer for validation.

10.1.2. Upon receipt of either the Pre-WSAD or WSAD, the Account Officer shall check if the goods to be entered under the warehousing procedure are included in the list of importables and within the allowable limit based on the approved SMRMIR approved by the Bureau and note on the Pre-WSAD or WSAD his or her findings. This noted Pre-WSAD or WSAD shall be one of the supporting documents when the WSAD is filed with the WAD/equivalent unit.

10.1.3. The Entry Processing Unit (EPU) of the WAD/equivalent unit shall check the completeness of the goods declaration filed and its supporting documentary requirements.

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- a. Noted WSAD/Pre-WSAD;
- b. Bill of Lading;
- c. Invoice;
- d. Packing List;
- e. Import Permits (if applicable); and
- f. If for re-entry, TSAD, Transfer Note (Boatnote) and Mission Order if less container load (LCL).

10.1.4. For CCBW, the name reflected in Box 8 of the WSAD shall be the name of the accredited CCBW member. However, Box 49 of the WSAD must reflect the CBW Number of the mother CCBW.

10.1.5. The assigned Customs Operations Officer III (COO III) shall conduct a check of the documents submitted. If the goods are found to be not included in the list of importable materials, as validated by the Account Officer, the assigned Customs Examiner shall recommend the cancellation of the Goods Declaration for Warehousing and shall require the Operator to file a Goods Declaration for Consumption. In cases where the volume of importables are in excess of the monthly volume of importations, the Customs Examiner shall recommend the cancellation of the WSAD and require the CBW Operator to file Goods Declaration for Consumption covering the excess quantity. For this purpose, the CBW shall request for the issuance of a staging BL for the goods covered by the Goods Declaration for Consumption.

10.1.6. If the documents are in order, the COO III shall register the Goods Declaration for Warehousing in the E2M system and shall accomplish the inspection act. Examination returns shall be complete as to description, quantity and weight so that accounting of each imported raw materials, upon liquidation, can be made.

10.1.7. In cases of misclassification, misdeclaration, or undervaluation of goods, Section 1400 of the Customs Modernization and Tariff Act (CMTA) shall apply. Unless the shipment is recommended for seizure, payment of the applicable surcharge shall be collected immediately.

10.1.8. Prior to doing the final assessment, the Customs Operations Officer V (COO V) shall ensure that the shipment, if containerized, is booked in the E-TRACC system.

10.1.9. The COOV shall perform the final assessment of the WSAD. This will trigger the automatic charging of the assessed duties and taxes to the bond's account of the CBW Operator in the ABMS. The WSAD Assessment Notice is the

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notification that the assessed duties and taxes is charged against the bond.

- 10.1.10.** The entry shall be forwarded to the operating divisions concerned, unless duties and taxes and other charges are to be paid as a result of over quantity, misdeclaration or misclassification, in which case the entry shall be forwarded to the Collection Division.
- 10.1.11.** Where seizure is warranted for the shipment, the entry shall be forwarded to the Collector of Customs together with the recommendation, copy furnished the Warehousing Documentation and Records Division for its information as to the status of the entry.
- 10.1.12.** Upon receipt of the Goods Declaration for Warehousing, the Account Officer shall enter in the logbook all the necessary information in the Goods Declaration. The logbook, shall also have the information as in Annex "G".
- 10.1.13.** The Goods Declaration for Warehousing together with the other supporting documents shall be forwarded to the WDRD/equivalent unit for safekeeping and future retrieval.
- 10.1.14.** If the shipment is Less Container Load (LCL) cargo, the Chief of the Operating Division concerned shall issue a Mission Order designating a customs guard to conduct under-guarding activity during the transfer of the shipment to the CBW. The assigned Customs Guard shall coordinate with the Piers and Inspection Division (PID) or Airlines Operations Division (AOD)/equivalent unit for the issuance of the Transfer Note (Boatnote) to accompany the goods for transfer.
- 10.1.15.** Upon arrival of the shipment at the CBW, the Customs Warehouse assigned at the CBW shall, upon presentation of the Transfer Note (Boatnote), receive the goods to be stored at the CBW. He shall ascertain that the packaging or condition of the cargo is intact and any tampering thereof shall be duly noted on the Transfer Note (Boatnote) and reported immediately to the Chief of the Operating Division concerned for appropriate action. The assigned Warehouseman shall then enter in the logbook all the necessary information in the Goods Declaration.
- 10.1.16.** Transfer of containerized goods from the port of discharge to the CBW shall follow the procedures outlined in CMO No. 04-2020 on the implementation of the E-TRACC System.

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10.2. Transfer of Goods to CBW through Transit. In cases where the goods to be entered for warehousing are under the jurisdiction of another Collection District, the transfer of the imported goods for warehousing from the customs zone to the CBW shall be made under the procedures for transit and a TSAD shall be lodged in the E2M system through the accredited VASP.

10.2.1. The TSAD, together with the following documentary requirements shall be filed with the Office of the Deputy Collector for Operations/equivalent office at the Collection District where the goods were discharged:

10.2.2. The COO III at the Office of the Deputy Collector shall check the completeness of the goods declaration filed and compliance to the submission of the following documentary requirements.

- a. Bill of Lading / Air Waybill;
- b. Invoice;
- c. Packing List; and
- d. Import Permit (if, applicable)

10.2.3. The COO III shall register the TSAD in the E2M system and shall accomplish the inspection act.

10.2.4. Prior to doing the final assessment, the COO V shall ensure that the shipment, if containerized, is booked in the E-TRACC system.

10.2.5. The COO V shall perform the final assessment of the TSAD. This will trigger the automatic charging of the assessed duties and taxes to the bond's account for GTSB of the CBW Operator in the ABMS. The TSAD Assessment Notice is the notification that the assessed duties and taxes is charged against the GTSB.

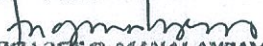
10.2.6. Transfer of containerized goods from the port of discharge to the CBW shall follow the procedures outlined in CMO 04-2020 on the implementation of the E-TRACC System.

10.2.7. If the shipment is loose cargo, the Chief of the Operating Division concerned shall issue a Mission Order designating a customs guard to conduct under-guarding activity during the transfer of the shipment to the CBW. The assigned Customs Guard shall coordinate with the PID or AOD/equivalent unit for the issuance of the Transfer Note (Boatnote) to accompany the goods for transfer.

10.2.8. Upon arrival of the shipment at the CBW, the assigned Warehouseman assigned at the CBW shall, upon presentation of the Transfer Note (Boatnote) and copy of

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the TSAD, shall acknowledge receipt of goods by stamping "RECEIVED" at the copy of the approved TSAD and forward the same to the Deputy Collector for Operations at the port of destination for "TAG ARRIVE" at the system.

- 10.2.9.** The corresponding WSAD shall be filed within five (5) days from date of transfer of the goods to the CBW. The assigned Warehouseman shall ensure that no stripping of goods from the container van shall be done unless the Goods Declaration for Warehousing of the transited goods has been filed.

Said filing of the WSAD shall be required until such time that the Bureau shall have implemented the use of a multi-purpose declaration in its E2M system.

- 10.2.10.** In case of CCBWs, delivery of goods from the Port of Discharge shall be to the mother warehouse where the Customs seal under the E-TRACC system shall be disarmed.

Section 11. Withdrawal of Bonded Goods. The CBW Operator shall, within the prescribed storage period, apply for withdrawal of the bonded goods either for production for export, transfer to accredited sub-contractor/member, sale, or transfer to another CBW, freezone registered locator/enterprise, Client End-User or Client-Exporter. CBW Operators shall ensure that the raw materials that were first transferred to, and stored in, the bonded warehouse, shall first be withdrawn for production. The same manner shall likewise be observed in the reconciliation of raw materials for adherence to the principle of first-in-first-out (FIFO) system.

- 11.1. Withdrawal of Raw Materials for Production.** Raw materials withdrawn from MCBWs for production shall be accompanied by a duly filled up Requisition Slip in accordance with the prescribed format in Annex "H" to be filed with the assigned Warehouseman of the concerned CBW. No transfer of the bonded goods to accredited members shall be made unless the required Requisition Slip has been filed.

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The assigned Warehouseman shall check the documents, and if in order, approve it and release the raw materials being requisitioned. A copy of the Requisition Slip shall be furnished the Operating Division concerned weekly for recording in the operator's logbook.

- 11.2. Withdrawal of Goods for Transfer to Sub-Contractor.** Raw materials withdrawn for transfer to sub-contractors for production must also be covered by a Requisition Slip to be filed with the assigned Warehouseman of the concerned CBW. The Warehousemen shall conduct an inventory and identification of the materials to be sub-contracted and accomplish the Withdrawal Form following the format in Annex "I" which shall contain the description of the materials to be transferred, the quantity and the Requisition Slip number(s). For recording purposes, the Account Officer shall be

duly furnished with a copy of the Requisition Slip. Goods transferred to accredited subcontractors shall be returned to the CBW within thirty (30) days from date of transfer subject to extension upon prior request by the CBW Operator and approval of the District Collector. Transfers to accredited subcontractors shall be covered by a duly approved Authority to Transfer.

11.3. Withdrawal of Bonded Raw Materials for Transfer from CCBW to Accredited Member.

11.3.1. The operator shall prepare the Requisition Slip and file it with the assigned Warehouseman of the mother CCBW.

11.3.2. The assigned Warehouseman shall check the documents, and if in order, shall conduct an inventory and identification of the materials to be transferred to the accredited member and accomplish the Withdrawal Form.

11.3.3. The transfer shall be under-guarded by the Customs Guard assigned thereat and covered by a Transfer Note (Boatnote) and receipt of the goods shall be acknowledged by the assigned Customs Storekeeper/assigned customs officer and the responsible officer of the accredited member.

11.3.4. A copy of the Requisition Slip shall be furnished the Common Bonded Warehouse Division for recording in the logbook being kept by the Account Officer.

11.3.5. The CCBW member shall prepare a Production Report of all goods transferred to its accredited members following the prescribed format in Annex "J" which shall be countersigned by the assigned Warehouseman to be submitted weekly to the assigned Account Officer.

11.3.6. In the case of CCBWs involved in the manufacturing of garments, the fabrics imported by the CCBW Operator for the account of its accredited member must be cut-to-pattern or panel cut prior to the release therein to the accredited member.

