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Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS

July 11, 1997

CUSTOMS MEMORANDUM ORDER

NO. 18-97

Subject: Guideline in the Processing of Withdrawal Permits
for Duty Free Goods at Subic and Clark
Freeport/Special Economic Zones

I. OBJECTIVES

1. To comply with the Memorandum Order of the President dated 12 June 1997 directing the implementation of a computerized accounting system to track the duty free importations at the freeports and special economic zones.
2. To properly implement CAO 1 - 97 which requires the filing of Withdrawal Permits for the utilization of duty free goods of the duty free shop and trading warehouse locators at the Subic Bay Freeport and Clark Special Economic Zone.

II. ADMINISTRATIVE PROVISIONS

- 2.1 The purpose of the Withdrawal Permit is to account to the Bureau of Customs for the withdrawal of goods from a Warehouse for transferring to another Warehouse or for transferring to a Duty Free Shop.
 - 2.2 So as to assist those responsible for completing the Withdrawal Permit it is designed to ensure minimal input is necessary. For that reason those boxes not included in the Definition of Terms are either not required or will be automatically input by ACOS. A copy of the Withdrawal Permit is attached as Annex A. Attached as Annex B is a Definition of Terms for the completion of the Withdrawal Permit.
 - 2.3 Information is to be declared in each nominated Box of the Withdrawal Permit. Shaded boxes are mandatory fields to be filled out by declarant. Withdrawal Permits with mandatory fields not properly filled out will be automatically rejected by the ACOS system.
For Direct Trader Input (DTI) clients, boxes marked with * will be automatically completed by the system.
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III. GENERAL PROVISIONS

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- 3.1. Utilization of duty-free goods of duty free shops and trading warehouses at the SBFP and CSEZ shall be covered by duly processed Withdrawal Permits system consistent with the requirements of the BOC and the zone authorities.
- 3.2. Duty free shop/trading warehouse operators shall maintain a systematic physical management of the duty free goods at their warehouses, where duty free goods shall be recorded on a per shipment/entry basis. For purposes of cut off the Locator shall submit an inventory of stock on hand as at the date of effectivity of this order.
- 3.3. In case where audit/inventory is conducted by BOC and/or the Zone Authority, the Duty Free Shop/Trading warehouses operators shall account for all the duty free goods entered into their warehouses and shall present their inventory records when required. For that purpose an Audit trail must exist to enable goods in stock to be traced thru the accounting records from receipt of goods into store, and then from these records to the actual location of the goods.
- 3.4. The Audit trail is to include the following information :

Locator	HS Code/Description of Goods
Country of Origin	Original Warehouse Entry number
Withdrawal Permit Date	Running balances ie Stock In, Stock Out, Balance

IV. OPERATIONAL PROCEDURE

- 4.1. Upon receipt of shipment from the Port of Discharge, the Customs Collector (at the freeport/special economic zone) or his authorized representative shall affix his signature on the covering boatnote/warehousing permit and shall allow the same to be delivered to the warehouse of the consignee. If there exists reason to doubt that the correct quantity of goods are not present a close check and tally shall be conducted by the Collector or his authorised representative.
- 4.2. Withdrawal of Shipment from Warehouses.
 - a. For goods that shall be transferred to the retail section of the shop, the duty free shop/trading warehouses operator shall file with the Collector of Customs an application for simplified Withdrawal Permit as per Annex A. attached.
 - b. The Collector or his authorized representative shall review the application, ensuring that the information required therefrom are properly indicated.
 - c. The Collector or his authorized representative shall encode the Withdrawal Permit record into the ACOS.

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- d. For goods that shall be transferred from one locator to another, both (transferring duty free shop/trading warehouse locator and the receiving locator) shall jointly file the application for the Withdrawal Permit.

V. EFFECTIVITY :

This order shall take effect on 16 July 1997.

Annexes :

- Annex A -- Sample of Withdrawal Permit & Rider
- Annex B -- Definition of Terms


GUILLERMO L. PARAYNO, JR.
Commissioner

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WITHDRAWAL PERMIT FOR TRADING AND DUTY-FREE WAREHOUSES AT SPECIAL ECONOMIC ZONES

Office Code:

Entry Number

Date:

8 Importer / Consignee: Address TIN:

3 Page

31 Packages and Descr. of Goods

Marks and Numbers - Containers No.(s) - Number and Kind
Marks & No. of Packages
Number and Kind:

32 Item No.

33 H.S. Code

Tar. Spec.

34 C. O. Code

35 Item Gross Weight

KG

37 PROCEDURE

40b Previous Doc. No.

41 Suppl. Units

44 Add. Infos. Doc. / Produ. Certif. & Aut.

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Marks and Numbers - Containers No.(s) - Number and Kind
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41 Suppl. Units

44 Add. Infos. Doc. / Produ. Certif. & Aut.

47 Calculation of Taxes

**WITHDRAWAL PERMIT FOR TRADING AND DUTY-
FREE WAREHOUSES AT SPECIAL ECONOMIC ZONES**

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2 Exporter / Supplier, Address		3 Page	
8 Importer / Consignee, Address		5 Items	6 Tot Pack
14 Broker / Attorney-in-Fact, Address		7 Reference Number	
18 Vessel / Aircraft		9a Freight	9b Insurance
21 Local Carrier (if any)		9c Other Dutiable Charges	
25		10	11
26		12	
27 Transhipment Port		15 C.E. Code	
29 Port of Destination		17	
30 Location of Goods		16 Country of Origin	
32 Item No		19 Ci	
33 U.S. Code		20 Terms of Delivery	
34 C. O. Code		22 F. Cur	
35 Item Gross Weight		23 Each. Rate	
36 Prof.		24	
37 PROCEDURE		28 Financial and Banking Data - Bank Code:	
38 Item Net Weight		29	
39		40a AWB / B/L	
40b Previous Doc No.		41 Suppl. Units	
42 Item Customs Value (F. Cur)		43	
44 Adjustment		45	
46 Dutiable Value (PIFP)		47	
48		49 Identification of Warehouse	

