



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

INTERNAL ADMINISTRATION GROUP
CENTRAL RECORDS MANAGEMENT DIVISION

September 21, 2018

The Director

Office of the National Administrative Register (ONAR)
UP Law Center Diliman, Quezon City

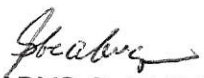
Sir/Ma'am:

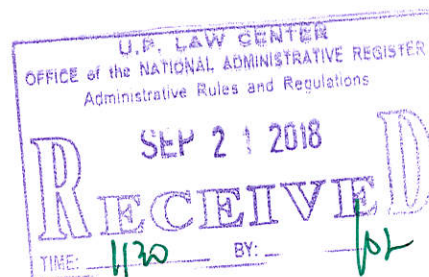
Transmitted are three certified true copies and soft copy (word format in compact disc rewritable) of the following Customs Memorandum Order, to wit:

CMO 14-2018: GUIDELINES ON THE IMPLEMENTATION OF THE FREE TRADE AGREEMENT BETWEEN THE EUROPEAN FREE TRADE ASSOCIATION AND THE PHILIPPINES

Thank you.

Very truly yours,

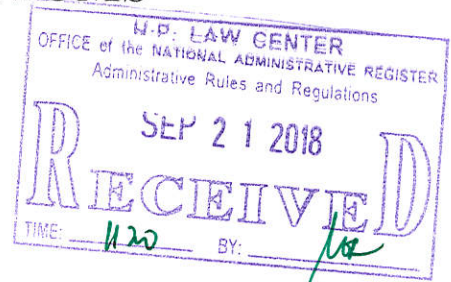

GLADYS C. CABUGAWAN
Chief, CRMD





Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS

1099 Manila



CUSTOMS MEMORANDUM ORDER (CMO)
NO. 14 - 2018

SUBJECT: GUIDELINES ON THE IMPLEMENTATION OF THE FREE TRADE AGREEMENT BETWEEN THE EUROPEAN FREE TRADE ASSOCIATION AND THE PHILIPPINES

Section 1. Scope

This order shall govern the implementation guidelines set out in Annex 1 (Rules of Origin) of the Free Trade Agreement between the States of the European Free Trade Association and the Philippines (hereinafter referred to as the PH-EFTA FTA).


Section 2. Objectives

- 2.1. To facilitate the processing of importations and exportations of Goods coming to and from the Party under PH-EFTA FTA.
- 2.2. To provide procedure for granting preferential treatment on Goods covered by an Origin Declaration; and
- 2.3. To establish appropriate mechanism in accrediting exporters/ producer/ manufacturer as "Approved Exporter".

Section 3. Definition of Terms. For the purpose of this CMO, the following terms are defined accordingly:

- 3.1. **Approved Exporter** – a producer, manufacturer, or trader authorized by the respective customs authority of the Parties, which is the BOC to complete Origin Declarations without signature after complying with the requirements set out in Section 5.1.
- 3.2. **Customs Authorization Number** - the number that will be given to an Approved Exporter, which shall be indicated in the Origin Declaration in lieu of the signature.
- 3.3. **Export Coordination Division (ECD)** – the division under the Assessment and Operations Coordinating Group (AOCG) of the BOC which shall process

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the applications for Approved Exporters and conduct audit in relation to the suspension of the same.

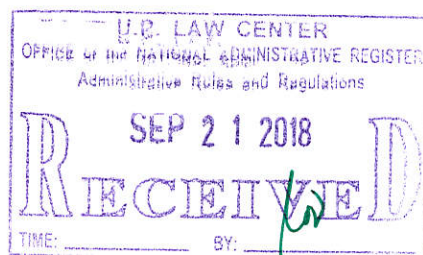
- 3.4. Exporter-** a natural or juridical person bringing goods out of the territory of a Party.
- 3.5. Importer** –a natural or juridical person bringing goods into the territory of a Party.
- 3.6. Non Approved Exporter-** a producer, manufacturer or trader other than approved exporter that can make an Origin Declaration.
- 3.7. Origin Declaration** - the proof of origin required under the PH-EFTA FTA in the form of a declaration set out in Section 4.4 sufficient to ascertain the originating status of goods. The declaration must be completed on an invoice, packing list, delivery note or any other relevant commercial document that identifies the exporter and the originating goods
- 3.8. Party or Parties** - the Philippines, Iceland, Norway or the customs territory of Switzerland. Due to the customs union between Switzerland and Liechtenstein, goods originating in Liechtenstein shall be considered as originating in Switzerland.
- 3.9. Preferential Rate Unit (PRU)-** the unit the BOC's Formal Entry Division (FED) or its equivalent unit in all ports, which shall evaluate the completeness and validity of Origin Declaration submitted by importers.
- 3.10. Product Evaluation Report** – a document given to exporters that contains the result of the evaluation on export products after complying with requirements of the BOC.
- 3.11. Rules of Origin-** refers to Annex I of the PH-EFTA FTA providing for the rules to determine the originating status of goods and the procedures to claim preferential tariff treatment on goods originating from the Parties.