However, transfers of fabrics in rolls from the CCBW Operator to its accredited members may be allowed for the following subject to validation by the assigned Warehouseman and subject to the approval of the Chief, CCBWD:

- a. For materials intended for printing/dyeing, washing, bias cutting and embroidery;
- b. For materials that require special cutting machines such as but not limited to hydraulic die-cutting machines, beam press machines, fabrics relaxing machines, clicker machines and other special cutting machines;

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- c. For striped and checkered fabrics which requires "mirror matching" process;
- d. For high quality textured fabrics wherein special handling is required; and
- e. For other reasons that are deemed justifiable by the Chief, CCBWD.

11.4. Withdrawal for Sale of Semi-finished/Finished Products between Accredited Members Belonging to the same Customs Common Bonded Manufacturing Warehouse.

11.4.1. An accredited member of a CCBW who intends to sell his semi-finished/finished products to another accredited member of the same CCBW shall inform the CCBW Operator who shall secure the approval of the District Collector by applying in writing for the issuance of an Authority to Sell, attaching thereto the duly filled up CI or BC Form 218 following the format in Annex "K" and the covering sales contract/purchase order or any other document specifying the following:

- a. Description and quantity of semi-finished/finished products being sold; and
- b. Description and quantity of raw materials used and WSAD number covering the same.

11.4.2. Upon receipt of request, the Collector of Customs through the Operating Division concerned shall forward the application with the supporting documents to the WAD/equivalent unit.

11.4.3. The Customs Examiner from the WAD/equivalent unit shall examine the bonded goods for sale/transfer and sign the CI (BC Form 218) which must reflect the following:

- a. WSAD number;
- b. Name of accredited member-seller and address;
- c. Name of accredited member-buyer and address;
- d. Quantity and description of semi-finished/finished goods;
- e. Quantity and description of raw materials used based on the FOM;
- f. Product Code of semi-finished/finished goods based on the FOM;
- g. Materials category, in case of garments;
- h. Value of goods sold in US Dollar;
- i. Invoice number covering the sale;
- j. Value of raw materials; and
- k. Processing Cost.

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11.4.4. If approved, the accredited member-seller shall file a Goods Declaration for Constructive Export covering the bonded goods sold to the accredited member-buyer prior to the actual transfer of the goods.

The Goods Declaration for Constructive Export shall be filed for every sale under one approved Authority to Sell and shall be supported by the following documents:

- a. Approved Authority to Sell;
- b. Signed CI;
- c. Invoice; and
- d. Packing List.

The Goods Declaration shall be lodged in the E2M system through the accredited VASP and be processed by the Export Division.

11.4.5. Processing of the Goods Declaration for Constructive Export shall be done in accordance with the pertinent provisions of this Order on constructive exports.

11.4.6. Upon receipt of the processed Goods Declaration for Constructive Export, the assigned Warehousemen shall conduct an inventory and identification of the goods to be sold/transferred and accomplish the Withdrawal Form.

11.4.7. The operator shall prepare the Requisition Slip and file it with the assigned Warehouseman of the mother CCBW.

11.4.8. The assigned Warehouseman shall check the documents, and if in order, shall conduct an inventory and identification of the materials to be transferred to the accredited member and accomplish the Withdrawal Form.

11.4.9. The transfer shall be covered by a Transfer Note (Boatnote) duly processed by the assigned Warehouseman at the CCBW and shall be underguarded by the assigned Customs Guard until received by the assigned Warehouseman or the responsible officer of the accredited member-buyer, whichever is applicable.

11.4.10. The accredited member-buyer shall file a Constructive Warehousing Goods Declaration within (5) days after such transfer. The Goods Declaration shall be supported by the following documents:

- a. Approved Authority to Sell;
- b. Copy of the Constructive Export Declaration filed by accredited member-seller;
- c. CI;
- d. Invoice of the seller or Sales contract;

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- e. Packing List;
- f. Staging BL; and
- g. Transfer Note (Boatnote) acknowledging receipt of the assigned Storekeeper or responsible officer of bonded goods transferred.

Processing of the WSAD shall follow the procedures prescribed for regular importations for warehousing.

11.5. Withdrawal for Sale of Semi-Finished/Finished Products from MCBW or Accredited Member of CCBW to Other MCBW or Free Zone Locator.

11.5.1. The operator of an MCBW or mother warehouse of the accredited member who intends to sell semi-finished/finished products to another MCBW or a Free Zone locator shall apply in writing to the Collector of Customs for issuance of Authority to Sell, attaching thereto the duly filled up CI or BC Form 218 and the covering sales contract/purchase order or any other document specifying the following:

- a. Description and quantity of semi-finished/finished products being sold; and
- b. Description and quantity of raw materials used and WSAD number covering the same.

11.5.2. Upon receipt of request, the Collector of Customs through the Operating Division concerned shall forward the application with the supporting documents to the WAD or equivalent office.

11.5.3. The Customs Examiner from the WAD/equivalent unit shall examine the bonded goods for sale/transfer and sign the CI (BC Form 218) which must reflect the following:

- a. WSAD number;
- b. Name of CBW seller and address;
- c. Name CBW buyer/Free Zone locator and address;
- d. Quantity and description of semi-finished/finished goods;
- e. Quantity and description of raw materials used based on the FOM;
- f. Product Code of semi-finished/finished goods based on the FOM;
- g. Materials category, in case of garments;
- h. Value of goods sold in US Dollar;
- i. Invoice number covering the sale;
- j. Value of raw materials; and
- k. Processing Cost.

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11.5.4. If approved, the CBW-seller shall file a Goods Declaration for Constructive Export covering the bonded goods sold to the CBW-buyer/Free Zone locator prior to the actual transfer of the goods.

The Goods Declaration for Constructive Export shall be filed for every sale under one approved Authority to Sell and shall be supported by the following documents:

- a. Approved Authority to Sell;
- b. Signed CI;
- c. Invoice;
- d. Packing List; and
- e. Copy of the PEZA Form 8105 if the buyer is a Free Zone locator.

The Goods Declaration shall be lodged in the E2M system through the accredited VASP and be processed by the Export Division.

11.5.5. Processing of the Goods Declaration for Constructive Export shall be done in accordance with the pertinent provisions of this Order on constructive exports.

11.5.6. The operator shall prepare the Requisition Slip and file it with the assigned Warehouseman of the mother CCBW.

11.5.7. Upon receipt of the processed Goods Declaration for Constructive Export, the assigned Warehousemen shall conduct an inventory and identification of the goods to be sold/transferred and accomplish the Withdrawal Form.

11.5.8. The transfer shall be covered by a Transfer Note (Boatnote) duly processed by the assigned Warehouseman of the CBW-seller and shall be underguarded by the assigned Customs Guard until received by the assigned Warehouseman of the CBW-buyer or the customs office at the Free Zone, whichever is applicable.

11.5.9. If the buyer is a CBW, the CBW-buyer shall file a Constructive Warehousing Goods Declaration within (5) days after such transfer. The Goods Declaration shall be supported by the following documents:

- a. Approved Authority to Sell;
- b. Copy of the Constructive Export Declaration filed by CBW-seller;
- c. CI;
- d. Invoice of the seller or Sales contract;
- e. Packing List;
- f. Staging BL; and

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- g. Transfer Note (Boatnote) acknowledging receipt of the assigned Storekeeper or responsible officer of bonded goods transferred.

If the buyer is a Free Zone locator, the Free Zone locator shall file a Customs EPZA Warehousing Entry (CEWE) with the customs office at the zone within (5) days after such transfer. The CEWE shall be supported by the following documents:

- a. Approved Authority to Sell;
- b. Copy of the Constructive Export Declaration filed by CBW-seller;
- c. CI;
- d. Invoice issued by the CBW-seller or Sales contract;
- e. Packing List;
- f. PEZA Form 8105; and
- g. Transfer Note (Boatnote) acknowledging receipt of the bonded goods by the Customs PEZA Office at the Free Zone.

11.5.10. Processing of the Constructive WSAD shall follow the procedures prescribed for regular importations for warehousing.

11.6. Withdrawal for Sale of Finished Products of a MCBW or Accredited Members to Accredited Client-Exporter.

11.6.1. Finished products may be withdrawn from the MCBW or an accredited member of a CCBW, without the payment of duties and taxes, for sale to an accredited Client-Exporter for direct exports. Sale can only be made to accredited Client-Exporter listed/specified in the license of that particular MCBW or accredited member of a CCBW.

11.6.2. Upon receipt of request, the Collector of Customs through the Operating Division concerned shall forward the application with the supporting documents to the WAD or equivalent office.

11.6.3. The Customs Examiner from the WAD or equivalent unit shall examine the bonded goods for sale/transfer and sign the CI (BC Form 218) which must reflect the following:

- a. WSAD number;
- b. Name of CBW seller and address;
- c. Name Client-Exporter and address;
- d. Quantity and description of finished goods;
- e. Quantity and description of raw materials used based on the FOM;
- f. Product Code of finished goods based on the FOM;
- g. Value of goods sold in US Dollar;

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- h. Invoice number covering the sale;
- i. Value of raw materials; and
- j. Processing Cost.

11.6.4. If approved, the transfer shall be covered by a Transfer Note (Transfer Note (Boatnote) duly processed by the assigned Warehouseman of the seller (CBW or accredited member of CCBW) and shall be under-guarded until received by the responsible officer of the Client-Exporter.

11.6.5. Within seven (7) days from exportation of the bonded goods, the Client-Exporter shall submit the following documents to the seller (CBW or accredited member of CCBW) which shall be used for the liquidation of the covering WSAD:

- a. Export Declaration;
- b. CIL;
- c. Outward Bill of Lading;
- d. Invoice; and
- e. Packing List.

11.6.6. The operator shall prepare the Requisition Slip and file it with the assigned Warehouseman of the MCBW or mother warehouse as the case may be.

11.6.7. The assigned Warehouseman shall check the documents, and if in order, shall conduct an inventory and identification of the materials to be transferred to the accredited Client-Exporter and accomplish the Withdrawal Form.

