



Republic of the Philippines  
Department of Finance  
**BUREAU OF CUSTOMS**  
Manila

April 23, 1998

**CUSTOMS MEMORANDUM ORDER**

NO. 127-98.3

**TO :** Deputy Commissioners  
All Collectors of Customs  
Service /Division Chiefs  
Importers & Brokers  
All Others Concerned

**SUBJECT :** Creation of Working Committees to Oversee the  
Implementation of Joint Order No. 1 - 91 as  
Amended

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**1.0 OBJECTIVE**

To insure the successful implementation of the Selective Pre-shipment Inspection and Advance Clearance System (SPACS) by creating working committees and defining the responsibilities of each.

**2.0 THE SPACS STEERING COMMITTEE (SSC)**

The SPACS Steering Committee or SSC is hereby created to oversee the proper implementation of Joint Order No. 1-91 as amended.

**3.0 OBJECTIVES OF SSC**

The SSC shall be directly responsible to the Commissioner of Customs in attaining the following objectives in clearance of shipments through Customs:

- 3.1 To progressively reduce the need for pre-shipment inspection (PSI) by developing the capability of the Bureau of Customs to properly respond to problematic shipments such as those requiring laboratory analysis or complex test procedures for correct identification, waste materials, high-risk shipments, shipments declared as seconds, stock-lots, and other descriptions to connote sub-standard quality and shipments of goods the description of which do not conform to the convention under CMO No. 46-94;

- 3.2 To improve the ability of the system with SGS to generate additional income for government than those attained under the Comprehensive Import Supervision Service (CISS);
- 3.3 To advance the initiation of the clearance of shipments to the time of the filing of the Report of Proposed Importation by importers in order that clearance for 95% of shipments can be given before goods arrive in the country;
- 3.4 Improve the capability of the system to identify shipments needing closer scrutiny upon arrival in the country utilizing the intelligence system component of SPACS; and,
- 3.5 Create in BOC's data warehouse the proper descriptions, export value, transaction value and classification of at least 80% of all shipments arriving in the country.

**4.0 DUTIES & RESPONSIBILITIES OF SSC**

SSC shall implement measures to insure the attainment of the above objectives. SSC shall, among others,

**Information Dissemination**

- 4.1. Disseminate information to BOC personnel, other government agencies, and the private sector for the proper implementation of SPACS and relevant CMOs.
- 4.2. Provide assistance to importers and their representatives in complying with the provisions of Joint Order No. 1-91 as amended, CMO Nos. 46-94, 5-98, 9-95 and other relevant rules and regulations.

**Improvement of System**

- 4.3 The SSC shall submit to the Commissioner of Customs a report on the progress of the implementation of Joint Order No. 1 as amended and its implementing rules and regulations. The report, to be submitted bi-monthly, shall contain the following information:
  - 4.3.1 Percentage of shipments going through SPACS;
  - 4.3.2 Percentage of shipments going through SPACS requiring PSI;
  - 4.3.3 Of shipments subject to PSI, percentage of shipments per category under Section 3 of Joint Order No. 1-91 as amended; and,
  - 4.3.4 Percentage upgrade from invoice value to CRF value.
- 4.4 The SSC shall recommend to the Commissioner of Customs revisions to the system as needed to carry out the purposes of SPACS and supervise the implementation of these revisions.

**5.0 COMPOSITION OF SSC**

The following shall compose the SSC:

- Chairman
- Deputy Commissioner for the Management Information

## System and Technology Group

Executive Director

Director

Imports &amp; Assessment Service

## Members

Director, Customs Intelligence &  
Investigation Service

Deputy Collectors for Assessment

Port of Manila

Manila International Container Port

Ninoy Aquino International Airport

Chiefs, Formal Entry Division

Port of Manila

Manila International Container Port

Ninoy Aquino International Airport

SGS-MLO representative

**6.0 CREATION OF TECHNICAL WORKING GROUP, SUB-COMMITTEES AND SECRETARIAT**

The SSC shall be authorized to create a Technical Working Group, Sub-Committees as needed and its Secretariat to assist the SSC in attaining its objectives.

**6.1. Technical Working Group**

A Technical Working Group (TWG) shall be formed to provide technical assistance to SSC.

1. The TWG shall assist the SSC in the preparation of the report to the Commissioner of Customs on the progress of the implementation of Joint Order No. 1-93. It shall also include in its report, significant observations on the implementation of the system at the ports.
2. It shall review and recommend revisions to the list of goods subject to PSI particularly those requiring laboratory analysis and complex tests and those deemed high risk shipments.
3. It shall organize seminars/briefings on the system for BOC personnel and in other government agencies, harnessing the BOC Corps of Speakers as resource persons.
4. It shall prepare replies on written queries on SPACS to be signed by the Chairman or Executive Director of the SSC.

**6.2 Secretariat**

The Secretariat shall record all deliberations of the SSC and monitor compliance with instructions by all concerned and agreements reached.

**6.3 Help Desks**

A Help Desk to assist all walk-in importers/brokers seeking assistance in complying with the requirements under SPACS, shall be created by the SSC.

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**7.0 BOC-WIDE PARTICIPATION**

All Customs officials and employees are hereby enjoined to extend assistance and support to the SSC so that it may be able to carry out its functions under this order.

**8.0 EFFECTIVITY**

This order shall take effect immediately.

  
GUILLERMO L. PARAYNO, JR.  
Commissioner