Section 4. General Provisions.

- 4.1.** Exporters to EFTA shall be allowed to make an Origin Declaration as Proof of Origin in accordance with Section 5.
- 4.2.** Representatives of an exporter shall be allowed to make origin declaration upon submission of the exporter's written authorization.

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- 4.3. Importers sourcing from EFTA States shall allowed to claim preferential tariff treatment to originating goods on the basis of the Origin Declaration.
- 4.4. The Origin Declaration set out below must be completed in English, in legible and permanent form, by the exporter for goods originating in a Party:


"The exporter of the goods covered by this document (customs authorisation No...) declares that, except where otherwise clearly indicated, the goods satisfy the Rules of Origin to be considered as originating under the PH-EFTA FTA (Country of Origin:)"

Place and Date

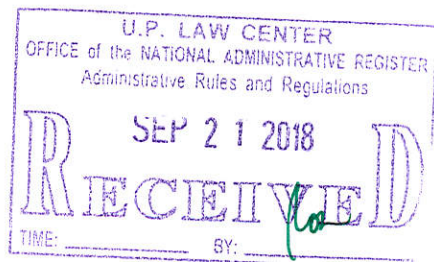
***Signature above the Printed Name
of the Authorised Signatory***

- 4.5. An Approved Exporter is not required to sign the Origin Declaration but must instead indicate the Customs Authorization Number. A non-Approved Exporter must affix his/her signature above the printed name and leave the field on "Customs Authorization Number" blank.
- 4.6. The place and date when the Origin Declaration was completed may be omitted if already contained in the document where such declaration was printed.
- 4.7. The Customs Authorization Number for approved exporters shall be submitted to the EFTA Secretariat.
- 4.8. The country of origin of the goods must be indicated in the Origin Declaration (Philippines, Iceland, Norway or Switzerland and the use of ISO-Alpha-2 codes is permitted. Reference may be made to a specific column of the invoice packing list, delivery note or any other relevant commercial document that identifies the exporter and the originating goods in which the country of origin of the goods are referred to.
- 4.9. The Origin Declaration must be completed on an invoice, packing list, delivery note or any other relevant commercial document that identifies the exporter and the originating goods, and must bear either the Customs Authorization Number or the original signature of the exporter, as set out in Section 5 of this Order.

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Section 5. Operational Provisions

5.1. Application for Philippine "Approved Exporter"

5.1.1 Producers, Manufacturers, or Traders may submit in writing or electronically to the Deputy Commissioner of AOCG, through the ECD, its intention to be accredited as an "Approved Exporter" together with the following documents, to wit:

- a) Latest Income Tax Return
- b) Unique Reference Number (URN) as PEZA locators and Client Profile Registration System (CPRS) for non-PEZA locators
- c) Business Permit/s
- d) SEC/DTI registration, whichever is applicable
- e) Product Evaluation Report, if applicable

5.1.2 Those applying as Approved Exporters who are not manufacturers or producers must have knowledge on how the goods were manufactured or produced and how these satisfy the ROO requirements to make an origin declaration under the EFTA-PH FTA.

5.1.3 Exporters shall be notified about the results of the evaluation. Approved Exporters shall be assigned with a Customs Authorization Number within seven working days after receipt of the complete set of documents by ECD.

5.2. Non-Approved Exporter

5.2.1. Exporters may opt not to apply with BOC as an Approved Exporter. However, the Origin Declaration must indicate the complete name and bear the original signature of its authorized signatory.

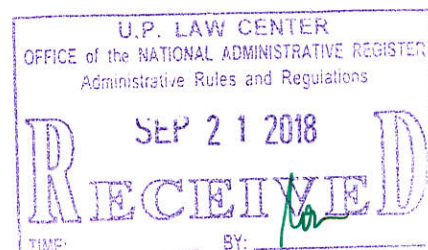
A Non-Approved Exporter may have a higher risk of retro-verification compared to an Approved Exporter.

