



CUSTOMS MEMORANDUM ORDER
No. 2-2010

JAN 08 2010

SUBJECT: Rules and Regulations Strengthening the Functions of the Export Coordination Division (ECD) Under the Office of the Assessment Operations Coordinating Group (AOCG)

I. OBJECTIVES

- a. To strengthen the coordination, monitoring and oversight functions of **Export Coordination Division (ECD)**, pursuant to **Executive Order No. 127** considering the dynamic international trade environment brought about by the Philippines and the ASEAN being signatories to the different bilateral and regional Free Trade Agreements as well as the Philippine export products being the beneficiary of unilateral preferential grants.
- b. To promote Philippine exports and revenue collection through the proper application of the different **Rules of Origin (ROO)** under existing Free Trade Agreements (FTAs) to which the Philippine or the ASEAN is a signatory such as the **ASEAN Free Trade Agreement (AFTA)**, **ASEAN-CHINA Free Trade Agreement (ACFTA)**, **ASEAN-KOREA Free Trade Agreement (AKFTA)**, the **Japan-Philippines Economic Partnership Agreement (JPEPA)**, unilateral preferential tariff grants under the **Generalized System of Preference (GSP)** as well as the soon to be implemented **ASEAN TRADE in GOODS AGREEMENT (ATIGA)**, **ASEAN- AUSTRALIA NEW ZEALAND FREE TRADE AGREEMENT (AANZFTA)** and the **ASEAN-JAPAN COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (AJCEPA)**;
- c. To have a central office at the Bureau of Customs (BOC) implementing an effective internal control system through oversight function and setting up a system of Bureau wide retro verification in order to protect the integrity of the ROO protocols, to monitor compliance on the Operational Certification Procedure (OCP) on ROO, and deter possible violations of rules and regulations on the issuance and utilization of the different Certificates of Origin (COs);
- d. To have a real time data on COs issued and utilized for reportorial purposes to the Commissioner of Customs and as may be necessary and required to other government agencies for policy determination, trade negotiation, and for other purposes; and
- e. To have a pool of ROO trainers specifically responsible for the training of customs officials and employees as well as members of the trading community.

II. SCOPE

This Order covers all matters relating to the coordination and monitoring of all activities in relation to **RULES OF ORIGIN (ROO)**, including but not limited to pre-evaluation of exporters and their products, issuance, of COs, post evaluation of utilized COs covering imported products, internal control mechanisms, records keeping, and retro-verification.

III. ADMINISTRATIVE PROVISIONS

1. The Export Coordination Division (ECD) shall exercise oversight function on all activities related to the issuance and utilization of Certificates of Origin (COs) whether unilateral, bilateral, regional or multilateral.
2. Accordingly, ECD shall have the responsibility of pre-evaluating all exporters and their export products for CO issuance purposes regardless of where the Export Declarations are processed and regardless of ports of loading. However, authorized issuance of COs can be delegated by the Chief, ECD to Export Divisions or equivalent units of all the Collection Districts where Export Declarations are processed, provided, products exported has a pre-approved evaluation from the Chief, ECD.
3. Likewise, ECD, in coordination with Formal Entry Divisions and/or its equivalent units in all Collection Districts shall design a post evaluation system of COs that cover imported products, to ensure that proper and appropriate duties and taxes are collected.
4. ECD is hereby directed to establish and maintain a comprehensive database of information related to the issuance of all types of COs as well as pre-evaluated exporters and their products including their production or manufacturing processes and product costing. (Refer to Annexes A, B, C).

The retention period for customs copies of COs issued, supporting documents and the 201 file of pre-evaluated exporters shall follow the Operational Certification Procedure of ROO.
5. ECD is also directed to establish and maintain a comprehensive database of information related to the utilization of all kinds of COs for post evaluation purposes, and statistical record to comply with international agreement on ROO.
6. In this regard a monthly report shall be generated by the ECD on all COs issued and utilized indicating therein among others export/import product descriptions, volume, HS code of the importing country, originating rule used, FOB value, country of destination/origin and similar information which are needed for policy consideration purposes.
7. ECD shall have the responsibility of coordinating with the MISTG for the possible CO automated applications, issuance, transmission, retrieval and records keeping of exporters' 201-file.

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3. For provincial applicants the same shall be addressed to the Chief, ED concerned who shall make the proper recommendation to the Chief, ECD. The recommendation shall be forwarded within five (5) working days. The Chief, ECD shall evaluate, approve or disapprove and communicate action within five (5) working days from receipt of recommendation from Chief, ED. Communications sent by ECD for additional supporting documents, requests for clarification or similar issues shall toll the running of the five (5) working day period. The period shall commence running upon receipt of responsive written answers from applicants.

Refer to Annex "A" for standardized application form which shall be signed and under oath by the proprietor in case applicant is operating on single proprietorship or doing business as natural person or in case of juridical exporters by a responsible official duly authorized as supported by a Corporate Secretary's Certificate.

Supporting documents shall all be in original copies signed by the applicant and in case of photocopies to be certified "true and correct" by the applicant.

4. Upon receipt of applications or recommendations the Chief, ECD shall assign an Evaluating Officer from ECD and/or ED concerned for provincial ports.

