



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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November 10, 2015

CUSTOMS MEMORANDUM CIRCULAR

NO. 157-2015

TO: All Deputy Commissioners
All Directors / District and Port Collectors
All Chiefs of Divisions Concerned

SUBJECT: *BOC-Regional Economic Zone Authority (ARMM) Joint Order No. 01-2015*

Attached is the BOC-Regional Economic Zone Authority (REZA) Joint Order No. 01-2015 entitled: "Mandatory Electronic Processing of Transshipments of REZA Locators to REZA Zones, and Other Procedures".

For your information and guidance.

Please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.


ALBERTO D. LINA
Commissioner



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06 September 2015

Bureau of Customs – REZA Joint Memorandum Order
No. 01-2015

SUBJECT: Mandatory Electronic Processing of Transshipments of REZA Locators to REZA Zones, and other Procedures

1. This Joint Memorandum Order (JMO) is effective, on 01 January 2016.
2. REZA locators shall be required to file their transshipment entries with the Bureau of Customs through the e2m system as prescribed in this Joint Memorandum Order. REZA locators will be required to comply with this Joint Memorandum Order in full.
3. All REZA locators importing goods for transshipments from any port of discharge to any REZA locations must file a transshipment entry through the Bureau of Customs' e2m system at the port of discharge where the goods arrive. Manual filing will only be allowed under the circumstances listed in Section 8 of this JMO, and following the procedures listed in Section 9 of this JMO.
4. In each REZA zone, REZA shall provide a Customs Clearance Area with ample space and facilities for the joint use of REZA and the Bureau of Customs for the implementation of this JMO.
5. Enrolment of REZA locators with REZA and REZA-accredited Value-Added Service Providers (REZA VASPs)
 - 5.a A REZA locator shall enrol with REZA through the REZA VASPs to qualify for using the REZA electronic Import Permit System (e-IPS) to secure electronic Import Permits e-IPs for the tax and duty-free importation of foreign goods it requires for its REZA-registered activity, by submitting the following information and documents.
 - 5.a.i. List of Importables it requires for its REZA-registered activity for REZA approval;
 - 5.a.ii. List and contact information (i.e. name; title or position; telephone, mobile phone and facsimile numbers; and e-mail address) of responsible company officials/ personnel and authorized representatives;
 - 5.a.iii. List and contact information of customs brokers it is authorizing to secure e-IPS and arrange for the clearance, release and transfer of its transit goods from the ports of discharge to its economic zone location, as well as other information and/or documents REZA may require;

- 5.a.iv. Proof(s) of enrolment with one or more REZA-accredited VASP(s).
 - 5.a.v. Other information which REZA may require.
 - 5.b. REZA locators shall be fully responsible for the actions of their designated responsible officials/ personnel and authorized representatives and shall provide them appropriate ID cards and written authorizations to act and sign official documents on behalf of the company, as well as pay the required BOC and REZA fees, in connection with the clearance, release and transfer of their transit goods from the ports of discharge to their economic zone destinations.
 - 5.c. REZA locators and their authorized representatives shall enrol with REZA-accredited VASPs for the electronic lodgement of e-IP applications and shall provide, among others, numbers of mobile phones and e-mail addresses to which system-generated SMS (text) and/or e-mail alert messages shall be sent to inform them of e-IP applications lodges in their names.
 - 5.c.i. Payment of the REZA-Processing Fee for and e-IP application lodged through a REZA-accredited VASP triggers the sending of a system-generated SMS (text) message mobile phones and/or an e-mail message to e-mail addresses specified by the REZA locator in the enrolment with the REZA-accredited VASP.
 - 5.c.ii. Upon receipt of an SMS (text) and/or e-mail message indicating lodgement of an e-IP application for transit cargo, the REZA locator shall immediately acknowledge or deny whether it is the consignee and/or whether it has authorized the lodgement of the e-IP application. In cases where it has not authorized lodgement of the e-IP application and/or where it is not the consignee of the import shipment, the REZA locator shall immediately call the attention of REZA so that a Hold and Alert Order can be issued on the transit cargo falsely attributed to it.
 - 5.c.iii. A REZA locator which fails to inform REZA that is not the consignee of a transit-cargo shipment attributed to it in a lodged e-IP application, shall be deemed the owner of the transit-cargo shipment and shall be subject to penalties which may be imposed in case the transit-cargo shipment is found to be in violation of BOC and/or REZA rules and regulations or other laws.
6. General Transportation Surety Bond
- 6.a. The District Collector in the port of discharge shall require REZA locators processing transshipment entries to post a General Transportation Surety Bond with the Bonds Division of that district to guarantee the direct,

immediate, and faithful delivery of goods covered by transshipment entries to the destination REZA locations, as stated in the Transit SADs.