11.7. Withdrawal for Sale of Bonded Goods from ICBWs to its Accredited Client End-User.

11.7.1. Withdrawal for Sale to MCBWs/Freezone-Registered Enterprise/Locator.

a. Imported goods may be withdrawn from the ICBW, without the payment of duties and taxes, either for sale to a manufacturing bonded warehouse or a Free Zone-registered enterprise/locator, for use in the manufacture of goods for export. Provided, that the sale is made only to any of the Client End-User listed/specified in the license of that particular ICBW. Provided further, that the withdrawal shall be made within the prescribed period for re-exportation, otherwise said bonded goods shall be deemed as abandoned, as provided under Section 1129 of the CMTA.

b. The ICBW Operator shall apply in writing to the District Collector for the approval of the Authority to Sell of bonded goods to its accredited Client End-User by

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submitting the covering sales contract specifying the description and quantity of bonded goods being sold and the WSAD number covering the same.

- c. The Customs Examiner from the WAD or equivalent unit shall examine the bonded goods for sale/transfer and sign the CI (BC Form 218) which must reflect the following:
 - i. WSAD number;
 - ii. Name of ICBW seller and address;
 - iii. Name of Client End-User and address;
 - iv. Quantity and description of bonded goods;
 - v. Value of goods sold in US Dollar; and
 - vi. Invoice number covering the sale.
- d. If approved, the ICBW shall file a Goods Declaration for Constructive Export covering the bonded goods sold to the Client End-User prior to the actual transfer of the goods.

The Goods Declaration for Constructive Export shall be filed for every sale under one approved Authority to Sell and shall be supported by the following documents:

- i. Approved Authority to Sell;
- ii. Signed CI;
- iii. Invoice;
- iv. Packing List; and
- v. Copy of the PEZA Form 8105 if the buyer is a Free Zone locator.

The Goods Declaration shall be lodged in the E2M system through the accredited VASP and be processed by the Export Division.

- e. Processing of the Goods Declaration for Constructive Export shall be done in accordance with the pertinent provisions of this Order on constructive exports.
- f. The operator shall prepare the Requisition Slip and file it with the assigned Warehouseman of the MCBW or mother warehouse as the case may be.
- g. Upon receipt of the processed Goods Declaration for Constructive Export, the assigned Warehousemen shall conduct an inventory and identification of the goods to be sold/transferred and accomplish the Withdrawal Form.
- h. The transfer shall be covered by a Transfer Note (Boatnote) duly processed by the assigned

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Warehouseman of the ICBW and shall be underguarded by the assigned Customs Guard until received by the assigned Warehouseman of the CBW-buyer or the customs office at the Free Zone, whichever is applicable.

- i. If the buyer is a CBW, the CBW-buyer shall file a Constructive Warehousing Goods Declaration within (5) days after such transfer. The Goods Declaration shall be supported by the following documents:
 - i. Approved Authority to Sell;
 - ii. Copy of the Constructive Export Declaration filed by ICBW;
 - iii. CI;
 - iv. Invoice issued by the ICBW;
 - v. Packing List;
 - vi. Staging BL; and
 - vii. Transfer Note (Boatnote) acknowledging receipt of the assigned Storekeeper or responsible officer of bonded goods transferred.

If the buyer is a Free Zone locator, the Free Zone locator shall file a Customs EPZA Warehousing Entry (CEWE) with the customs office at the zone within (5) days after such transfer. The CEWE shall be supported by the following documents:

- i. Approved Authority to Sell;
- ii. Copy of the Constructive Export Declaration filed by ICBW;
- iii. CI;
- iv. Invoice issued by the ICBW;
- v. Packing List;
- vi. PEZA Form 8105; and
- vii. Transfer Note (Boatnote) acknowledging receipt of the bonded goods by the Customs PEZA Office at the Free Zone.

Until such time that the Bureau shall have implemented CAO No. 11-2019 on the electronic lodgement of the goods declaration with the Bureau and relevant Free Zone authorities for imported goods for admission into Free Zones, the filing of the CEWE shall be required.

- j. Processing of the Constructive WSAD shall follow the procedures prescribed for regular importations for warehousing.
- k. The ICBW Operator shall liquidate the WSAD and cause the cancellation of its corresponding bond after all the bonded goods covered by the said entry have been sold and transferred to the ICBW's accredited Client End-

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Users, and the Statement of Liquidation (SOL) together with the required documents have been submitted.

11.7.2. Airline Catering ICBW.

- a. ICBW operators servicing as Airline Caterers must apply for withdrawal of the bonded goods for production within the prescribed storage period.
- b. Goods for withdrawal shall be accompanied by a duly filled up Requisition Slip to be filed with the assigned Warehouseman of the concerned CBW.
- c. The assigned Warehouseman shall check the documents, and if in order, accomplish and sign on the Withdrawal Form approving the release of the raw materials being requisitioned for production ensuring that only the bonded goods being requisitioned are actually released. The assigned Warehouseman, in accomplishing the Withdrawal Form must indicate for whose account Airline Client End-User the withdrawal is being made.
- d. Before the finished goods are prepared for set-up and loading, the operator shall request in writing for examination to the WAD/equivalent Unit, attaching thereto the prepared CI (BC Form 218).
- e. The CI covering the transfer must reflect the following:
 - i. WSAD number;
 - ii. Name of CBW/exporter with ICBW number;
 - iii. Name of Airline Client, flight number and date of departure;
 - iv. Quantity and description of finished goods (number of meals, specifying whether for business class, first class, economy, or crew);
 - v. Quantity and description of raw materials used based on the FOM;
 - vi. Value of goods sold in US Dollar;
 - vii. Invoice number covering the sale;
 - viii. Value of raw materials; and
 - ix. Processing cost.
- f. The Customs Examiner shall examine the bonded goods and shall sign on the CI prepared by the ICBW Operator.
- g. The assigned Warehouseman, upon receipt of a copy of the CI shall supervise the packing and loading to ensure that only the correct quantity of the bonded goods examined and identified shall be loaded on the

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container/crates/trolleys and affix on the same the airline seal provided for the purpose.

The assigned Warehouseman shall likewise prepare the Transfer Note describing thereon all particulars relating to the bonded goods to be loaded and the serial number of the seals attached to the container/crates/trolleys.

- h. In view of the duration of the aircraft while on ground, filing of the ED covering the bonded goods shall be made within twenty-four (24) hours after departure of the aircraft.
- i. The transfer of the prepared goods from the ICBW to the aircraft shall be underguarded by the assigned Customs Guard until properly received by the assigned Customs Guard or Inspector on board the aircraft who shall sign on the Transfer Note acknowledging receipt thereof. The duly received Transfer Note shall be attached to the ED to be subsequently filed.

11.7.3. Airline ICBW.

- a. Goods for entry under the warehousing process shall be limited to spare parts, consumable items, or other similar goods needed for the maintenance of aircrafts engaged in foreign trade and must be withdrawn for export within the prescribed storage period.
- b. Goods for withdrawal shall be accompanied by a duly filled up Requisition Slip to be filed with the assigned Warehouseman of the concerned CBW.
- c. The assigned Warehouseman shall check the documents, and if in order, accomplish and sign on the Withdrawal Form approving the release of the raw materials being requisitioned for production ensuring that only the bonded goods being requisitioned are actually released.
- d. Before the bonded goods are released for utilization the operator shall request in writing for examination to the WAD/equivalent unit, attaching thereto the prepared CI (BC Form 218).
- e. The CI covering the transfer must reflect the following:
 - i. WSAD number;
 - ii. Name of CBW/exporter with ICBW Number;
 - iii. Quantity and description of bonded goods; and
 - iv. Value of goods in US Dollar;

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- f. The Customs Examiner shall examine the bonded goods and shall sign on the CI prepared by the ICBW Operator.
- g. The assigned Warehouseman, upon receipt of a copy of the CI shall prepare the Transfer Note (Boatnote) describing thereon all particulars relating to the bonded goods to be transferred.
- h. The transfer of the bonded goods shall be underguarded by the assigned customs guard until properly received by the assigned customs personnel at the requested destination.
- i. The requirements and procedures for the filing of the goods declaration for constructive export and constructive warehousing shall follow the procedures provided under Section 11.5.9.
- j. The District Collector concerned shall allow the transfer of Bonded Goods prior to filing of the export declaration in cases where there is a immediate need for the bonded goods such as emergency repairs or similar circumstance subject to the following conditions:
 - i. The assigned ICBW Warehouseman shall indicate in the Requisition Slip the flight details of the aircraft where the goods were utilized;
 - ii. The transfer shall be accompanied by a Transfer Note issued by the assigned Warehouseman which shall be received by the assigned AOD personnel on board who shall acknowledge receipt of the bonded goods on the Transfer Note;
 - iii. Filing of the Export Declaration with the Export Division within twenty-four (24) hours from departure of the aircraft; and
 - iv. Other conditions as may be imposed by the District Collector.

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11.7.4. Multi-National Regional ICBW. The withdrawal of the bonded goods for export, including the documentary requirements shall follow the procedures provided under this Order.

11.7.5. Withdrawal for Payment of Duties and Taxes on Bonded Goods.

- a. Bonded goods maybe withdrawn for local sales or domestic consumption upon filing of a letter request for

payment to be filed by the CBW Operator with the District Collector, through the Chief, Operating Division. The application shall be accompanied by a certification from the assigned Warehouseman that the goods subject of the request for payment are still intact at the CBW.

- b. The Account Officer shall check if the quantity of the bonded goods are still within the allowable limits for local sales. If within the allowable limits, the Account Officer shall recommend approval of the request for local sales to the Chief, Operating Division. Local sales of bonded goods beyond the allowable limits may be considered for meritorious reasons such as cessation of CBW operations due to war, acts of God, fortuitous event, pandemic or other analogous circumstances.
- c. The Chief, Operating Division shall forward the request to the Deputy Collector for Operations for final approval and issuance of the Staging Bill of Lading for purposes of filing the Goods Declaration for Consumption.
- d. Filing and processing of the Goods Declaration shall follow the procedures for Goods Declaration for Consumption as if the goods were directly imported thus subject to compliance with regulatory requirements such as permits and licenses from regulatory agencies, ATRIG, etc. De Minimis shall not be applied to the computation of the duties and taxes due on bonded goods withdrawn for local sales or domestic consumption.
- e. Withdrawal of the bonded goods shall only be made upon presentation of a copy of the Goods Declaration for Consumption and proof of payment of duties and taxes.

