



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

March 10, 1998

CUSTOMS MEMORANDUM ORDER

NO. 8-98

Subject: *Remote Lodgement of Warehouse Entries Using
ACOS Direct Trader Input (DTI) Facility at NAIA
Customhouse*

1.0 Objectives

- 1.1 To implement the Direct Trader Input at NAIA Customs District III.
- 1.2 To further facilitate the warehouse import clearance process by providing remote lodgement of entries from office premises of Clients to the NAIA Customhouse.

2.0 Scope

- 2.1 This Order shall be applicable only to the NAIA Customs District.
- 2.2 This Memorandum Order initially covers warehousing entries that are electronically lodged to NAIA Customhouse thru the Direct Trader Input project by DTI-accredited members of the Semiconductor Electronics Industries Foundation, Inc. (SEIFI).
- 2.3 Only entries granted Green lane status shall have the full benefit of DTI although all warehousing entries of SEIFI members can be lodged thru the system.

3.0 General Provisions

3.1 Adherence with CMO 4-97

General provisions as stated in the DTI project implementing CMO 4-97 (except for item 3.6 - DTI Client Training) shall be applicable in the implementation of DTI for NAIA Customs District. Adherence with the above-mentioned CMO shall be strictly enforced.

3.2 DTI Client Training

Training for new DTI Client shall be handled by DTI users themselves (through the organization Brokers Importers Data Access - BIDA) as the current practice at the seaports.

3.3 Automatic Bond Charging

- 3.3.1 Bond Charging shall now be automatically done by ACOS and upon successful electronic assessment of the entry.
- 3.3.2 Implementation of the automatic bond charging shall adhere to the guidelines and provisions of the Automatic Bond Charging CMO.
- 3.3.3 In the event that the automatic bond charging has not been implemented yet, 'Post Bond Charging' concept as described below shall be followed.
 - 3.3.3.1 Post bond charging shall entail after processing of release documents or after the release of the shipment.
 - 3.3.3.2 The above shall be implemented provided that the consignee have set-up a "General Bond of Undertaking" (GBU) which shall guarantee payment of duties and taxes in cases of events or incidents deviating from the normal DTI process.

3.4 Use of SAD instead of IEIRD

- 3.4.1 In order to eliminate double encoding inherent with DTI processing, the use of the ACOS generated SAD in lieu of the normal IEIRD document shall be permitted.
- 3.4.2 Any fees related to the use of the IEIRD shall be included in the payment for processing of the import document using the SAD.
 - 3.4.2.1 These fees shall be automatically collected following the pre-payment scheme (CMO 23-97).
 - 3.4.2.2 Fees to be automatically collected include IPF, boatnote, cost of IEIRD, and documentary stamp.
- 3.4.3 In the event that a DTI entry is "selected" (tagged as either yellow or red), the DTI Client shall submit the print-out of the SAD and all supporting documents as required to the Bureau Of Customs.

4.0 Operational Provisions

Operational provisions of this Order shall generally follow CMO 4-97 (DTI Implementing Guidelines) & CMO 32-97 (Selectivity II). Please refer to Annex A - DTI Warehouse Import Clearance Process for the graphical representation of the procedure.

4.1 Activities on the Importer/Broker Side

4.1.1 Encoding

Importer or the designated broker encodes all pertinent information using Client side ACOS software (Module MODBRK). DTI entries shall use "7DT 7" as its Model of Declaration code to distinguish it from regular warehousing entries. He shall then proceed as follows:

4.1.1.1 In the case of Importers, it is the Importer that prepares the declaration and the Customs specialist (licensed broker) checks the prepared declaration entry.

4.1.2 Connects to the port server and invokes the "Check" option in order to verify the integrity of encoded data.

4.1.3 Filing of Entry to BOC

Client's broker lodges entry with BOC and triggers Selectivity by requesting for assessment of the entry in ACOS.