- 6.b. Boat notes will no longer be issued for transshipments to REZA zones; nor will they be required to be underguarded.
- 6.c. Upon the affectivity of this JMO, each REZA locator shall post a General Transportation Surety Bond in each port of discharge in which its shipments arrive, with a face value of the higher of P 1,000,000 and:

(Dutiable Value of Imports admitted in last Three Months in the Port of Discharge) X 1/3 x 1.4%

Locators may post a bond with a validity period of their choice, provided that at any point in time, the bond must have a remaining validity of at least 30 days. Locators whose bonds are expiring in less than 30 days shall not be allowed to file transshipment entries until they post a bond with an expiry of at least 30 days from the date of filing of an entry.

- 6.d. When a General Transportation Surety Bond is posted, it will be the only bond required to secure the transit of goods from a port of discharge to a destination REZA location.
- 6.e. The Deputy Collector for Operations shall:
 - 6.e.i. On a daily basis:
 - 6.e.i.a. Verify whether any REZA locators in his port of discharge have bonds which have a remaining validity of less than 30 days, including bonds which have expired.
 - 6.e.i.b. Ensure that no transshipment entries are processed until a bond with the minimum amount and a remaining validity of at least 30 days is posted.
 - 6.e.ii. On the first week of every calendar month:
 - 6.e.ii.a. Calculate, for each REZA locator, the minimum amount of the bond, which shall be the higher of P 1,000,000 and:

(Dutiable Value of Imports admitted in Last Three Months) x 1/3 x 1.4%

- 6.e.ii.b. For any REZA locator whose bond has a face value of less than the minimum amount of the bond, ensure that no transshipment entries are processed until a bond with at least the minimum amount and a remaining validity of at least 30 days is posted.
- 6.f. The Deputy Collector for Operations shall maintain a record of every REZA locator processing transshipment entries in his port or sub-port in the

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format shown below, using Excel, and ensure that it is up to date at all times.

Port of Discharge	REZA Locator	Amount of Bond	Expiration Date of Bond	Issuer of Bond	Duties and Taxes Due in Last Month	Minimum Bond Amount (10% of duties and taxes due in last month)

- 6.g. At any given point in time, each REZA locator should only have one bond posted in each port of discharge or sub-port of discharge. If a new bond must be posted to comply with a new minimum amount or new validity date, that new bond must, by itself, and not in combination with any other bonds posted in that port or sub-port. Upon posting of a new bond, any other bonds outstanding in that port or sub-port which were posted for purposes of complying with this JMO shall be cancelled or returned to the REZA locator.
 - 6.h. The Bureau of Customs may draw upon the bond up to the amount of duties, taxes, surcharges and other amounts due to the Bureau, for any transshipments for which any part does not arrive at the destination REZA location within the timeframes specified in this JMO or otherwise determined by the Bureau of Customs, or for other reasons specified in other issuances by the Bureau of Customs.
 - 6.i. To enable the Deputy Collector for Operations to calculate the duties and taxes which would have been due for each REZA locator in each port or sub-port, the Deputy Commissioner for MISTG will, by the second business day of every calendar month, send or make available an electronic file containing all transshipment entries for all consignees in all ports and sub-ports, and the duties and taxes which would have been payable for each entry.
7. Procedures for clearance of goods for tax and duty-free transit from ports of discharge to REZA locations.
- 7.a. Electronic Lodgement
 - 7.a.i. REZA locators [and/or their authorized representative] shall lodge their applications for electronic Import Permits (e-IPs) through REZA VASPs, in accordance with procedures and requirements prescribed by REZA.