5.3. Import Procedure in Granting Preferential Treatment

5.3.1. For shipments availing of the preferential tariff treatment under PH-EFTA FTA, the existing customs import procedures shall still apply, except that the import

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documents must be accompanied by an Origin Declaration as provided under Section 4, which must be presented prior to release of goods.

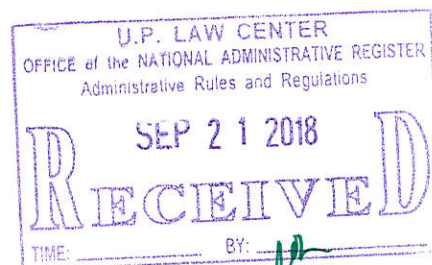
- 5.3.2. If the importer is not in possession of an Origin Declaration at the time of importation, the importer may present it at a later stage subject to the rules on tentative release of goods.
- 5.3.3. An Origin Declaration must be submitted to the BOC within 12 months from its completion.
- 5.3.4. Typographical error in the Origin Declaration shall not invalidate the same if it is duly established that the document does in fact correspond to the imported goods.
- 5.3.5. For importation by installments, only one (1) Origin Declaration is required, which must be submitted upon the importation of the first installment.

5.4. Obligations of Importers and Exporters

- 5.4.1. The BOC shall carry out verifications of Origin Declarations upon the request of customs authorities of importing EFTA Parties. In relation to this, importers and exporters benefitting from the PH-EFTA FTA must cooperate with BOC, as stipulated in the obligations below.
- 5.4.2. An importer or his representative who has requested or has been granted preferential tariff treatment must, upon request of BOC personnel, submit documents to provide appropriate evidence of compliance which may be given by any means, including contractual transport documents such as bill of lading, packing list or any other evidence related to the goods themselves.
- 5.4.3. An importer or his representative who has been granted preferential tariff treatment must keep the Origin Declaration and other relevant documents for at least three years after the date on which preferential tariff treatment was granted.
- 5.4.4. An importer or his representative who becomes aware of or have reason to believe that the Origin Declaration contains incorrect information, shall immediately notify the office of the Deputy Commissioner of AOCG of any change affecting the originating status of the goods covered by an Origin Declaration.

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- 5.4.5.** An exporter or his representative who has completed an Origin Declaration must, upon the request of BOC personnel, submit documents or provide appropriate evidence of compliance which may be given by any means, including contractual transport documents such as bill of lading, packing list or any other evidence related to the goods themselves, which may, at any time, carry out inspections and verify the exporters or the producer's accounts and take other appropriate measures.
- 5.4.6.** An Exporter or his representative must keep a copy of the Origin Declaration and all documents supporting the originating status of the good, in paper or in electronic form, for at least three years from the date of its completion or issue.
- 5.4.7.** An exporter or his representative who becomes aware of or having reason to believe that an Origin Declaration contains incorrect information must immediately notify the importer and the office of the Deputy Commissioner of AOCG of any change affecting the originating status of the goods covered by that Origin Declaration.

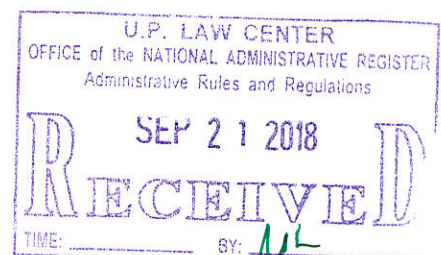
Section 6. Penalties.

- 6.1.** Importers shall not be allowed to avail of preferential tariff rates if proven to have committed fraud in its compliance with this Order.
- 6.2.** Exporters shall be suspended as Approved Exporters if proven to have committed fraud on the declaration of the originating status of the goods, which shall be notified immediately to the EFTA Secretariat.
- 6.3.** The ECD shall conduct an audit and evaluation of the exporter's premises and shall make the necessary communication to the EFTA Secretariat about the results of its origin verification within six (6) months from the date of the verification request.
- 6.4.** The disallowance of the preferential tariff rates and suspension of Approved Exporters shall be without prejudice to possible filing of criminal cases under applicable provisions of the CMTA and the Revised Penal Code.

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Section 7. Repealing Clause.

All Customs Memorandum Orders inconsistent with the provisions of this Order are hereby modified and/or amended accordingly.

Section 8. Effectivity.

This Order shall take effect immediately.


ISIDRO S LAPENA, Phd, CSEE
Commissioner *th*



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