The Evaluating Officer shall have the responsibility of document checking and if necessary conducting plant/factory visit to validate information submitted by an exporter-applicant.

The Evaluating Officer is given five (5) working days to make recommendation to the Chief, ECD who in turn is given five (5) working days to approve or disapprove the recommendation.

A written notice for the approval or disapproval of the application shall be given to the exporter-applicant within two (2) days from approval or disapproval of the Chief, ECD, copy furnished Deputy Commissioner, AOCG.

5. For the purpose of initial database of COs issued and utilized, all Export Divisions and Formal Entry/Warehousing Divisions and/or their equivalent units in all Collection Districts and sub-ports, and special units like the at One Stop Shop Processing located at the Phil-Export, and Export Processing Zones are required to submit a report of all Certificates of Origin issued and utilized for the period January 2008 up to effectivity of this Order..

ECD is tasked to prepare the report format and all concerned are directed to submit the report within thirty (30) days from the issuance of this Order.

Thereafter all concerned are required to submit a monthly report of the following list to the ECD, in the manner to be prescribed by the Chief, ECD, to be submitted latest every 10th of the following month:

1. COs issued (Export Transactions)
2. COs utilized (Import Transactions)
3. Pre-evaluated exporters and products

It shall be the responsibility of the ECD to come up with a consolidated report every 16th of the month of all COs issued for preferential tariff purposes and COs presented for imported products, noting in the remarks if dishonored, to the Commissioner thru the Deputy Commissioner, AOCG and to the Bureau of International Trade Relations (BITR), Department of Trade and Industry (DTI).

6. All communications related to the retro verification request shall be forwarded to FCD copy furnished the Deputy Commissioner, AOCG. The Chief, ECD in coordination with the ED concerned is given 15 days to draft the official reply to the retro-verification to be signed by the Deputy Commissioner, AOCG.
7. In cases ECD has discovered that CO was procured through deceit, misrepresentation, machination or through an act of fraud, the Chief ECD may recommend to the Deputy Commissioner, AOCG, that this be referred to Investigation Prosecution Division and the Legal Service for possible filing of administrative, civil and criminal case against the culprits.

V. PENAL CLAUSE

Failure to comply with this Order shall receive a warning for first offense, and subsequent non-compliance may subject the erring exporter/importer to sanctions imposed under existing Customs laws, rules and regulations, and the concerned BOC official/s and/or employees to administrative sanctions under existing civil service laws, rules and regulations.

VI. REPEALING/SEPARABILITY CLAUSE

All Orders, Rules, Regulations and other issuances which are inconsistent with the provisions of this Order are hereby revoked and/or modified accordingly. In case any provision of this Order is declared invalid or unconstitutional, the provisions not affected thereby shall continue to be in full force and effect.

VII. EFFECTIVITY

This Order shall take effect immediately.

NAPOLEON L. MORALES

Commissioner



10-00206
Department of Trade and Industry

Annex A



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

Application for Pre evaluation of Exporter and Export Product

EXPORTER : _____

ADDRESS : Office: _____

Plant/Factory: _____

APPLICANT'S NAME: _____

OFFICE POSITION/DESIGNATION: _____

DESCRIPTION OF FINISHED
PRODUCT/S FOR EXPORT

COUNTRY OF DESTINATION

_____	_____
_____	_____
_____	_____
_____	_____

RAW MATERIALS USED IN THE PRODUCTION OF FINISHED PRODUCTS

Imported:

Country of Origin

CO FORM

_____	_____	_____
_____	_____	_____
_____	_____	_____

Local:

Name of Local Supplier/s and Address

_____	_____
_____	_____
_____	_____

APPLICANT'S SIGNATURE

DATE

Received by:

ECD/ED (Name of Port)

Date Received: _____



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

Annex B

Application for Issuance of Certificate of Origin

EXPORTER : _____

ADDRESS : _____

NAME OF BUYER: _____

ADDRESS: _____

APPLICANT'S NAME: _____

OFFICE POSITION/DESIGNATION: _____

PRODUCT EXPORTED	IMPORTING COUNTRY	KIND OF CO
_____	_____	_____
_____	_____	_____
_____	_____	_____

APPLICANT'S SIGNATURE

DATE

Received by: _____
ECI/ED (Name of Port)

Date Received: _____



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DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

Annex C

DOCUMENTARY REQUIREMENT CHECK LIST

A. PRE-EVALUATION

1. Company Profile
2. Manufacturing Process Flow Chart
3. Copy of CO for imported raw materials used
4. Local Supplier's Certificate of Purchase
5. Certified Cost Breakdown of the value of raw materials (imported and local), and, direct and indirect labor cost used to produce the finished product
6. Certified Summary Statement of item 4, plus computed Profit and cost of Transport from Factory to the frontier of Port/Brokerage Handling Expense

B. ISSUANCE OF CO

7. Certified True Copy of Export Declaration
8. Certified True Copy of Sales/Commercial Invoice
9. Copy of Sea/Airway Bill of Lading
10. Proof of Freight Charges Paid.

Received the above-checked documents

(Printed Name and Signature)

ECD/ED (Name of Port)