



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
1099 Manila

Date 06 MAR 2020

CUSTOMS MEMORANDUM ORDER (CMO)
NO. 07 - 2020

SUBJECT : INTERIM PROCEDURE ON PROVISIONAL GOODS DECLARATION (PGD)

Section 1. Scope. This CMO shall cover all Provisional Goods Declarations to be processed under the Formal Entry System.

Section 2. Objectives.

- 2.1. To provide interim procedures in the implementation of Sections 403 and 426 of R.A. 10863, otherwise known as the "Customs Modernization and Tariff Act" on the lodging and processing of PGD and the conditions therefor;
- 2.2. To establish a uniform compliance regime for brokers, importers and other stakeholders on PGD; and
- 2.3. To ensure that the PGD mechanism is not used to circumvent the provisions of the CMTA and other related laws.

Section 3. Administrative Provisions.

- 3.1. Lodgement of provisional goods declaration may be allowed in the following circumstances:
 - 3.1.1. When no regulatory permit, clearance or license has been presented at the time of lodgement, provided that the importer has filed his application for such permit, clearance or license, prior to the departure of the goods from the country of origin, prior to or after the arrival of the goods into the Philippines, depending on the policy of the concerned regulatory agency;

In cases where the permit, license or clearance may be secured after the arrival of the shipment, PGD may be allowed provided that the period to submit the same shall

Section 4. Lodgement and Filing of PGD. The declarant shall lodge and file the PGD in accordance with the following procedure:

- 4.1.** The declarant shall lodge the PGD by using the assigned model of declaration code "**4PG 4**" under **Box 1** of the Single Administrative Document (SAD).
- 4.2.** Under **Box 37a**, the declarant shall likewise encode the Procedure Code "**4400**", including the 3-digit additional Code under **Box 37b**, as may be applicable (**Annex "A"**).
- 4.3.** The declarant shall supply all the necessary information upon lodgement as if he/she is filing a regular goods declaration.
- 4.4.** The declarant must file the PGD with the Entry Processing Unit (EPU) or equivalent unit within forty-eight (48) hours from lodgement, except when the 48th hour falls on a non-working day in which case the deadline shall be the next working day.
- 4.5.** The following documents shall be submitted upon filing in support of the PGD:
 - a.** Duly endorsed Bill of Lading or Airway Bill;
 - b.** Commercial Invoice or Proforma Invoice;
 - c.** Packing List;
 - d.** PGD Documentary Requirements (**Annex "B"**);
 - e.** Application for TEI, TEC, ATRIG, permit, clearance, license, or any other regulatory requirements, if applicable;
 - f.** All supporting documents which are considered provisional such as advance copy of the Certificate of Origin/Origin Declaration; and
 - g.** Undertaking (**Annex "C"**) to submit the lacking documents.

Section 5. Processing of PGD. The PGD shall be processed in accordance with the following procedure:

- 5.1. Responsibility of the Entry Processing Unit (EPU) or Equivalent Unit.**
 - 5.1.1.** The assigned EPU personnel shall receive the PGD together with all the supporting documents as listed under Section 4.5 of this Order.
 - 5.1.2.** The EPU personnel shall write the PGD control number and the SAD number on the PGD checklist [**Annex B**]. The control number shall be in sequential order with the following format:

<last 2-digit year>"-"<5-digit sequential number>
e.g. PGD Control No. 19-00001

5.1.3. The EPU personnel shall process the PGD in accordance with the rules on GDVS, if applicable.

5.1.4. The EPU personnel shall forward the documents to the Customs Operations Officer V (COO V) of the section concerned in case of POM and MICP or to the Formal Entry Division (FED) Chief or its equivalent unit for other ports.

5.2. Responsibility of the Customs Operations Officer III (COO III). The COO III shall evaluate the documents submitted in support of the PGD.