- 7.a.ii. REZA locators [and/or their authorized representative] shall print approved e-IPS with the system-generated barcodes, for submission to the BOC as a support document to the Transshipment Entry.
 - 7.a.iii. Authorized representatives of REZA locators shall lodge a Transshipment Entry in the BOC's e2m system through one of the BOC-accredited Value-Added Service Providers (VASPs).
- 7.b. In the Port of Discharge
- 7.b.i. After lodging of the Transshipment Entry, and within 30 days of the date of last discharge of all packages from the vessel in which a REZA locator's goods arrived, the REZA locator's authorized representative shall bring the print-out of its approved e-IP and its corresponding invoice to the Joint REZA-Customs Office. REZA staff will validate its authenticity, stamp, and sign it. The REZA locator's authorized representative shall also pay any REZA processing fees at this time.
 - 7.b.ii. After lodging of the Transshipment Entry, and within 30 days of the date of last discharge of all packages from the vessel in which a REZA locator's goods arrived, the REZA locator's authorized representative shall bring the following documents to the Deputy Collector for Operations of the port of discharge:
 - 7.b.ii.a. A print-out of the e-IP, stamped and signed by the REZA staff of the joint REZA-Customs office.
 - 7.b.ii.b. A print-out of the Transshipment Single Administrative Document (TSAD) generated after lodging the Transshipment Entry, with the corresponding Temporary Assessment Notice bearing a systems-generated Customs Reference Number, which will confirm completion of lodgment of the Transshipment Entry.
 - 7.b.ii.c. The Bill of Lading, or for cargo which arrived by air, an Airway Bill
 - 7.b.ii.d. Invoice
 - 7.b.ii.e. Packing List
 - 7.b.ii.f. If any of the goods in the Transshipment Entry are regulated products, the license(s), permit(s), and/or clearance(s) issued by the appropriate regulating agency or agencies.

- 7.b.iii. The Deputy Collector for Operations shall:
 - 7.b.iii.a. Verify the authenticity of the e-IP by scanning the Barcode and comparing the particulars in the printed copy with particulars of the copy of the e-IP which appears in the computer monitor in the Joint REZA-Customs Office e-IPS workstation. For e-IP filed one or more day(s) after the goods have arrived at the Port, the e-IP shall be accepted by the Joint REZA-Customs Office only if accompanied by a written endorsement from REZA in accordance with procedures prescribed by REZA.
 - 7.b.iii.b. Verify the authenticity and consistency of the printed TSAD with the electronic entry lodged in e2m.
 - 7.b.iii.c. Verify the completeness and correctness of the documents provided by the REZA Locator's authorized representative. After complete examination of the documents, stamp "Documents Verified" and sign on the TSAD and on the e-IP.
 - 7.b.iii.d. Examine the documents provided by the REZA Locator's authorized representative, requesting additional information and documents if and only if these are required to determine a final assessment. The Port Operations shall ensure, prior to calculation of duties and taxes, that all items in the transshipment entry are covered by an e-IP.
 - 7.b.iii.e. Calculate the duties and taxes which would be payable if the goods were not duty-and tax-free.
 - 7.b.iii.f. Perform final assessment, modifying any fields in the TSAD electronically, through the e2m system, when necessary. If any fields are modified, the Deputy Collector for Operations shall print out a new copy of the corrected TSAD and give the REZA locator or its authorized representative a copy of this.
 - 7.b.iii.g. After performing final assessment stamp the TSAD with the words "Documents Verified" and sign the TSAD.
 - 7.b.iii.h. Inform the Joint REZA-Customs Office within the port of discharge that the shipment has been cleared to leave the port of discharge, by providing the Joint REZA-Customs Office a copy of the TSAD REZA staff at the Joint REZA-Customs Office shall stamp the TSAD "copy received." It is this stamped copy of the TSAD which the Customs Warehouseman or Wharfinger shall use in Section 6.b.vii.
- 7.b.iv. After the Deputy Collector for Operations perform final assessment, the REZA Locator shall pay the transshipment fee

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REZA Locators' authorized representatives may transmit the transshipment fee to the BOC. The Transshipment fee and any other amounts payable may be paid:

7.b.iv.a. With the funds previously deposited in a Prepaid Account opened by the REZA Locator or its authorized representative in accordance with CMO 27-2014.

7.b.iv.a.1 When filing a Transshipment Entry in E2m, a REZA Locator or its authorized representative who wishes to pay transshipment fees from its Prepaid Account should:

7.b.iv.a.1.a. Leave box no 28, PASS5 Bank Reference Number, blank.

7.b.iv.a.1.b. Fill in box no. 48, Prepaid Account Reference Number, indicating the reference number of the account from which payment will be made.

7.b.iv.a.2 Upon final assessment of the transshipment entry, the e2m Pre-Payment System shall automatically deduct the transshipment fees payable to the bureau of Customs from the balance in the Prepaid Account.