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Section 12. Direct Exportation of Bonded Goods. Finished or semi-finished products may be exported directly by the CBW Operator or constructively through the sale or transfer of its bonded goods to another CBW, Free Zone locator, accredited Client End-Users or another accredited member of the same CCBW.

- 12.1. Prior to withdrawal of the finished goods for export, and loading into containers, the CBW Operator shall give due notice in writing to the WAD/equivalent unit of the scheduled date of examination at least two (2) days prior to the expected time of loading.
- 12.2. The Customs Examiner from the WAD or equivalent unit shall examine the finished goods for export and if in order, shall sign the CI. Copies of the signed CI shall be distributed to the different offices concerned within twenty-four (24) hours after signing the CI, as follows:

- a. original – CBW Operator
- b. duplicate – Warehouseman
- c. triplicate - Operating Division concerned or equivalent unit
- d. quadruplicate - Export Division (for its file and future reference)

12.3. Lodgement and Filing of Export Declaration-Single Administrative Document (ED-SAD).

12.3.1. CBW and Port of Loading is under the same Collection District.

a. Documentary Requirements.

- i. ED-SAD
- ii. CI
- iii. Invoice
- iv. Packing List
- v. Export Commodity Clearance, License or Permit, if applicable

b. Procedures.

- i. Before the finished goods are loaded into the containers the CBW Operator or his authorized representative shall lodge the Export Declaration in the E2M system through the accredited VASP.
- ii. The lodged Export Declaration shall be filed with the Export Division or equivalent unit of the port of loading together with the supporting documents.
- iii. The Customs Operation Officer shall check the completeness, accuracy and consistency of the export documents and, if in order, the Chief, Export Division or his authorized representative shall approve the Export Declaration and issue "Authority to Load" in case of direct exports. If the export products require clearance from another government agency, (ex.-garments-concerned government agency), such clearance shall be secured first before processing the Export Declaration.
- iv. Transmit the approved Export Declaration with stamped "Authority to Load" to PID/CCCD/equivalent unit which shall serve as the authority for the Inspector on board the vessel/stuffing supervisor to load the cargoes described in the documents.

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- v. The assigned Warehouseman upon receipt of the duly processed ED-SAD shall allow the stuffing of the bonded goods into the containers ensuring that only the correct quantity of the finished products examined and identified shall be loaded for export. Upon completion of the stuffing, he shall seal the container by affixing the shipping seal provided by the shipping line concerned.
- vi. For containerized cargo, the procedures provided under the E-TRACC system for arming and disarming of the containerized cargo for export shall be followed.
- vii. If the goods for export are LCL cargoes, the assigned Warehouseman shall prepare the Transfer Note (Boatnote) describing thereon all particulars relating to the finished products to be exported. The Customs Guard assigned shall accompany the transfer of the goods to the Customs Facility Warehouse (CFW) where the same shall be received by the Wharfinger-in-Charge of the CFW for consolidation with other cargoes in a single container.
- viii. The Customs Cargo and Control Division (CCCD)/equivalent unit shall receive the containerized cargo, ascertain that the shipping seal is intact and if applicable, shall immediately report to the Chief, Export Division if the cargo is found to be tampered or the export seal is broken.
- ix. The Inspector of the CCCD/equivalent unit shall then prepare the CIL (Annex "L") and sign on the document after actual loading of the cargo on board the vessel. Copies of the CIL shall be distributed within twenty-four (24) hours after the departure of the vessel, as follows:
 - 1. original – CBW Operator to be used for the liquidation of the covering WSAD;
 - 2. duplicate - Operating Division concerned or equivalent unit; and
 - 3. triplicate - PID/CCCD/equivalent unit for its files and future reference.

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12.3.2. CBW and Port of Loading is under Different Collection Districts.

a. Documentary Requirements.

- i. TSAD;

- ii. CI;
- iii. Invoice;
- iv. Packing List;
- v. Transfer Note for LCL shipments; and
- vi. Export Commodity Clearance, License or Permit, if applicable.

b. Procedures.

- i. Filing of the TSAD, together with the following documentary requirements, shall be made with the Office of the Deputy Collector for Operations/equivalent office at the Collection District having jurisdiction over the CBW.
- ii. The COO III at the Office of the Deputy Collector for Operations shall check the completeness of the TSAD filed and compliance to the submission of the documentary requirements. If in order, the COO III shall register the TSAD in the E2M system and shall accomplish the inspection act.
- iii. Prior to doing the final assessment, the COO V shall ensure that the shipment, if containerized, is booked in the E-TRACC system. The COO V shall finally assess the TSAD. This will trigger the automatic charging of the assessed duties and taxes to the bond's account for GTSB of the CBW Operator in the ABMS.
- iv. Transfer of containerized goods from the port of origin to the port of loading shall follow the procedures outlined in CMO No. 04-2020 on the implementation of the E-TRACC System. For ports where the E-TRACC system is not yet being implemented, the transfer shall be under guarded by the assigned Customs Guard until received at the port of loading.
- v. If the shipment is LCL cargo, the Chief of the Operating Division concerned shall issue a Mission Order designating a Customs Guard to conduct under-guarding activity during the transfer of the shipment from the port of origin to the port of loading. The assigned Customs Guard shall coordinate with the PID or AOD/equivalent unit for the issuance of the Transfer Note (Boatnote) to accompany the goods for transfer.
- vi. For containerized cargo, the procedures provided under the E-TRACC system for arming

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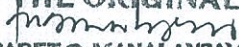

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and disarming of the containerized cargo for transit shall be followed.

- vii. The concerned office at the port of loading shall tag the transit goods as "arrived" within twenty-four (24) hours from receipt thereof.
- viii. The CBW Operator or his authorized representative shall lodge the Export Declaration in the E2M system through the accredited VASP.
- ix. The lodged Export Declaration together with the supporting documents shall be filed with the Export Division or equivalent unit at the port of loading.
- x. The Customs Operation Officer shall check the completeness, accuracy and consistency of the export documents and, if in order, the Chief, Export Division or his authorized representative shall approve the Export Declaration and issue "Authority to Load". If the export products require clearance from another government agency, such clearance shall be secured first before processing the Export Declaration.
- xi. The Export Division shall then transmit the approved Export Declaration with stamped "Authority to Load" to PID/AOD/CCCD/equivalent unit which shall serve as the authority for the Inspector on board the vessel or aircraft to load the cargoes described in the documents.
- xii. The PID/AOD/CCCD/equivalent unit shall ascertain that the shipping or airline seal is intact and if applicable, shall immediately report to the Chief, Export Division if the cargo is found to be tampered or export seal broken.
- xiii. The Inspector of the PID/AOD/CCCD/equivalent unit shall then prepare the CIL and sign on the document after actual loading of the cargo on board the vessel or aircraft. Copies of the CIL shall be distributed within twenty-four (24) hours after the departure of the vessel or aircraft, as follows:
 - 1. original - CBW Operator to be used for the liquidation of the covering WSAD

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2. duplicate - Operating Division concerned/equivalent unit
3. triplicate- PID/CCCD for its files and future reference

Section 13. Indirect Exports of Bonded Goods. The following shall be considered as indirect or constructive exports of a CBW:

- 13.1. Withdrawal for Sale of Semi-Finished/Finished Products of a MCBW or Accredited Members to Other MCBW or Free Zone locators.
- 13.2. Withdrawal for Sale of Semi-finished/Finished Products between Accredited Members Belonging to the same CCBW.
- 13.3. Withdrawal for Sale of Bonded Goods from ICBWs to its Accredited Client/End-User.

Section 14. Disposition of Wastages, Rejects and By-Products.

14.1. By Consumption. Wastages, rejects and by-products incident to the process of manufacture in said bonded warehouse may be withdrawn for domestic consumption upon lodgement of a Goods Declaration for Consumption. For this purpose, the Bureau shall establish and maintain a Wastages Valuation Database System (WVDS) which shall be used as reference for the computation of the duties and taxes due on wastages and by-products.

In the interim and pending the creation of the WVDS, assessment of the duties and taxes due on these wastages, rejects and by-products shall be made as if such waste or by-products were imported from a foreign country or the transaction value of the sale of these goods between the CBW and its intended buyer, whichever is higher. Payment of duties and taxes on all wastages, rejects and by-products shall be exempt from the application of rules and regulation on De Minimis value.

14.1.1. The Operator shall apply in writing to the District Collector through the Chief of the Operating Division for the payment of duties and taxes of wastages, rejects and by-products incurred in the production specifying the following:

- a. WSAD number covering the bonded raw materials source of the waste material, rejects or by-products;
- b. Description of waste material, rejects or by-products;
- c. Quantity using the unit of measure declared in the WSAD which must be consistent with that in the FOM;
- d. Percentage against the total imported raw materials declared in the WSAD; and
- e. Certification by the assigned Warehouseman to the occurrence of the said wastages, rejects and by-products incident to the production of the export products.

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14.1.2. Once the application for payment is approved by the Collector, the Customs Examiner from the WAD/equivalent office shall retrieve the original WSAD from the WDRD/equivalent unit and conduct an examination of the wastages, rejects or by-products to determine if the wastages is within the allowable percentage in the FOM.

Duties and taxes due on wastages beyond the allowable limit as verified from the FOM shall be assessed based on the invoice value declared in the covering WSAD.

14.1.3. The Operator shall file the Goods Declaration using BC Form 177 (Informal Import Declaration and Entry) with the WAD/equivalent unit and pay the assessed duties and taxes for the wastages, rejects and by-products.

14.1.4. The CBW Operator shall then file the Withdrawal Permit covering the wastages/by-products with the Operating Division concerned/equivalent unit. No withdrawal shall be made unless proof of payment of duties and taxes for the wastages, rejects or by-products is presented.

14.2. By Re-exportation. The procedures for the exportation of wastages, rejects and by-products shall follow Section 12.3.1 of this Order on direct exports.