4.1.4 Printing of Assessment Notice (AN) and Single Administrative Document (SAD).

Prints a copy of the SAD and the AN for presentation to CBW Operator (or to the NAIA CBWD as prescribed in item 4.1.5.1).

4.1.5 Pickup and Delivery of Shipments

Based on the result of Selectivity, the Client now has to go to the NAIA Customs Bonded Warehouse Operator either for pick-up and delivery of the shipment or to the Warehousing Assessment Unit (WAU) for the preparation for documentary/physical examination.

4.1.5.1 However, if the On-line Release System for warehousing entries is not yet operational, the Importer Representative shall go to the NAIA Customs Bonded Warehouse Division and present the appropriate AN and the SAD for the existing procedure of transmitting the release order to the appropriate warehouse (using the current release document).

4.1.6 Submission of Required Documents

Although implied in item 3.1, it is emphasized that while submission of the IEIRD and supporting documents are not required immediately for Green Lane shipments, the same must be submitted to the Customs Bonded Warehouse Division, in

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batches such that all IEIRDs covering Green Lane entries filed for a particular week, must be submitted on the first working day of the following week or earlier.

4.2 Activities at the Bureau Of Customs

Selected DTI warehousing entries will follow current procedures that require Clients to submit documents and personally appear before Customs officers. DTI entries granted green status, however, will adhere with the following procedure:

Once the Selectivity System grants an entry green lane status, cargo releasing information are electronically forwarded to the Customs Bonded Warehouse Division. If this facility is not yet available, printing of the "proxy document" shall be at the Collection Division.

4.2.1 Customs Bonded Warehouse Division (CBWD)

At CBWD, a tracer document called the ACOS Green Lane DTI Warehousing Assessment Form (DWAF) will be printed at the same time that the DTI information is received at CBWD. This document is similar to the DTI Consumption Entry tracer document at the seaports. The DWAF will take the place of the working copy of the entry in procedures where paper handling is still being performed. After detecting that a DWAF has been printed, the following procedure shall be followed:

- 4.2.1.1 Posts the warehousing transaction based on the DWAF.
- 4.2.1.2 Checks importable and accounts quota balances.
- 4.2.1.3 Lifts the duty stop. However, if the On-line Release System is not yet operational as stated in item 4.1.5.1, existing procedure of processing and transmitting the release document to the appropriate warehouse shall be followed.
- 4.2.1.4. Sends the DWAF to the Bonds Division for bond charging.

4.2.2 Bonds Division (BD)

- 4.2.2.1 Receives the DWAF from CBWD.
- 4.2.2.2 Applies the bond against the shipment based on the taxes and duties indicated on the DWAF.
- 4.2.2.3 Signs-off the document and indicates the bond number on the DWAF.
- 4.2.2.4 Sends the DWAF to Warehouse Assessment Unit.

4.2.3 Warehousing Assessment Unit (WAU) of FED

- 4.2.3.1 Keeps the DWAF until the submission of the necessary IEIRD and required documents on the following first working day of the week or earlier.
- 4.2.3.2 WAU staff retrieves the electronic DTI Warehousing entry in the ACOS system based upon documents submitted by the DTI Client and the DWAF.
- 4.2.3.3 Performs a post audit check based on entry documents.
- 4.2.3.4 WAU staff periodically submits the results of post audit to the Deputy Collector for Operations. The results of the post audit shall be the basis of performance measure of the DTI Client.
- 4.2.3.5 The WAU staff shall be responsible for monitoring Clients' performance. Record of discrepancies discovered in the DTI entries will be kept to serve as one of the basis for the client's retention in the list of qualified DTI clients.
- 4.2.3.6 After the conduct of post audit, the DWAF and all pertinent documents are then returned to CBWD for safekeeping & future reference and the Bond contract to the Bonds Division.

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.


GUILLERMO L. PARAYNO, JR.
Commissioner

DTI WAREHOUSE IMPORT CLEARANCE PROCESS General Work Procedure for Green Lane Only

