



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

JUN 10 1996

**CUSTOMS MEMORANDUM ORDER
NO. 18-96-A**

**SUBJECT: Creation of Designated Examination Areas and
Amendment to CMO 18-96**

1.0 OBJECTIVES

To further enhance the Bureau's capability to attain the objectives of CMO 18-96

2.0 COVERAGE

This order shall apply to all ports of entry with an ASYCUDA++ system already operational and shall cover regular consumption entries either containerized or breakbulk.

3.0 GENERAL PROVISIONS

- 3.1 Designated Examination Areas - Port Collectors with an ASYCUDA++ system are hereby directed to set-up with the arrastre operator and the port authority, a central area where the examination of goods required under CMO 18-96 shall be undertaken. The DEA shall be manned by as many customs personnel as are needed to undertake the effective and speedy examination of goods.
- 3.2 Time of Examination. - Examination of goods required under CMO 18-96 shall be in the course of delivery of the goods and after the duty stop has been lifted under the On-Line-Release System.
- 3.3 Responsibility to Bring Shipment to DEA.- It shall be the responsibility of the arrastre operator to transfer all shipments selected for examination under ASYCUDA++ selectivity and correspondingly tagged for examination under the OLRs to bring the shipment to the DEA by generating a job order form.
- 3.4 Extent of Examination.- Par. 3.7 of CMO 18-96 governs. To avoid congestion in the DEA and to speed up the process, examination of cargo should be on-board the trucks i.e; there is no need to dismount the cargo from the truck unless it would be physically difficult to examine without the goods being dismounted. If discrepancy evidencing prima-facie fraud is discovered in the course of examination, the goods must be taken to the HOLD CONTAINER AREA (containerized) or the Security Warehouse (breakbulk) for proper disposition.
- 3.5 Clearance from DEA.- If the assigned examiner is satisfied that no discrepancy exists, he shall report the result to the supervisor of the DEA who in turn will give the authority to release the shipment to the arrastre operator. The arrastre operator shall provide the form for the DEA release which shall be the basis for the issuance of the Equipment Interchange Receipt (EIR) for the final release of the goods.
- 3.6 Responsibility of Importer/Representative.- It shall be the lookout of the importer/representative to be present during the transfer of the goods to the DEA and to witness the examination thereat as well as to immediately pull the shipment out when cleared. Examination shall immediately be undertaken upon arrival of the goods at the DEA. In the absence of the importer/representative, a representative from the Chamber of Customs Broker shall witness the examination on behalf of the importer/representative.

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- 3.7. Security of Entry Documents.- Until such time that the DEA is equipped with computer terminals from which may be viewed or printed the entry covering the shipment, the Chief, Collection Division (CD) shall set up a SECURED means of delivering the entries for examination from the Collection Division to the DEA.

4.0 OPERATIONAL PROVISIONS

- 4.1 Par. 3.4 of CMO 18-96 governs up to the triggering of selectivity.
- 4.2 If upon triggering the selectivity, the shipment is selected for examination, the COO V shall mark the entry "RED LANE" at the designated space in the working copy of the entry. The COO V then re-routes, assesses and forwards the working copy of entry by official messenger to the Collection Division (CD) for encoding in the OLRs in order to advise the arrastre operator to prepare shipment for examination by transferring it to the DEA.
- 4.3 Selected entries shall be forwarded by the CD in batches every hour.
- 4.4 The DEA COO V assigns entry to the DEA COO III for examination.
- 4.5 The assigned DEA COO III spotchecks the shipment along with ESS/CIIS, importer/representative and arrastre personnel.
- 4.6 Entry Without Discrepancy:
- 4.6.1 The COO III shall accomplish the examiner's return and submit the entry to the COO V who in turn will cause the final release of the shipment. The entry documents are thereafter forwarded to the Pre-Liquidation Unit at CD for final disposition at the end of the day.
- 4.7 Entry With Discrepancy:
- 4.7.1 Shipment is transferred from the DEA to the Container Hold Area.
- 4.7.2 The assigned DEA COO III conducts a thorough (100%) examination.
- 4.7.3 Shipment subject for additional payment:
- 4.7.3.1 The DEA COO III makes the discrepancy report and hands entry to the DEA COO V.
- 4.7.3.2 The COO V reviews and finalizes action/recommendation for payment of duty, tax, surcharge/penalty as the case may be, and forwards entry with his action/recommendation to the District Collector thru channels.
- 4.7.3.3 The District Collector renders final action and returns entry to the Chief, FED. The Chief, FED then forwards the entry to the FED COO V that originally processed the entry who will then make necessary amendments in the ACOS. The Post Entry Procedure shall be utilized to amend the assessed entry.

4.7.3.4 The FED COO V, after amending the entry shall forward the entry documents to the CD for final processing.

4.7.3.5 The CD collects additional assessment and triggers signal to the arrastre operator for the release of the shipment.

4.7.4 Shipment subject for seizure:

4.7.4.1 The DEA COO III ensures transfer of shipment to the Container Hold Area.

4.7.4.2 The DEA COO III prepares the discrepancy, inventory and seizure reports.

4.7.4.3 The DEA COO V evaluates findings/reports of the DEA COO III and forwards all documents with his recommendation to the District Collector thru channels.

4.7.4.4 The District Collector of Customs forwards the necessary documents to the Law Division for issuance of warrant of seizure and detention and then initiates transfer of the container from the Container Hold Area to the Security Warehouse.

5.0 REPEALING CLAUSE

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

6.0 EFFECTIVITY

This Order shall take effect upon approval.

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GUILLERMO I. PARAYNO, JR.
Commissioner