14.3. By Condemnation. Wastages, rejects and by-products shall be withdrawn and disposed by the CBW Operator through condemnation following the procedures outlined below:

14.3.1. The Operator shall apply in writing with the Collector of Customs a request for the disposition of wastages, rejects or by-products through condemnation, attaching thereto the Certification of the assigned Warehouseman as to the occurrence of said wastages, specifying the following:

- a. Import Entry number covering waste materials, rejects and by-products;
- b. Description of waste material/by-products;
- c. Quantity of the bonded goods for condemnation;

14.3.2. The Account Officer shall check if the quantity of the wastages, rejects or by-products is within the allowable wastage as verified by the FOM;

14.3.3. The assigned Customs Examiner of the WAD/equivalent unit shall examine the bonded goods for condemnation as to the quantity and quality if with any commercial value. Bonded goods requested for condemnation found to have commercial value or are recyclable shall be required to pay duties and taxes and shall not be condemned;

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14.3.4. Condemnation shall be done by the CBW Operator within the remaining storage period. The condemnation shall be done within three (3) days from the date of approval by the District Collector of the request for condemnation and after compliance with all documentary requirements including securing the required clearances or permits from other government agencies, if applicable. The condemnation proceedings must be witnessed by the assigned Warehouseman, representatives from the Auction and Cargo Disposal Division (ACDD)/equivalent unit, other concerned offices of the Bureau, representatives from the Commission on Audit and other concerned government agencies;

14.3.5. The assigned Warehouseman shall issue a Report on Condemnation also signed by the CBW Operator and other witnesses to the condemnation proceedings which Report shall form part of the documentary requirements for the liquidation of the covering WSAD.

Section 15. Liquidation of Materials, Entries and Cancellation of Bonds.

15.1. Documentary Requirements to Liquidate Warehousing Entries.

15.1.1. Importation.

a. Direct Importation.

- i. Original WSAD
- ii. Bill of Lading/Air Waybill
- iii. Packing List/Commercial Invoice
- iv. Transfer Note (Boatnote), if applicable
- v. Licenses, Permits and other documentations, if required by law

b. Constructive Importation.

- i. Original WSAD
- ii. Approved Authority to Sell/Transfer
- iii. Invoice of the Seller
- iv. Transfer Note, if applicable
- v. Packing List

15.1.2. Exportation.

a. Direct Exportation.

- i. Processed Export Declaration
- ii. Outward Bill of Lading/Airway Bill
- iii. CI
- iv. CIL

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- v. Transfer Note, if applicable
- vi. Invoice
- vii. Packing List
- viii. For MCBWs with accredited Client-Exporters, Bill of Lading covering the exported goods where the bonded finished products were utilized and a copy of the approved Authority to Transfer and supporting documents

b. Constructive Exportation.

- i. Constructive Export Declaration
- ii. Approved Authority to Sell/Transfer
- iii. Receipt of payment covering the sale
- iv. CI
- v. Transfer Note covering transfer, if applicable
- vi. Invoice
- vii. Packing List
- viii. Constructive Warehousing Entry filed by the Buyer or CEWE if the buyer is a Freezone locator

c. Documents for Payment of Wastages/Rejects or By-Products.

- i. Goods Declaration for Consumption filed for the Wastages/Rejects or By Products;
- ii. Proof of payment of duties and taxes on wastages, if applicable


d. Domestic Consumption/Local Sales.

- i. Approved Request for Local Sales
- ii. Original WSAD
- iii. Withdrawal Form and the corresponding Consumption Goods Declaration
- iv. Statement of Settlement of Duties and Taxes (SSDT) or Bureau of Customs Official Receipt (BCOR) showing payment of the duties and taxes and other charges

15.2. Period to Liquidate. The importer shall, within a non-extendible period of sixty (60) days from the date of complete and full exportation, submit the complete documents required for the liquidation of the WSAD. The same period shall likewise be given an importer for the submission of the complete documents required for the liquidation of the WSAD even in cases where complete exportation is made before the expiration of the prescribed storage period. Notwithstanding the foregoing, the maximum period within which to submit complete liquidation documents is thirty (30) days from the expiration of the storage period. Submission of documents after the thirty (30) day period shall be considered as late submission

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of documents and shall be subject to the penalties prescribed under Section 15 of Customs Administrative Order (CAO) No. 01-2022.

15.3. Procedures.

15.3.1. The CBW Operator/representative shall submit to the Operating Division the application for liquidation, attaching thereto the SOL which is a report on the reconciliation of raw materials following the format in Annex "M" and other documentary requirements as mentioned in Section 15.1 hereof. The SOL must indicate the WSAD number, the description of goods, including the quantity, volume and value that are subject of the liquidation applied for.

15.3.2. Upon receipt of the SOL and supporting documents, the concerned Operating Division shall retrieve the WSAD and supporting documents from the WDRD/equivalent office.

15.3.3. Thereafter, the Account Officer shall determine the authenticity of the liquidation documents, validate the information in the SOL against the documents submitted on the following based on the FOM:

- a. quantities of the raw materials utilized to produce the finished goods exported (direct or constructive) or sold/transferred in case of ICBW;
- b. quantity of wastages, rejects or by-products;
- c. quantity of raw materials subject of local sales or domestic consumption; or
- d. quantity of raw materials condemned or abandoned, if applicable.

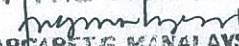
If the liquidation documents are in order, the Account Officer shall within fifteen (15) days from the date of receipt of said application sign the SOL and recommend the liquidation of the WSAD to the Chief of the Operating Division concerned for approval.

15.3.4. The Chief, Operating Division shall sign on the SOL signifying his/her concurrence thereto and forward the same to the LBD, complete with the other documents submitted, for final liquidation.

15.3.5. The LBD shall review the WSAD, SOL, authenticity and completeness of the supporting documents and effect the final liquidation of the WSAD within fifteen (15) days from receipt of said documents from the Operating Division.

15.3.6. The LBD shall forward the SOL together with the copy of the WSAD to the Bonds Division for cancellation of the corresponding warehousing bond.

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15.3.7. Within five (5) days from receipt of the above documents, the Chief, Bonds Division shall cancel the corresponding warehousing bonds and issue the Notice of Cancellation of Bonds to the CBW Operator. Copies of the Notice of Cancellation of Bonds shall be given the surety company and the Operating Division concerned. The Bonds Division shall likewise keep a record of all cancelled bonds and copies of corresponding liquidated entries and SOL.

A Raw Materials Liquidation System (RMLS) shall be adopted and utilized to effectively monitor the liquidation of bonded goods and the wastages therefrom, if any. Pending the use of the RMLS and other ICT-enabled system and the integration of the AIMS for CBWs in the Bureau's computer system the above-described procedures in the liquidation of the WSAD and cancellation of the bonds shall be followed.

Section 16. Abandonment of Bonded Goods. Bonded goods not withdrawn for manufacture or finished goods not exported within the prescribed storage period shall be considered abandoned and proceeded against pursuant to existing rules and regulations. The CBW Operator may, before the expiration of the storage period, expressly abandon his rights over the bonded goods in favor of the government.

16.1. Thirty (30) days prior to the expiration of the storage period, the assigned Warehouseman shall notify in writing the CBW Operator to withdraw the bonded goods either for manufacture and subsequent export or to export in case of finished goods.

16.2. The CBW Operator, upon receipt of the notice should avail any of the following options:

16.2.1. pay the duties and taxes due on the unmanufactured and un-exported goods, provided the same does not exceed the thirty percent (30%) limit allowed under this Order for local sales of bonded goods;

16.2.2. export the finished goods even after the storage period, upon written request and approval of the District Collector subject to payment of penalty as may be prescribed under existing regulations; or

16.2.3. expressly abandon the bonded goods by filing a notarized Letter of Express Abandonment. The Letter of Express Abandonment must indicate the WSAD number, quantity of the bonded goods to be abandoned and the reason for the abandonment.

16.3. Upon receipt of the notarized Letter of Express Abandonment, the District Collector shall, within three (3) days, issue the Decree of Abandonment which shall become immediately final and executory.

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- 16.4.** Upon receipt of the Decree of Abandonment, the CBW Operator shall immediately turn over the abandoned goods to the ACDD or equivalent unit of the port for disposition. Expenses for the turn-over of the goods to the ACDD/equivalent unit shall be borne by the CBW Operator.
- 16.5.** The CBW Operator, in the reconciliation of the raw materials and liquidation of the WSAD, shall attach the Decree of Abandonment and proof of receipt by the ACDD of the goods as a supporting document to its application for liquidation filed with the Operating Division.

The above provisions on the abandonment of bonded goods shall not apply to rejects, whether as raw materials or finished goods. Instead, rejects shall be subject to the provision of Section 14 hereof on the disposition of wastages, rejects and by-products.

Section 17. Temporary Cessation of Operations of CBW. A CBW Operator shall inform the District Collector of the temporary cessation of its CBW operations if the same shall last for more than one (1) year due to severe slowdown of industry, pandemic, war, acts of God, force majeure or other analogous reasons. Temporary cessation of the operations of a CBW due to the said causes shall constitute as exemptions for the closure of CBWs under Section 18 hereof.

Section 18. Suspension and Closure of CBW.

- 18.1.** A CBW shall be closed by the District Collector for any or all of the following reasons:
- 18.1.1.** In case of discontinuance requested by the CBW Operator or when the conditions warrant pursuant to Section 807, Chapter 2, Title VIII of the CMTA;
 - 18.1.2.** Filing an application for renewal found to contain false information;
 - 18.1.3.** Failure to file application for renewal;
 - 18.1.4.** Being inactive for more than one (1) year, i.e., no importation, or if there is one, no corresponding legal withdrawal of imported goods or exportation of finished products within the storage period;
 - 18.1.5.** When the CBW Operator or any of its responsible officer shall knowingly allow the use of the CBW for illegal activities;
 - 18.1.6.** Unauthorized relocation or use of extension warehouse;
 - 18.1.7.** Unauthorized changes in the CBW lay-out;
 - 18.1.8.** Unauthorized structural changes of the CBW and/or its extension warehouse for second offense;
 - 18.1.9.** Withdrawal of any material/goods stored in a CBW without the duly processed Requisition Slip or Withdrawal Form, without prejudice to the confiscation of the GWB;
 - 18.1.10.** Illegal withdrawal of any imported material or finished goods from the CBW without prejudice to forfeiture of the goods or in case of payment of duties, taxes and other

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charges, imposition of surcharge in accordance with Section 1422 of the CMTA; and

18.1.11. Violation of customs rules and regulations.

18.2. Based on the existence of any of the grounds for closure, the District Collector shall issue a Closure Order following the format in Annex "N".