7.b.iv.a.3 A REZA Locator its authorized representative filing an entry through e2m is responsible for ensuring that the balance in his or her Prepaid Account is sufficient to pay the transshipment fees and other fees which may be payable on that entry. If the account balance is insufficient, e2m processing shall stop, and the REZA locator or its authorized representative will have to do one of the following:

7.b.iv.a.3.a Cancel the entry, and re-lodge an entry, this time paying through the PASS5 System.

7.b.iv.a.3.b Make a deposit to the Prepaid Account, of an amount sufficient to pay the transshipment fees and other fees which may be payable on that entry, and continue its e2m processing

7.b.iv.a.4 An importer or broker may request the Deputy Collector for Operations for a print out of the receipt evidencing payment of transshipment and other fees. Upon such request, the Deputy Collector for Operations shall be obliged to provide such a print-out.

- 7.b.iv.b. Through the existing PASS5 System, as described in CAO 10-2008.
- 7.b.v. Upon payment of the transshipment fee, the e2m system shall automatically trigger authorization to release the goods from the port of discharge through the On-Line Release System (OLRS) in e2m.
- 7.b.vi. The Deputy Collector for Operations shall ensure that goods covered by transshipment entries are released only to duly authorized officers and representatives of REZA locators.
- 7.b.vii. The Customs Warehouseman of Wharfinger in the Transit Facility shall check the number of packages, weight and marking on the package of loose transit-cargo and make sure that these match the particulars in the TSAD as stamped in accordance with Section 6.b.iii.h.

Where they differ, the Customs Warehouseman or Wharfinger shall submit an Irregularity Report to the Deputy Collector for examination. Upon clearance from the Deputy Collector for Operations, the Customs Warehouseman or Wharfinger shall supervise loading of the transit-cargo on the carrier.

- 7.b.viii. All Transshipment cargo in container must be secured with a REZA seal when it leaves the port of discharge, and that seal must not be tampered or otherwise opened when it arrives in the destination REZA location.

All cargo not contained in container must either be:

- 7.b.viii.a. Underguarded by REZA while in transit from the port of discharge to the destination REZA location.
- 7.b.viii.b. In a sealed truck or van, with a REZA seal, when it leaves the port of discharge. That seal must not be tampered or otherwise opened when it arrives in the destination REZA Location.

REZA may draw up a policy under which only selected transshipments which are not in containers are underguarded, but such a policy will only be implemented upon the approval of the BOC.

The consequences of any cargo or portion of cargo arriving in its destination REZA location with the seal opened or otherwise tampered with are shown in Section 14.

7.c. Transit between the Port of Discharge and the Destination REZA Location.

- 7.c.i. The Authorized representative of the REZA locator shall receive the transit cargo and immediately, directly and faithfully transfer in to the economic zone within a reasonable period of time, taking into account the distance and mode of transport.
- 7.c.ii. REZA-issued e-IPS and Transit-SADs shall be used in the clearance and transfer of transit goods from ports of economic zone. Authorized cargo handlers and Customs brokers of REZA locators shall, therefore, carry the Original Transit-SAD during the transfer or transit cargoes from the port of discharge, through the customs territory, to the premises of the REZA locator in the economic zone, for presentation to and inspection by REZA, Bureau of Customs, and other government officials authorized in writing by either REZA or the Bureau of Customs to witness the inspection.

7.d. Procedures to be followed in the destination REZA Location

- 7.d.i. Upon arrival at the economic zone, the authorized representative of the REZA locator shall bring the transit-cargo to the customs clearance area (CCA) for joint inspection by designated BOC and REZA officials in the presence of a representative of the REZA locator.
- 7.d.ii. The REZA Locator or its authorized representative shall provide copies of the following documents to the Customs examiner (or other Customs personnel designated in writing by the District Collector) and REZA zone official:
 - 7.d.ii.a. A print-out or the e-IP
 - 7.d.ii.b. A print-out of the Transshipment Single Administrative Document (TSAD) stamped "Document Verified" in accordance with Section 6.b.iii.g.
 - 7.d.ii.c. The Bill of Lading, or for cargo which arrived by air, an Airway Bill.
 - 7.d.ii.d. Invoice
 - 7.d.ii.e. Packing List
- 7.d.iii. The Customs examiner (or other Customs personnel designated in writing by the District Collector) and REZA zone official shall examine the shipment in the presence of a representative of the REZA locator. Both Customs and REZA representatives shall sign "inspected" on the TSAD and the REZA e-IP prior to its release to REZA, in turn for release by REZA to the locator. If there are any goods in the shipment which are not contained in the Transshipment Entry and the e-IP, the Customs examiner (or other Customs personnel designated in writing by the District

Collector) shall notify the Sub-Port Collector accordingly, who will then notify the District Collector. The District Collector shall issue a Warrant of Seizure and Detention for such goods. Notwithstanding Section 17, no Sub-Port Collector is empowered to Issue a Warrant of Seizure and Detention for such goods.