5.2.1. In case of regulated shipments, the following shall be undertaken:

a. When no regulatory permit, clearance or license has been presented at the time of lodgement, the COO III shall ensure that the application for such permit, clearance or license has been attached to the goods declaration.

b. If the permit, license or clearance is required by the concerned regulatory agency to be secured prior to the departure of the goods from the country of origin or prior to the arrival of the goods into the Philippines, the COO III shall not process the goods declaration and shall recommend the issuance of Warrant of Seizure and Detention (WSD) against the shipment.

c. In cases where the permit, license or clearance may be secured after the arrival of the shipment, the COO III shall ensure that the period requested to submit the lacking document as indicated in the Undertaking shall be in accordance with the requirement of the regulatory agency.

d. Pending submission of the lacking permit, license or clearance, the COO III shall hold in abeyance the processing of the goods declaration until the same has been submitted. Provided that, in case of non-submission, the COO III shall recommend the issuance of WSD against the shipment.

e. Notwithstanding the provisional nature of the goods declaration, if the importer failed to submit the permit, license or clearance as required by the concerned regulatory agency to be secured prior to the departure of the goods from the country of origin or prior to the arrival of the goods into the Philippines, the COO III shall recommend the issuance of WSD against the shipment. The COO III shall change the procedure code under **Box 37a** from "**4400**" to "**4402**".

5.2.2. In case where the lack of the ATRIG is the reason for the PGD, the COO III shall not process the goods declaration without the submission of the same.

5.2.3. If the PGD is in order, the COO III shall process the same similar to goods declaration for consumption.

5.2.4. If there is a request for release of the goods under tentative assessment (**Annex "D"**), the COO III shall compute the duties, taxes and other charges which shall not be different from that of goods with complete declaration.

The COO III shall also compute the amount of security equivalent to the difference between the declared duties, taxes and other charges versus the assessment if there is non-compliance of the undertaking to submit the required documents.

5.2.5. After updating the GDVS Status, the COO III shall forward the PGD SAD with supporting documents to the COO V with recommendation for the approval of the request for release of the goods under tentative assessment.

5.2.6. If upon filing of the PGD, the lacking document was eventually submitted, the COO III shall process the shipment similar to a goods declaration for consumption. The COO III shall reflect all findings and actions taken pertaining to the shipment in the E2M Inspection Act. The COO III shall update the GDVS status and then forward the PGD SAD with supporting documents to the COO V with recommendation to release the shipment under tentative assessment.

5.3. Responsibility of the COO V. The COO V shall review the findings and recommendations of the COO III.

5.3.1 In case additional documents are required or an issue may arise in relation thereto, the COO V will select the "COO V IN-PROCESS" status and input the relevant remarks on the goods declaration in the GDVS to inform the importer or declarant. The hard copies of additional documents shall be submitted to the Helpdesk assigned for that purpose.

5.3.2 The COO V shall review and evaluate the findings and recommendation of the COO III in case of regulated shipments.

5.3.3 In case of request for release under tentative assessment, the COO V shall likewise review the assessed duties, taxes and other charges which shall not be different from that of goods with complete declaration.

5.3.4 The COO V shall also evaluate the amount of security equivalent to the difference between the declared duties, taxes and other charges versus the assessment if there is non-compliance of the undertaking to submit the required documents.

5.3.5 If the COO V concurs with the recommendation of the COO III, he/she shall endorse the recommendation to the District/Subport Collector through the Deputy Collector for Assessment and or Chief, FED or its equivalent unit.

5.4. Responsibility of the Chief, FED or the Deputy Collector for Assessment. The Chief, FED and the Deputy Collector for Assessment shall review the recommendation of the COO III and COO V. If they concur with the recommendation, they shall endorse the same to the District Collector for approval.

5.5. Responsibilities of the District/Subport Collector. The District/Subport Collector shall have the following responsibilities:

5.5.1. To approve or adjust the recommended period to submit the lacking document/s;

5.5.2. To approve or disapprove the recommendation to release the shipment under tentative assessment.

5.5.3. To approve or disapprove the recommendation for the issuance of WSD for failure to submit the lacking documents in case of regulated goods; or

5.5.4. To approve the further processing of the goods declaration in case the lacking document/s is already available during customs clearance process, or where the release thereof is favorably recommended.

Section 6. Release of Provisionally Declared Goods. The following shall be undertaken for the release of the goods under PGD:

6.1. Release under Tentative Assessment.

6.1.1. Upon receipt of the approved request for release under tentative assessment, the COO III shall change the procedure code under **Box 37a** from "4400" to "4403".

6.1.2. The COO III shall require the importer or his representative to post the required security as provided under Section 5.3.4 of this Order. After receipt of the security, whether in the form of a surety bond or cash bond, the COO III shall update the Inspection Act of the E2M indicating the following:

- a.** Approval by the District/Subport Collector of the request for release under tentative assessment;
- b.** Posting of the required security (amount, surety bond number or receipt number of Form 51c evidencing deposit of the cash bond);

6.1.3. The COO III shall update the GDVS status and then forward the PGD SAD with supporting documents to the COO V.

6.1.4. The COO V shall assess the payable duties and taxes of the goods declaration and issue the Assessment Notice to serve as payment instruction of the Authorized Agent Bank (AAB) to debit the assessed duties, taxes and other charges from the account of the importer.