18.3. Upon the issuance by the District Collector of the Closure Order, the Chief of the WID/equivalent office shall immediately close the CBW by sealing and putting it underguard on a twenty-four (24) hour basis at the operator's expense until such time the CBW is cleared of all accountabilities.

18.4. Upon receipt of the Closure Order, the CBW Operator shall immediately surrender to the Chief of the Operating Division concerned all the books, records, and other documents relative to and required for the operation of the CBW.

18.5. The Chief of the Operating Division concerned shall immediately cause a complete inventory of all imported goods, raw materials, goods-in-process, and finished products. The inventory shall indicate, among others, the unliquidated WSAD.

18.6. All goods inventoried in the CBW shall be turned over to the custody of the Collection District, unless the duties, taxes and other charges are paid thereon. Pending the turn-over of the bonded goods, the expenses for securing the CBW shall be for the account of the CBW Operator.

18.7. Any warehousing supervision fee due at the time of the closure of CBW shall be collected. Fees already collected prior to the closure shall not be refunded.

18.8. The closure of a CBW shall not absolve the CBW Operator or accredited member of any accountabilities or liabilities arising from the operations of a CBW.

The closure and suspension of CBWs shall be in accordance with the penalties prescribed under CAO No. 01-2022.

Section 19. Inspection of CBW and Inventory of Bonded Goods. The District Collector or his/her authorized representative shall conduct regular inspections of the CBW and annual inventory of bonded goods stored therein and examine the documents, books, and records of accounts concerning the operation of any CBW under the jurisdiction of the Collection District. His/her authorized representatives shall be covered by appropriate Mission Orders which shall contain their names, time and date of inspection, and the documents, books, and records of accounts to be examined.

19.1. The Inventory/Inspection Team, shall prepare the List of Documents Required for Conduct of Inventory/Inspection which shall include the following:

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19.1.1. Export Documents for unliquidated entries:

- a. CI;
- b. CIL;
- c. Export Declarations for direct exports;
- d. Export Bills of Lading;
- e. Transfer Note (Boatnote);
- f. Invoices and Packing List;
- g. For indirect exports -
 - i. Approved Authority to Transfer or Authority to Sell;
 - ii. CI;
 - iii. Transfer Note;
 - iv. Constructive Export Declarations;
 - v. Constructive Warehousing Entry or CEWE filed by the PEZA-buyer;
 - vi. Invoices; and
 - vii. Packing List.

19.2. The Inventory/Inspection Team, upon serving the Mission Order and the List of Documents shall immediately conduct an inventory of the bonded materials inside the CBW (i.e. raw materials, materials in process, finished goods) in the presence of the assigned Warehouseman/Storekeeper and the CBW Operator or its officer or representative.

19.3. After the physical inventory, the Inventory/Inspection Team shall prepare an Inventory Report, to be signed by the Inventory/Inspection Team, the Warehouseman/Storekeeper and the CBW Operator or its officer or representative. Should the CBW Operator or official or representative refuse or fail to sign the Inventory Report, the reason thereof shall be stated therein.

19.4. Data gathered shall then be evaluated by the Inventory/Inspection Team. The evaluation shall consist of, among others, the following:

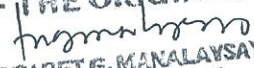
19.4.1. Verification of the completeness of the documents submitted, including its attachments;

19.4.2. Determination if the usage of bonded materials reflected in the Certificates of Identification is in accordance with the FOM;

19.4.3. Determination of unaccounted bonded materials and unliquidated/expired entries; and

19.4.4. Determination of any other violation of appropriate laws, rules and regulations.

19.5. The Inventory/Inspection Team shall thereafter submit to the District Collector through the Deputy Collector for Operations, a report on its findings and recommendation/s. If the Inventory/Inspection Team

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Report has no adverse findings against the CBW, the Head shall recommend the termination and closure of the inspection and inventory of the CBW.

- 19.6. If the Report of the Inventory/Inspection Team contains findings adverse to the CBW, the District Collector shall issue a show-cause letter to the CBW Operator giving it the opportunity to address the adverse findings of the Report of the Inventory/Inspection Team within seven (7) working days from receipt thereof. Any request for extension shall be in writing, citing justifiable reason/s, before the expiration of the period and in no case to exceed ten (10) working days. Failure of the CBW Operator to comply within the period prescribed in the show-cause letter shall be deemed as a waiver to submit additional controverting documents/evidence.
- 19.7. The Inventory/Inspection Team shall, whenever necessary, conduct reconciliation between its findings and the documents/evidence additionally submitted by the CBW Operator. Should the Final Report remain adverse to the CBW, the recommendation/s of the Inventory/Inspection Team may include, but not be limited to, any or some or all of the following - Issuance of demand letter, suspension of warehousing privileges, suspension of importer's accreditation, prosecution for criminal liability of persons who are party to the violation/s of the CMTA.
- 19.8. Should the importer fail to pay the deficiency duties and taxes, including legal interest, fines and surcharges/ penalties stated in the demand letter and/or formal assessment of deficiency duties within ten (10) working days from receipt thereof, the District Collector shall immediately impose the following:
 - 19.8.1. Recommend the revocation of the accreditation privileges granted to the CBW Operator as importer and exporter in accordance with applicable rules and regulations;
 - 19.8.2. Suspension of warehousing privileges or closure of the CBW in accordance with applicable rules and regulations; and
 - 19.8.3. Avail of the administrative and judicial remedies provided for by law and rules and regulations.

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Nothing in the foregoing shall preclude the District Collector from recommending the full audit of the CBW by the Post Clearance Audit Group (PCAG).

Section 20. Audit of CBWs by PCAG. The Commissioner may order the audit and inspection of CBWs by the Warehousing Monitoring and Audit Unit (WMAU) of the Post Clearance Audit Group (PCAG) on the following grounds:

- 20.1. Information from internal sources, such as the CIIS, ESS;
- 20.2. Referral from the District Collector or Operating Divisions;

- 20.3. Derogatory report/information from external sources (e.g., National Bureau of Investigation, Sugar Regulatory Administration, etc);
- 20.4. As a pre-requisite for renewal of license to operate a CBW;
- 20.5. Voluntary closure; and
- 20.6. As directed by the Commissioner.

The CBW Operators, Operating Divisions and other concerned offices shall extend full assistance to the audit/inventory team by providing relevant records necessary for the expeditious completion of the audit/inventory of CBWs.

Section 21. Monitoring, Supervision, and Coordination of CBW Activity.

Pursuant to its functions under Executive Order No. 127, the WCD shall ensure that rules and regulations are properly implemented thru effective coordination, evaluation, supervision and monitoring of warehousing operations/activities, including liquidation of bonded goods and subsequent bonds cancellation.

The WCD shall establish a Compliance Rating System which shall be used to measure and assess the compliance and performance levels of all CBWs especially with regard to applicable laws, rules and regulations, and other performance factors such as import-export and economic viability, among others, in consultation with stakeholders. The system shall be utilized by the Bureau as a risk management mechanism in its evaluation of any application or used as basis in any action which may be taken by the Bureau for or against a CBW.

WCD shall likewise conduct periodic CBW inspection in aid of its monitoring functions for decision making process and in order to properly provide recommendations to the Chairman of CBWC, Deputy Commissioner of AOCG and the Commissioner. Conduct of inspection by the WCD must be covered by a Mission Order issued by the Commissioner.

The WCD shall enlist the assistance of other offices in the Bureau, e.g. WMAU-PCAG, the Investigation Prosecution Division of the Customs Intelligence Investigation Service (IPD-CIIS) and Legal Service, to audit, investigate and possible filing of administrative, civil and criminal case against erring CBW Operators which are ascertained to be not complying with relevant laws, customs rules and regulations.

Section 22. Repealing Clause. This Order repeals CMO No. 31-91 and other CMOs and issuances inconsistent herewith.

Section 23. Effectivity Clause. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

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Rey Leonardo B. Guerrero
REY LEONARDO B. GUERRERO
Commissioner



ANNEX "A"

**APPLICATION TO OPERATE A CUSTOMS BONDED WAREHOUSE/
ACCREDITATION AS SUBCONTRACTOR/ MEMBERSHIP TO COMMON
BONDED WAREHOUSE/ ACCREDITATION AS CLIENT END-USER OR CLIENT
EXPORTER**

NAME OF FIRM: _____

ADDRESS: OFFICE: _____ **TEL. NO.** _____
PLANT: _____ **TEL. NO.** _____

Official Business Email (Registered with AMO) _____

Nature of Application:

a. Application for Authority to Operate/Renewal to Operate:

- | | |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| <input type="checkbox"/> Miscellaneous Manufacturing Customs Bonded Warehouse | <input type="checkbox"/> Common Customs Bonded Warehouse |
| <input type="checkbox"/> Garment and Textile Manufacturing Customs Bonded Warehouse(GTMCBW) | <input type="checkbox"/> Private Customs Bonded Warehouse (PCBW) |
| <input type="checkbox"/> Industry-Specific Customs Bonded Warehouse (ICBW) | |

b. Application for Accreditation

- | | |
|-----------------------------------------------|---------------------------------------------------|
| <input type="checkbox"/> Membership to a CCBW | <input type="checkbox"/> Client-end user of ICBW |
| <input type="checkbox"/> Subcontractor | <input type="checkbox"/> Client Exporter of MNCBW |

Kind of Business Entity:

- | | |
|--------------------------------------|--------------------------------------------|
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Single Proprietor |
| <input type="checkbox"/> Partnership | |

**FOR PARTNERSHIP/SOLE PROPRIETORSHIP:
CAPITAL OF PARTNERSHIP/SOLE PROPRIETOR:**

Name & Tax Acct Number	Nationality	Country of Residence	CAPITAL (Amt. in Peso)

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FOR CORPORATION:

	No. of Shares	Value of Shares
Authorized Capital Stock		
Subscribed Capital Stock		
Paid up Capital Stock		

Majority Stockholders / No. of Shares held:

Name	TIN	Nationality	Subscribed	Paid Up

Board of Directors:

Name & Tax Acct. No.	Nationality	No. of shares held	
		Subscribed	Paid Up

Name of Principal Officers:

Name	Tax Acct. No.	Nationality	Position

List of Business Affiliations of Applicant/Partners/Majority Stockholders

Name	Business Affiliations	Position

Raw Materials/Articles Proposed to be Imported and Tariff Heading

Raw Materials/Articles	Tariff Heading

If application is to operate a Common Customs Bonded Manufacturing Warehouse, nature and rate of service offered

In support of my application, submitted are the following documents:
(Note : Photocopies certified by Applicant)

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| | To be filled-up
by Customs
(pls tick) |
| 1. A copy of Certificate of Registration with the SEC certified by the Corporate Secretary. | <input type="checkbox"/> |
| 2. Photo copies of Articles of Incorporation, By-Law or Articles of Partnership. | <input type="checkbox"/> |
| 3. Certificate of Registration with the Bureau of Domestic Trade if a sole proprietorship. | <input type="checkbox"/> |
| 4. Instrument of evidencing absolute ownership or lease contract covering the proposed warehouse (if lease contract must have a minimum period of one (1) year) | <input type="checkbox"/> |
| 5. Plant location showing means of access to the property. | <input type="checkbox"/> |

- 6. Plant layout showing and describing the size and construction of the proposed warehouse together with the intended use of each compartment.
- 7. Mayor's permit for the building.
- 8. Audited or Interim Financial Statement for the last two years immediately preceding the date of application. (Preferable the copy submitted to BIR).
- 9. Applicant's Income Tax Return for the last two years immediately preceding the date of application. If a corporation/partnership, in addition, the income tax return of the majority stockholders/partners during the same period.
- 10. List of machineries and equipment.
- 11. Project Feasibility Study in the prescribed format.
- 12. Proof of Investment or inward remittance by foreign investors/bank certificate.
- 13. List of raw materials to be imported.
- 14. Formula of manufacture certified by Industrial technology Development Institute. In case of Garments, the formula approved by the relevant office.
- 15. Patterns or sketches of the products to be manufactured. In case of garments, the patterns or sketches approved by GTEB.
- 16. Clearances from the officers or equivalent unit of the port having jurisdiction over the warehouse to be secured by the WDRD within ten (10) working days from receipt of application.

This is to certify that I have read CAO 1-2022 relative to the establishment and operation of bonded warehouse and the rules and regulations implementing it and hereby undertakes and commits itself to faithfully abide thereby and all the terms and conditions of the bonds posted in connection herewith;

Applicant HEREBY SOLEMNLY DECLARES, under pain of perjury, that the information herein contained and in the documents submitted are true and correct. It is hereby understood that any misrepresentation, false statement, non-disclosure of any information herein required and/or any violation of any Customs law, rules and regulations by the undersigned operator/firm or any of its officers/directors in

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connection with this application as well as the operation of our CBWs shall be ground for the disapproval hereof and/or the cancellation or revocation of our authority, license to operate a CBW, without prejudice to any administrative/criminal prosecutions as may be proper.

Done in the City / Province of _____ this _____ day of _____.

Operator/Company Name
By: _____
Owner/President/General Manager
(Signature over printed name)

Republic of the Philippines)
City/Province of _____) S.S.
Municipality of _____)

Subscribed and Sworn to before me this _____ day of _____, _____ in the City/Province of _____ affiant exhibit his residence Certificate No. _____ issued at _____ on _____.

Notary Public

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

(Customs Documentary Stamp)

(Reproduction Authorized)

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FEASIBILITY STUDY

I. ORGANIZATIONAL ASPECT:

1. Management Structure;
2. Description of important functions; names and qualifications of personnel performing them;
3. Description of administrative procedures and controls.

II. FINANCIAL ASPECT:

1. Project cost and source/s of financing;
2. Income and cost of sales statement;
3. Balance Sheet;
4. Cash Flow Statement.

III. TECHNICAL ASPECT:

1. Formula of manufacture involved and specific quality control measures;
2. Expected annual volume of production;
3. Machineries and equipment required;
4. Number of personnel involved in production;
5. Foreign personnel, if any, position and function.

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ANNEX "C"

INSPECTION REPORT ON COMPLIANCE WITH STRUCTURAL REQUIREMENT FOR CUSTOMS BONDED WAREHOUSE

FIRST NAME _____

ADDRESS: Office _____ Plant: _____

Tel. No. Office _____ Plant: _____

Type of Application: New Renewal

CBW applied for: _____

	YES	NO	COMMENTS/ OTHER DESCRIPTION
A. Accessibility of plant location			
1. Distance from the Customs Zone			
2. Located within a compound or with adjacent structures			
B. Structural Evaluation of Warehouse			
1. Made of concrete			
2. Entrance/Doors made of steel			
3. Doors secured by at least 2 locks: Raw Materials Area (at least 2 locks) Finished Goods Area (at least 2 locks)			
4. Ventilation at least 7 ft. from the ground - grilled/ barred by strong materials			
5. Windows grilled/barred by strong materials, including at production and storage areas			
C. General Description of Warehouse			
Total Area : _____ sq. m.			
Total Capacity in TEUs : _____			
1. Raw Materials Compartment			
Floor Area in sq. m. : _____			
Capacity in TEUs : _____			
2. Finished Goods Compartment			
Floor Area in sq. m. : _____			

Capacity in TEUs : _____			
3. Production Floor Area in sq. m. : _____ Capacity in TEUs : _____			
4. Compartment for Wastages/Rejects/By-products Floor Area in sq. m. : _____ Capacity in TEUs : _____			
D. Machineries, equipment, apparatus installed: 1. Description: (Use separate sheet if necessary) 2. Production capacity 3. Year model/make 4. Local purchases 5. Tax paid 6. BOI exempted			
E. CCTV system 1. Entrance 2. Exit 3. Raw Materials Area 4. Finished Goods Area 5. Production Area 6. Perimeters 7. Offices 7. Loading/Unloading Area			
F. Offices (Assigned Customs Personnel and CBW Personnel) 1. Desktop computers 2. Internet connection			
G. Others 1. Emergency exit 2. Fire hazard 3. Flood prone area			

Other observations: _____

Recommendation:

INSPECTED BY:

(Signature on top of printed name)

Date _____

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Administrative Officer V

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ANNEX "D"

**APPLICATION FOR RENEWAL OF
AUTHORITY TO OPERATE**

The District Collector
Port of _____

Sir:

The undersigned, _____,
(Operator/Company Name)

Operator of CBW No. _____ located at _____
(CBW Location/Address)

granted an Authority to Operate a _____ pursuant to CAO No. _____, hereby respectfully applies for the renewal of our authority/license to operate CBW No. _____ which expires on _____,

Under pain of the proper administrative/criminal prosecution, and/or disapproval of this application, we hereby fully and truthfully disclose as follows:

1. Names of all principal officer and directors :

CURRENT	IN PREVIOUS YEAR/S

(use separate sheet as necessary)

2. Current principal officers and directors who are also officers and directors of other firm/s operating a CBW:

NAME	CBW NO./FIRM NAME	ADDRESS/LOCATION

3. Outstanding obligation/liabilities/accounts:

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- 3.1. Unliquidated bonds (indicate name of bonding company, and amount of bonds):
- 3.2 Unpaid accounts (duties and taxes, indicate amounts and corresponding entry number/s):
- 3.3 Cargoes/materials which have overstayed (indicate CBW No., description of cargoes/materials, corresponding WSAD No. and peso value) beyond the reglementary period;
- 3.4 Finished/unfinished products not yet exported beyond the reglementary period;
- 4. Schedule of importations (indicate frequency whether weekly, monthly, quarterly, semi-annually, etc.)

FREQUENCY	DESCRIPTION OF IMPORTED MATERIALS	PESO VALUE	VOLUME

(use separate sheet as necessary)

5. Locally purchase materials and supplies

DESCRIPTION QTY. USED PER UNIT OF PRODUVT PESO COST PER UNIT OF RAW MATERIALS

(use separate sheet as necessary)

Applicant has read all pertinent Customs related rules and regulations and hereby undertakes and commits itself to faithfully abide thereby and all the terms and conditions of the bonds posted in connection herewith;

Applicant HEREBY SOLEMNLY DECLARES, under pain of perjury, that the information herein contained and in the document submitted herewith are true and correct. It is hereby understood that any misrepresentation, false statement, non-disclosure of any information

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 MARGARET M. ...

herein required and/or any violation of any Customs law, rules and regulations by the undersigned operator/firm or any of its officers/directors in connection with this application as well as the operation of our CBWs shall be ground for the disapproval hereof and/or the cancellation or revocation of our Authority to Operate a CBW, without prejudice to any administrative/criminal prosecutions as may be proper.

Operator/Company Name

By: _____
Owner/President/General Manager
Signature over printed name

Complete Address: _____

Telephone No. _____
Email Address (registered with AMO) : _____

Republic of the Philippines)
City/Province of _____) S.S.
Municipality of _____)

Subscribed and Sworn to before me this ____ day of _____, _____ in the City/Province
of _____ affiant exhibit his residence Certificate No. _____ issued
at _____ on _____.

Notary Public

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

(Customs Documentary Stamp)

(Reproduction Authorized)

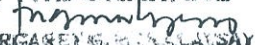
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[Signature]
MARGARET G. MANALAYSAY
Administrative Officer V

DUTIES OF CUSTOMS PERSONNEL ASSIGNED TO A CBW

1. CBW WAREHOUSEMAN

- 1.1. Receives and maintains complete and detailed records of all cargoes entered in the warehouse.
- 1.2. Checks with the Central Office every week all records of shipments authorized to be transferred to the CBW to determine those that have not been received at the CBW and report such missing shipments to the Collector of Customs.
- 1.3. Allows withdrawals only if authorized by the Collector of Customs. Conduct, at least once a month, a physical and records inventory of the warehouse and shall report to the Collector of Customs any importations that have been illegally withdrawn, as well as importations that have remained after the allowable maximum period of storage.
- 1.4. Supervises the storage of cargoes in the warehouse in such a manner that the cargoes may be immediately located during spot examinations, and regular inventories.
- 1.5. Sees to it that no alteration or change in the location, layout, and construction of the CBW are effected without the prior approval of the Collector of Customs.
- 1.6. Sees to it that the storage requirements of the cargoes in the CBW are satisfied. He shall report to the Collector of Customs situations where cargoes are not properly stored which may lead to their deterioration and/or loss.
- 1.7. Extends all possible assistance to examiners, inspectors and spot check teams that may call on the CBW for the purpose of undertaking an examination and inventory of cargoes stored therein.
- 1.8. Reports to his Collector of Customs any violations of Customs rules and regulations regarding the operation of a CBW that comes to his attention.
- 1.9. Performs such other duties as may be assigned to him by his Collector of Customs.