- 7.d.iv. After the Customs examiner (or other Customs personnel designated in writing by the District Collector) examines the shipment and is satisfied as to the accuracy of the Transshipment Entry, the Customs examiner shall release the shipment to the REZA locator. If, after the Customs examiner or other Customs personnel designated in writing by the District Collector examines the shipment, the assessment needs to be modified in any way, the Customs examiner or other Customs personnel designated in writing by the District Collector shall modify the assessment in the e2m system, and that modified assessment shall become the new final assessment.
- 7.d.v. The Customs examiner (or other Customs personnel designated in writing by the District Collector) shall tag the specific Transshipment Entry as "arrived" in the e2m system.
- 7.d.vi. BOC and REZA officials shall undertake appropriate action against a REZA locator and/or its authorized representative in cases where customs rules and regulations and/or other existing laws are found to have been violated during the transfer of the transit-cargo from the port of discharge to the economic zone.

8. Manual Filing of Transshipment Entries

- 8.a. Manual filing of transshipment entries will only be allowed if the Deputy Commissioner for MISTG certifies that the e2m system is down for more than two hours.

9. Processes to be followed for manual filing or Transshipment Entries

9.a. In the Port of Discharge

- 9.a.i. REZA locators [and/or their authorized representatives] shall lodge their applications for electronic Import Permits (e-IPS) through REZA VASPs, in accordance with procedures and requirements prescribed by REZA.
- 9.a.ii. REZA locators [and/or their authorized representatives] shall print approved e-IPS with the system-generated barcodes, for submission to the BOS as a support document to the Transshipment Entry.

- 9.a.iii. Authorized representatives of REZA locators shall manually fill up a Transshipment Permit Form and a Customs-EPZA Warehousing Entry (CEWE).
- 9.a.iv. Within 30 days of the date of last discharge of all package from the vessel in which a REZA locator's goods arrived, the REZA locators authorized representative shall bring the following documents to the Deputy Collector for Operations of the port of discharge:
 - 9.a.iv.a. A print-out of the e-IP
 - 9.a.iv.b. The Transshipment Permit Form, filled up.
 - 9.a.iv.c. The Customs-EPZA Warehousing Entry (CEWE)
 - 9.a.iv.d. The Bill of Lading, or for cargo which arrived by air, an Airway Bill
 - 9.a.iv.e. Invoice
 - 9.a.iv.f. Packing List
 - 9.a.iv.g. If any of the goods in the Transshipment Entry are regulated products, the license(s), permit(s), and/or clearance(s) issued by the appropriate regulating agency or agencies.
- 9.a.v. The Deputy Collector for Operation shall:
 - 9.a.v.a. Verify the authenticity of the e-IP.
 - 9.a.v.b. Examine the documents provided by the REZA Locator's authorized representative, requesting Additional information and documents if and only if these are required to determine a final assessment. The Port Operations shall ensure, prior to calculation of duties and taxes, that all items in the transshipment entry are covered by an e-IP.
 - 9.a.v.c. Calculate the duties and taxes which would be payable if the goods were not duty-and tax-free.
 - 9.a.v.d. Perform final assessment, modifying any fields in the Transshipment Permit and Customs-EPZA Warehousing Entry (CEWE) when necessary.
 - 9.a.v.e. Inform the Joint REZA-Customs Office within the port of discharge that the shipment has been cleared to leave the port of discharge.
- 9.a.vi. After the Deputy Collector for Operations performs final assessment, the REZA Locator shall pay the transshipment fee through the In-House Bank or Collection Division of the port of

discharge.

- 9.a.vii. Upon payment of the transshipment fee, the Deputy Collector for Operations shall trigger the manual release of the goods from the Port of discharge.
- 9.a.viii. The Deputy Collector for Operations shall ensure that goods Covered by transshipment entries are released only to duly Authorized officers and representatives of REZA locators.
- 9.a.ix. The Customs Warehouseman or Wharfinger in the Transit Facility shall check the number of packages, weight and marking on the package of loose transit-cargo and make sure that these match the particulars in the CEWE.