Markings and Numbers - Containers No(s) - Number and Kind
 Marks & Num of Packages
 Number and Kind:
 Containers Note(s):
 Add to / du. rif. Aut
 Calcula- n of ars

50. We hereby certify that the information contained in all pages of this withdrawal permit and the documents submitted are in the best of our knowledge and belief true and correct

_____ Date _____ Receiving Warehouse/Store _____ Date _____
 Originating Warehouse

51. AUTHORIZATION
 _____ Date _____ Print Name _____ Position _____

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DEFINITION OF TERMS**BOX 3 Page ***

If rider (continuation) sheets are not used this box should be left blank. Otherwise enter the number of riders being used. For example if there is one declaration and two rider sheets, enter 1/3 on the declaration itself, 2/3 on the first rider sheet and 3/3 on the second rider sheet. The first figure should appear in the first sub-division and the second figure should be entered in the second sub-division.

BOX 5 Items *

Enter here the number of items being declared including those on any rider sheets. The number of items corresponds to the number of "Description of Goods " boxes (box 31) being completed.

BOX 6 Total Packages

Enter the total number of packages making up the consignment covered by the declaration. When goods are imported in bulk, for example grain, oil, etc. enter 1.

BOX 7 Reference Number

This provides for Brokers/Importers or their Attorney's-In-Fact, to enter their own reference number for the particular consignment covered by the Withdrawal Permit.

BOX 8 Importer/Consignee

Refers to a natural or juridical person who makes or on whose behalf a Broker/Attorney-In-Fact makes the declaration for the Withdrawal Permit, that person being the holder of the original bill of lading or air waybill. Enter the full name, address and Tax Identification Number of the original Importer/Consignee.

Box 16 Country of Origin *

Refers to the country where the item was produced or manufactured - As declared on the original Warehouse Entry. If the declaration involves several items with different countries of origin, enter the word "MANY" in this box.

BOX 31 Marks and Numbers, packages, Container Number(s), Number and Kind, Description of Goods

Refers to the representation of the goods the subject of the Withdrawal Permit in the original shipping documents for the purpose of identification.

The original Marks/Numbers (and kind) or Container numbers must be indicated in the left hand section of the box in sufficient detail to enable them to be identified. Marks/Numbers or Container numbers of the goods subject to different Commodity Codes must also be indicated in Box 31 of the riders. Type the word "same" in the rider(s) if the Marks/Numbers or Container numbers are already indicated in the main declaration.

On a multi-item declaration total packages declared in Box 31 must equate with Total Packages as entered in Box 6.

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The goods described in this box must all belong to the same Commodity Code.

Goods description is a mandatory field. CMO 46-94 established a convention to be observed in the proper description of imported goods for declaration and publication purposes. Goods not so described will not be eligible for a Green Lane status.

The description of the goods must be the normal trade description expressed in sufficiently precise terms to enable immediate and non ambiguous identification and classification. It is not recommended to copy out the full description as set out in the Tariff and Customs Code. For example "magnesium potassium sulfate" should be described as such and not as "other mineral or chemical fertilizers". ACOS provides for 44 characters to enable specific description of the goods. Where the Commodity Code to be used depends upon the size, weight or other physical criteria, the description should include that information too. Equally, when goods are liable to excise and/or specific duties, their description should make this clear.

BOX 32 Item No. *

Enter the number of the item described in box 31. Thus on page 1 of the declaration the item number will be '1', and on the first rider the item numbers will be '2', '3', and '4' and so on. Up to 999 items may be declared on one multi-item declaration.

BOX 33 H. S. Codes (Commodity Codes)

Is the Harmonized Systems Code Tariff Heading or sub heading which applies to the item. The rules governing the location of the commodity code digits in Box 33 must be followed precisely. Enter in this box the 8 digits of the code for the goods described in box 31 as set out in the Tariff and Customs Code of the Philippines in accordance with the directions of Title 1 - Import Tariff.

BOX 34 (a) Country of Origin Code

Specific to each item, enter the country of origin, as declared on the original Warehouse Entry.

BOX 35 Item Gross Weight (kg)

Enter the Gross Weight in kilograms of the goods described in Box 31.

BOX 37 Procedure

For those goods being transferred from one Warehouse to another Warehouse enter the code 7171. For those goods being transferred from a Warehouse to a Duty Free Shop enter the code 7271.

BOX 40b Previous Document No.

To be completed because the Withdrawal Permit is the result of a previous action. In this box enter the original Warehouse entry number.

BOX 41 Supplementary units

Supplementary units provides for all forms of statistics that can include, Units, Number, Liters, Proof Liters, meters, cubic meters, etc. etc., dependent upon the requirements of particular Commodity Codes.

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BOX 49 Identification of Warehouse

Enter the name of the Warehouse to which the goods are to be removed.

BOX 50 Signature and name of the Managers of the originating Warehouse and the Receiving Warehouse

The Withdrawal Permit must be signed by the Managers of the originating Warehouse and the Receiving Warehouse. Signatures must be the original handwritten signature of those making the declaration. When the goods are being transferred from the Warehouse to the Duty Free Shop only one signature is required.

Box 51 Authorization

Is to be accomplished by the appropriate BOC officer after the clearance procedure for the Withdrawal Permit has been completed.

The BOC officer will enter the Date, the printed name and position as well as signature.

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