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- 1.10. Sees to it that the duplicate keys to the two locks of the CBW are submitted to the Collector of Customs. He shall keep the key to one of the two locks of the CBW. (The key to the other lock is kept by the CBW Operator.)

2. STOREKEEPER

- 2.1. His duties are similar to the Warehouseman as described in paragraph 1. He shall also assist in the performance of the duties prescribed for the Warehouse Inspector in paragraph 4.

3. CUSTOMS GUARD

- 3.1. Sees to it that only those cargoes authorized withdrawn by his Collector of Customs are taken out of the CBW.
- 3.2. Examines regularly the warehouse and its surrounding premises, and reports to his Collector of Customs and to the CBW Operator's management the weaknesses and/or threats to the security of the cargoes and the warehouse.
- 3.3. Reports to his Collector of Customs any violation of Customs rules and regulations that comes to his attention.

4. WAREHOUSE INSPECTOR from WID

- 4.1. Assists the District Collector in evaluating the application of the proposed CBW.
- 4.2. Conducts periodic and unannounced physical and records inventory of the CBW assigned to him at least once every three (3) months for the following purposes:
- 4.2.1 Determine if there are illegally withdrawn shipment.
- 4.2.2 Determine if there are cargoes that have exceeded the allowable maximum period of storage in the CBW.
- 4.2.3 If there are illegally withdrawn and overstaying shipments, determine if these have been reported by the CBW Officer or Assistant CBW Officer as required of them. If no such report has been made, he shall report to the Collector of Customs the oversights and discrepancies.
- 4.2.4 Check on the adequacy, completeness and accuracy of the recordings done by the CBW officers.

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- 4.2.5 Check if the CBW is manned by Customs Guards.
- 4.2.6 Determine compliance by the operator to all Customs rules and regulations on CBW operations.
- 4.3 Recommends improvements of CBW facilities and stock filing in order to insure the safekeeping of the cargoes stored thereat.
- 4.4 Renders a report of findings, comments and recommendations on paragraph 4.1 and 4.2 above within one (1) week from date of mission order.
- 4.5 Perform such other related functions as the Collector of Customs may direct.

5. ACCOUNT OFFICER

- 5.1 Receives and maintains complete and detailed records of all cargoes entered in the warehouse similar with that of the CBW Warehouseman;
- 5.2 Receives and records requests from CBW Operators and recommends appropriate action to their respective Operating Division Chiefs relative to the following request
 - 5.2.1 sub-contracting
 - 5.2.2 extension of storage period
 - 5.2.3 disposition of wastages
- 5.3 Receives and reviews application for liquidation of raw materials in accordance with established Formula of Manufacture based on standard consumption of raw materials and recommends appropriate action thereon after ascertaining that the documents are complete and in order.
- 5.4 Submit list of outstanding unliquidated and overstaying accounts of assigned CBW to Division Chief.
- 5.5 Submits monthly report to the Chief, Operating Division on the total number of entries processed for liquidation of raw material/total number of entries processed with corresponding duties and taxes to be paid.

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ANNEX "F"

STOCK INVENTORY REPORT

ABC MANUFACTURING CO
CBW NO. _____
As of December 31, _____

RAW MATERIALS

Import Entry No.	Date Received	Description	Qty	Location
	at Warehouse	in detail		
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:

FINISHED PRODUCTS (including Export Overruns)

Import Entry No.	Date Recorded	Description	Qty	Location
	at warehouse	in detail		
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:

WASTAGES, REJECTS AND BY - PRODUCTS

Import Entry No.	Date Recorded	Description	Qty	Location
	at warehouse	In detail		
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:

This is to certify that the above information are true and correct as of the above date.

Date _____

Accountable Officer
Designation

ANNEX "I"

WITHDRAWAL FORM

NO. _____ DATE _____

PER REQUISITION SLIP NO.(S): _____

CBW NO.: _____

MAIN PRODUCTION:

DESCRIPTION	QUANTITY & UNIT PRODUCED
_____	_____
_____	_____
_____	_____
_____	_____

BY-PRODUCT/REJECTS:

DESCRIPTION	QUANTITY & UNIT PRODUCED
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

WASTAGE		UNUSED MATERIALS, IF ANY	
DESCRIPTION	QUANTITY & UNIT	DESCRIPTION	QUANTITY & UNIT

VERIFIED BY:

Production Manager

Customs Storekeeper

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ANNEX "J"

PRODUCTION REPORT

NO. _____
DATE _____
PER REQUISITION SLIP NO. (S) : _____
CBW NO. : _____

MAIN PRODUCTION:

DESCRIPTION	QUANTITY & UNIT PRODUCED

BY-PRODUCTS/REJECTS:

WASTAGE : UNUSED RAW MATERIALS, IF ANY:

DESCRIPTION	QUANTITY & UNIT	DESCRIPTION	QUANTITY & UNIT

Verified by:

Production Manager

Customs Storekeeper

ANNEX "K"

Republic of the Philippines
Department of Finance

CERTIFICATE OF IDENTIFICATION

MANUFACTURE/EXPORTER : ADDRESS

CONSIGNEE : ADDRESS

AIRCRAFT/VESSEL : REGISTRY NO. : DATE OF DEPARTURE : NO. OF
PKGS/CONTR

ENTRY NO. & SERIES	MAT. CATE GORY	DESCRIPTION	QUANTITY EXPORTED	UNIT HCV	TOTAL HCV
:	:	:	:	:	:
:	:	:	:	:	:
:	:	:	:	:	:

Value of materials \$ _____ P _____ : CERTIFIED CORRECT

Labor Cost P _____ : CBW OPERATOR:
Overhead Cost _____ : SIGNATURE : _____

TOTAL PRODUCTION COST P _____ : Printed Name _____
Date _____

All cartons sealed and stamped in my presence : Verified against formula of manufacture

: Compared against swatches

CBW OFFICER : : No. of cartons examined

SIGNATURE _____ : TRADE CONTROL EXAMINER:
Printed Name _____ : Signature _____
Date _____ : Printed Name _____
Date _____

(Noted: In case of Open Bonded this portion must be accomplished by the Customs Examiner)

- Distribution:
- Original - Attached to Entry
 - Duplicate - Warehouse Assessment Division
 - Triplicate - Operator
 - Quadruplicate - PID/ICCO
 - Quintuplicate - Bonded Whse

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MARGARET G. MANALAYSAY
Administrative Officer V

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

CERTIFICATE OF INSPECTION AND LOADING

MANUFACTURE/EXPORTER		: ADDRESS	
CONSIGNEE		: ADDRESS	
NAME OF AIRCRAFT/VESSEL	: REGISTRY NO.	: BL/AWB	: DEPARTURE
DESCRIPTION	: NO. OF PACKAGES	: TOTAL NO OF PCS	
	:	:	:
	:	:	:
	:	:	:
	:	:	:

CERTIFIED CORRECT NO.	: VERIFIED AND COMPARED AGAINST	: EXPORT DECLARATION
	: CERTIFICATE OF ID NO. _____	:
	:	:

CBW OPERATOR	: I CERTIFY AS TO THE COMPLETE LOADING OF ABOVE CARGOES
	: ON BOARD VESSEL / AIRCRAFT : _____
	FOR EXPORTATION.
	:
	:
	:

DATE	:	CUSTOMS INSPECTOR ON BOARD/CCCD- IN CHARGE
: M : D : Y	:	
TIN : CBW NO.	:	: DATE :
	:	
	:	: M : D : Y

PRINT NAME & SIGN

- Distribution:
- Original - Operator
 - Duplicate - Bonded Warehouse Service
 - Triplicate - BMWWD
 - Quadruplicate - PID/ICCO

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CMO NO. 03- 2022 p. 79

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DESCRIPTION OF RAW/FINISHED/SEMI-FINISHED PRODUCT	QUANTITY OF PRODUCT	IMPORT ENTRY NO.	CT NO.	AMOUNT OF DUTIES AND TAXES PAID	DESCRIPTION OF RAW/FINISHED/SEMI-FINISHED PRODUCT	QUANTITY OF PRODUCT	DEGREE OF ABANDONMENT NO. AND DATE

Prepared by:

CBW Operator

Verified as to the raw materials usage and documents found to be true and correct:

CBW Warehouse

Account Officer

Chief, Operating Division

Statement of Liquidation (Page 3 of 3)

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ANNEX "N"

Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
(Port)

In the matter of Closure of

_____ (CBW Name and No) _____,

Closure Case No. _____

ORDER

Pursuant to CMO _____, and in view of the violation(s) by the operator of CBW No. _____ committed as follows:

the Chief, Warehousing Inspection Division is hereby directed to effect closure of said CBW by sealing the same to prevent illegal withdrawal of any imported articles stored therein and to protect the interests of the government. He is likewise directed to put the said CBW under-guard on a twenty-four (24) hours basis at the operator's expense until such time all the bonded goods stored therein are either liquidated or otherwise disposed under Customs supervision.

Upon receipt this order, the operator is hereby to immediately surrender the books, record and other documents relative to and required for the operation of the CBW to the Chief of the CBW Division concerned.

Closure of CBW No. _____, (CBW Name) shall be without prejudice to whatever duties, taxes other charges, penalties and surcharge that the CBW Operator may be found liable by the Bureau and the filing of administrative and/or criminal charges against said CBW Operator should the same so warrant.

All other operational procedure provided in CMO No. _____ shall be complied with.

Let copies of this Order be furnished to all parties concerned.

SO ORDERED.

Issued this _____ of _____, 2022, Port of _____ Customhouse.

District Collector

Bureau of Customs
CENTRAL RECORDS MGT. DIVISION

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