Where they differ, the Customs Warehouseman or Wharfinger shall submit an Irregularity Report to the Deputy Collector for Examination. Upon clearance from the Deputy Collector for Operations, the Customs Warehouseman or Wharfinger shall Supervise loading of the transit-cargo on the carrier.

9.b. Transit between the Port of Discharge and the Destination REZA Location

- 9.b.i. The authorized representative of the REZA locator shall receive the transit cargo and immediately, directly and faithfully transfer into the economic zone within a reasonable period of time, taking into account the distance and mode of transport.
- 9.b.ii. REZA-issued e-IPs and CEWEs shall be used in the clearance and Transfer of transit goods from ports of economic zone. Authorized cargo handlers and Customs brokers of REZA locators shall, therefore, carry the Original CEWE during the transfer or transit the premises of the REZA locator in the economic zone, for presentation to and inspection by REZA, Bureau of Customs, and other government officials authorized in writing by either REZA or the Bureau of Customs to witness the inspection.

9.c. Procedures to be followed in the destination REZA Location

- 9.c.i. Upon arrival at the economic zone, the authorized representative of the REZA locator shall bring the transit-cargo to the customs clearance area (CCA) for joint inspection by

designated BOC and REZA officials in the presence of a representative of the REZA locator.

- 9.c.ii. Upon arrival in the destination REZA location, the REZA Locator or its authorized representative shall provide copies of the following documents to the Customs examiner (or other Customs personnel designated in writing by the District Collector) and REZA zone official:
- 9.c.ii.a. A print-out of the e-IP
 - 9.c.ii.b. The Transshipment Permit Form, filled up.
 - 9.c.ii.c. The Customs-EPZA Warehousing Entry (CEWE)
 - 9.c.ii.d. The Bill of Lading, or for cargo which arrived by air, an Airway Bill.
 - 9.c.ii.e. Invoice
 - 9.c.ii.f. Packing List
- 9.c.iii. The Customs examiner (or other Customs personnel designated in writing by the District Collector) shall notify the Ports Operation Division at the port of discharge of the arrival of the shipment at the Destination REZA location within one hour of its arrival.
- 9.c.iv. The Customs examiner (or other Customs personnel designated in writing by the District Collector) shall examine the shipment in the presence of a representative of the REZA locator. Both Customs and REZA representative shall sign "inspected" on the TSAD and the REZA e-IP prior to its release to REZA, in turn for its release by REZA to the locator. If there are any goods in the shipment which are not contained in the CEWE and the e-IP, the Customs examiner (or other Customs personnel designated in writing by the District Collector) shall notify the Sub-Port District Collector accordingly, who will then notify the District Collector. The District Collector shall issue a Warrant of Seizure and Detention for such goods. Notwithstanding Section 17, no Sub-Port Collector is empowered to Issue a Warrant of Seizure and Detention for such goods.
- 9.c.v. After the Customs examiner (or other Customs personnel

designated in writing by the District Collector) examines the shipment, and, if applicable, after a consumption entry is filed, and duties and taxes paid, for any goods which were not contained in the CEWE and the e-IP, the Customs examiner shall release the shipment to the REZA Locator.

9.c.vi. BOC and REZA officials shall undertake appropriate action Against a REZA locator and/or its authorized representative in cases where customs rules and regulations and/or other existing laws are found to have been violated during the transfer of the transit-cargo from the port of discharge to the economic zone.

10. For transshipment which consist of more than one container, the port of discharge (PD) and Destination REZA Zone (DRZ) shall manually monitor the departure from the PD and arrival at the DPZ, until such time that all containers of the transshipment have arrived at the DPZ, and the entire entry is tagged "arrived" in e2m, following the procedures, below:

10.a. At the port of discharge, the Deputy Collector for Operations shall maintain a record, using Excel, of all transshipment which consist of more than one container following the format shown below:

Transshipment Entry Number	Total Number of Containers	Container Number	Date of released from Port of Discharge	Date confirmed arrived at REZA zone	Name of official confirming arrival at zone
	1				
	2				
	3				
	4				
	5				
	6				
	7				
	8				
	9				
	10				

10.b. Upon arrival of a container at the destination REZA location, the Customs examiner at the destination REZA location shall check the TSAD and e2m record to determine whether that container is part of a larger shipment for which there are still parts or containers which there are still parts or containers which have not yet arrived at the destination REZA location. If yes, then he shall, until all the containers of the transshipment entry have arrived:

- 10.b.i. Maintain records for each such transshipment entry, in the format shown above
- 10.b.ii. Inform the Deputy Collector for Operations at the port of discharge at least once a day, of all transshipment entries consisting of more than one container, for which one or more containers.
- 10.c. When all containers in that transshipment have arrived, the Customs Examiner shall:
 - 10.c.i. Inform the Deputy Collector for Operations at the port of discharge that all containers for that transshipment have arrive.
 - 10.c.ii. Tag the transshipment entry as "arrived" in the e2m system.
- 10.d. At any given point in time, the Deputy Collector for Operations at the port of discharge should know:
 - 10.d.i. All transshipment entries for which there is more than one Container but not all containers have left the port of discharge.
 - 10.d.i.a. Which containers have left the port of discharge.
 - 10.d.ii. All transshipment entries for which there is more than one Container but not all containers have arrived at the destination REZA location.
 - 10.d.ii.a. Which containers have arrived at the destination REZA Location

11. Monitoring of Arrival of Transshipments

- 11.a. Every day, the Deputy Collector for Operations shall prepare a record of:
 - 11.a.i. Every Transshipment Entry that was filed in that port of discharge up to and including the previous day, for which, as of the previous day:
 - 11.a.i.a. At least one container has left the port of discharge, and

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11.ai.b. Either of the following is true:

11.a.i.b.1 If the entry was filed electronically and it has not been tagged arrived in e2m.

11.a.i.b.2 If the entry was manually filled, the [Customs examiner] at the destination REZA location has not yet informed him that all containers for that all containers for that transshipment entry have arrived.

This record shall be maintained in the format shown below, using Excel, and updated daily. A copy shall be provided daily to the Joint Customs-REZA office at that port of discharge.

A copy shall be provided daily to the Joint Customs-REZA office at that port of discharge.

Date of report	Port of discharge	Transshipment Entry Number	Filed electronically or manually	Consignee	Contents of shipment (brief only)	No. of containers	Date the shipment left the port of discharge	Destination REZA Location	Number of containers which have left the port of discharge	Number of containers which have arrived at the Destination REZA location as of date of the report

11.b. Transshipment which:

11.b.i. consist of a single container and

11.b.ii. are being transshipped from one of the ports of discharge in the table below, to a destination REZA location shown in the table below.

From (Port of Discharge)	To: (Destination REZA Location)	No. of containers from which truck leaves port of discharge	Hours when or truck leaves port of discharge
Davao Dadiangas	REZA locations	12	Hours

(General Santos)	within Regions XI and XII	
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Must arrive at their destination REZA location and be tagged arrived within the number of days shown in the table above. One day shall mean a 24-hour period reckoned from the actual time the container left the port of discharge as indicated in the gate Pass at the port of discharge.

The number of days for a container or truck to arrive in the destination REZA location before incurring the surcharges in Section 15 may be increased on a case-to-case basis upon formal written request by REZA to the District Collector of the Collection District which has jurisdiction over the destination REZA location.

11.c. Transshipment consisting of more than one container, or Leaving from ports of discharge not listed above but with destination REZA locations now listed above, must arrive at their destination REZA location in their entirety and be tagged arrived, within a reasonable timeframe after the first container of the shipment leaves its port of discharge. The reasonable timeframe shall be determined by the District Collector or Sub-Port Collector of the port of discharge and the REZA zone Administrator, Manager, or Officer-in-Charge, shall take into consideration the number of containers and the distance between the port of discharge and the distance REZA location, but under no circumstances shall exceed 30 days. This timeframe may be increased on a case-to-case basis upon formal written request by REZA to the District Collector of the Collection District which has jurisdiction over the destination REZA location.

12. Maintenance of IT systems

12.a. REZA VASP's shall provide the front-end systems which REZA Locators, [and/or their authorized representative] shall use to prepare and electronically lodge e-IP applications, and which BOC and REZA officials shall use to authenticate hard copies of e-IPs

submitted as one of the supporting documents for Transshipment Entries.

12.b. REZA shall operate and maintain, through REZA.VASP's, the back-End System and database for processing e-IP applications and documenting, with scanning of the e-IP barcodes, use of e-IPs issued and delivery of Transit goods at the destination REZA location.