6.1.5. The COOV shall also update the status by selecting "ASSESSED" status in the GDVS.

6.2. Release of Regulated Goods under PGD

- 6.2.1.** Upon approval by the District Collector to release the shipment, the COO III shall change the procedure code under **Box 37a** from "4400" to "4401".
- 6.2.2.** Thereafter, the COO III shall process the shipment similar to a goods declaration for consumption. The COO III shall reflect all findings and actions taken pertaining to the shipment in the E2M Inspection Act.
- 6.2.3.** The COO III shall update the GDVS status and then forward the PGD SAD with supporting documents to the COO V.
- 6.2.4.** The COO V shall assess the payable duties and taxes of the goods declaration and issue the Assessment Notice to serve as payment instruction of the AAB to debit the assessed duties, taxes and other charges from the account of the importer.
- 6.2.5.** The COO V shall also update the status by selecting "ASSESSED" status in the GDVS

Section 7. Separability Clause. In the event that any part hereof is declared invalid, all other parts shall remain in full force and effect.

Section 8. Repealing Clause. All rules and regulations inconsistent herewith are deemed repealed or modified accordingly.

Section 9. Effectivity. This Order shall take effect on 16 MAR 2020.


REY LEONARDO B. GUERRERO
Commissioner

MAR 06 2020



BOC-02-01243

ANNEX "A"

**MODEL OF DECLARATION / PROCEDURE CODES
IN THE E2M SYSTEM TO IMPLEMENT
PROVISIONAL GOODS DECLARATION (PGD)**

<u>Code</u>	<u>Description</u>	<u>Function</u>	<u>Reference in e2m System</u>
4PG 4	Model of Declaration	Kind of import declaration which is labeled as: - Provisional Goods Declaration	Declaration: Box 1 of the Single Administrative Document (SAD)
4400	Extended Procedure	- Entry for Home Use	Procedure: Box 37a of the SAD
051	Additional Code	VAT and Excise exempt and subject to regulatory requirement	Procedure: Box 37b of the SAD
050	Additional Code	Duty, VAT and Excise exempt and subject to regulatory requirement	Procedure: Box 37b of the SAD
049	Additional Code	Duty and Excise exempt and subject to regulatory requirement	Procedure: Box 37b of the SAD
048	Additional Code	Duty and VAT exempt and subject to regulatory requirement	Procedure: Box 37b of the SAD
047	Additional Code	Excise exempt and subject to regulatory requirement	Procedure: Box 37b of the SAD
046	Additional Code	VAT exempt and subject to regulatory requirement	Procedure: Box 37b of the SAD
045	Additional Code	Duty exempt and subject to regulatory requirement	Procedure: Box 37b of the SAD
044	Additional Code	Subject to regulatory requirement	Procedure: Box 37b of the SAD
043	Additional Code	Duty exempt	Procedure: Box 37b of the SAD

042	Additional Code	VAT exempt	Procedure: Box 37b of the SAD
041	Additional Code	Excise exempt	Procedure: Box 37b of the SAD
040	Additional Code	Duty and VAT exempt	Procedure: Box 37b of the SAD
039	Additional Code	Duty and Excise exempt	Procedure: Box 37b of the SAD
038	Additional Code	Duty, VAT and Excise exempt	Procedure: Box 37b of the SAD
037	Additional Code	VAT and Excise exempt	Procedure: Box 37b of the SAD
036	Additional Code	Certificate of Origin requirement	Procedure: Box 37b of the SAD
035	Additional Code	Subject to regulatory requirement	Procedure: Box 37b of the SAD

Note:

- Each additional code is created for specific exemption/s as may be required during lodgment of provisional goods declaration.