13. Alert Orders

13.a. If any shipment which is the subject of a transshipment entry becomes subject to an alert order issued in accordance with CMO 21-2014, prior to its clearance from the port of discharge in accordance with this JMO, it shall not be released from the port of discharge unless, following the procedures in CMO 21-2014, the Alerting Officer recommends the lifting of the Alert Order.

13.b. If any shipment which is the subject of a transshipment entry becomes Subject to an alert order issued in accordance with CMO 21-2014, after its departure from the port of discharge but before its release to the REZA locator in the destination REZA zone, it shall not be released to the REZA locator in the destination REZA zone unless, following the procedures in CMO 21-2014, the Alerting Officer recommends the lifting of the Alert Order.

14. Penalties for non-compliance

14.a. For all transshipment for which not all containers have arrived at the Destination REZA zone within the time frames in Sections 12.b or 12.c

14.a.i. If all the containers have left the port of discharge, but not all have arrived: the locator shall be liable to pay duties and taxes on the entire shipment, plus a 100% surcharge.

14.a.ii. If not all containers have left the port of discharge: The Deputy Collector for Operations shall cause the of the transshipment entry. The locator shall be required to cancellation file a consumption entry through e2m for the entire shipment to obtain release of the remaining containers, paying duties

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and taxes, plus a 100% surcharge, for the entire shipment, within five days of written instruction from the Bureau of Customs.

- 14.a.iii. After payment of all amounts due in accordance with Sections 15.a.i and 15.a.ii., upon verification of the Portions of the transshipment which arrived at the Destination REZA location or did not leave the port of discharge, and the amounts of duties and taxes paid under Sections 15.a.i. or 15.a.ii. corresponding to these, the locator may file for a refund of duties, taxes, and surcharges with the Bureau of Customs for any portions of the transshipped cargo which did not leave the port of discharge or which did arrive at the destination REZA location.
- 14.a.iv. If payment is not made within this time frame, the Bureau of Customs may draw upon the General Transportation Surety Bond for the amount due, plus an additional Surcharge of 20%.
- 14.b. For all transshipments for which for any portion of the cargo, the REZA seal referred to in Section 7.b.viii is found to have been opened or otherwise tampered, as attested and concurred to in writing by both BOC and REZA examiners, the locator will be liable to pay duties and taxes on the entire shipment plus a 100% surcharge, within five days of written instruction from the Bureau of Customs.
- 14.c. The term "entire shipment" as used in Section 14 refers to all goods which are the subject of the transshipment entry, including any goods which:
 - 14.c.i. Have not left the port of discharge
 - 14.c.ii. Have arrived at the destination REZA location
 - 14.c.iii. Have seals which were not found to have been Opened or otherwise tampered.
- 14.d. The Bureau of Customs may suspend the accreditation of any REZA Locator which does not comply with the part of Section 14 of this JMO, without prejudice to other measures the Bureau of Customs may take against it.
- 14.e. Non-compliance by any Customs official with any provisions of this

CMO will be an incidence of Simple Neglect of Duty as used in CMO 25-2010, Title IV, Section 2, and shall be punishable upon second offense by Dismissal.

14.f. The tagging of a shipment as "arrived" when any part of that shipment has not arrived, or the entry of wrong information in the tables required to be maintained in Section 10 or Section 11.a shall be a Grave Offense as used in CMO 25-2010, Title IV, Section 2, and shall be punishable upon first offense by Dismissal.

15. The District Collector of any port (but not sub-port) may delegate the responsibilities and powers of the Deputy Collector for Operations in Sections 8.b., 10.a, 11, and 12 of this JMO to the head of the Joint REZA-Customs Unit in any office or sub-port within his or her district. Such delegation shall be in writing, and shall cover all, and not only part, of the responsibilities and powers of the Deputy Collector for Operations in Section 8.b, 10.a, 11 and 12 of this JMO.

16. Any reference to "port of discharge" refers equally to sub-ports of discharge. For transactions involving sub-ports of discharge, any responsibilities and powers of District Collectors in this Joint Memorandum Offer, except for those specifically excluded in Sections 8.d.iii and 10.c.iv, will be exercised by the Sub-Port Collector, and any responsibilities and powers of Deputy Collectors for Operations will be exercised by his equivalent in the sub-port.

MUJIV SABBIBI HATAMAN
Regional Governor
Autonomous Region in Muslim Mindanao



ALBERTO D. LINA
Commissioner
Bureau of Customs



OCT 10 2015