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 1099 Manila

PGD Control No. _____
 SAD Number: _____

**PROVISIONAL GOODS DECLARATION (PGD)
 DOCUMENTARY REQUIREMENTS**

To be filled out by the Importer/Broker/Authorized Representative

CONSIGNEE	
ADDRESS	
EMAIL ADDRESS	
CONTACT No.	
BROKER	
EMAIL ADDRESS	
CONTACT No.	
DATE	

A. MAIN AND SUPPORTING DOCUMENTS ATTACHED TO THE PROVISIONAL GOODS DECLARATION

- Completed, Signed and Notarized Provisional Goods Declaration
- Bill of Lading
- Commercial Invoice
- Packing List
- Supplemental Declaration on Value
- Affidavit of Undertaking
- Application/s for (cite required document/s to be submitted) _____

Others:

1. _____
2. _____
3. _____

(Please use another sheet, if necessary)

B. LACKING DOCUMENT/S

- CERTIFICATE OF ORIGIN
- BIR AUTHORITY TO RELEASE IMPORTED GOODS (ATRIG)
 - Feed and Feed Ingredients
 - Fertilizers
 - Others (Please Specify) :
- BIR TAX EXEMPT CERTIFICATE (TEC)
- DOF TAX EXEMPT INDORSEMENT (TEI)
- FDA LICENSE TO OPERATE (LTO)
- FDA CERTIFICATE OF PRODUCT REGISTRATION (CPR)
- SRA IMPORT CLEARANCE
- NTA IMPORT PERMIT
- BPS IMPORT COMMODITY CLEARANCE (ICC)
- NTC IMPORT PERMIT
- PDEA IMPORT PERMIT FOR CONTROLLED SUBSTANCES
- DENR-EMB IMPORTATION CLEARANCE
- DENR CERTIFICATE OF REGISTRATION
- FPA IMPORT PERMIT
- MARINA IMPORT PERMIT
- DTI-FTEB CERTIFICATE OF AUTHORITY TO IMPORT
- DDB CERTIFICATION
- OTHERS (Please Specify): _____

Prepared by:

 Importer/Broker/Authorized Representative
 Signature above printed name

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

UNDERTAKING FOR PROVISIONAL GOODS DECLARATION

I, _____, of legal age, Filipino, and a resident of _____, Philippines, after being duly sworn, depose and say THAT:

1. I am the _____ (position) of _____ (name of corporation/company/cooperative) with principal place of business at _____, Philippines; (If individual importer, skip this number.)

2. I have lodged a provisional goods declaration on _____ (date) in view of the following lacking document/s:

- a. xxx
- b. xxx (please supply information)

3. I undertake to submit the above-mentioned document/s on or before _____ (date);

4. I am aware that by making a provisional goods declaration, the customs clearance process involving the shipment may be held in abeyance if the goods are regulated or if the document/s is required to enable a correct assessment of the goods (e.g. incase of BIR ATRIG);

5. I am likewise aware that failure on my part to submit the said document/s may result in the seizure or abandonment of the shipment, including the prohibition to release the same under tentative assessment;

6. I have full knowledge of the contents of the said shipments and I attest to the veracity of the declaration as well as all the supporting documents thereon;

7. I further undertake under penalty of perjury and other related criminal offenses that this undertaking is true and correct, and I submit to the full authority of the Bureau of Customs (BOC) to proceed against the shipment or to the company, should any of the foregoing facts be found to be false and incorrect.

8. I am executing this undertaking to attest to the truthfulness of the foregoing statement, and for the purpose of complying with the requirements in support of the provisional goods declaration.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, 2019, in _____ City, Philippines.

Affiant

ACKNOWLEDGEMENT

BEFORE ME this ___ day of _____ 2019, at _____ City, Philippines, personally appeared _____ exhibiting to me his/her Card bearing No. _____ and known to me to be the same person who executed the foregoing undertaking, and I have personally examined the affiant and I was convinced that s/he voluntarily understood the contents thereof.

Notary Public

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2019.

COMPANY LETTERHEAD

Date:

District/Port Collector
Port of _____

Thru: _____
COOIII, Assessment Division

Subject: REQUEST FOR RELEASE UNDER TENTATIVE ASSESSMENT

Dear Coll. _____,

This is to respectfully request to Release Under Tentative Assessment the goods covered under Provisional Goods Declaration (PGD), more specifically described as follows:

PGD Control No.
SAD No.
Container Number/s
Description of the Goods

The goods are provisionally declared due to the following lacking documents:

1. Xxx
2. Xxx

I undertook to submit the above-mentioned lacking documents on or before _____ (date).

I am willing to post a security in the amount of Php _____ (amount) equivalent to the difference between the declared duties, taxes and other charges and the assessment in case I fail to submit the required documents on time.

I undertake to comply with any of the requirements as may be imposed by your Office in relation to my request.

Attached is the copy of Secretary's Certificate issued by _____ of the _____ (company) authorizing me to act for and in behalf of the company.

Thank you.

Respectfully,

Signature over printed name