



**2022 PARTIAL TIME RELEASE STUDY REPORT
(MANILA INTERNATIONAL CONTAINER PORT,
PORT OF CEBU, PORT OF DAVAO & PORT OF
CAGAYAN DE ORO-MINDANAO CONTAINER TERMINAL)**



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Time Release Study 2022

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I. Executive Summary

The World Customs Organization (WCO) Time Release Study (TRS) is a unique tool and method developed for measuring the actual performance and improving the border procedures efficiency of the customs administration as they directly relate to trade facilitation at the border.

The TRS measures the actual time required for the release and/or clearance of goods, from the time of arrival until the physical release of cargo, to determine the effectiveness of operational procedures that have been carried out in the standard processing of import and exports. The results of the TRS are also used as baseline for trade facilitation performance measurement. Factors which delay or affect the immediate release of goods can also be identified and addressed accordingly.

In 2019, the Philippine Bureau of Customs (BOC) conducted its TRS at the country's biggest port, the Manila International Container Port (MICP), to determine the problems or bottlenecks in the processing and release of both import and export shipments. Subsequently, in 2020 and 2021, TRS was conducted in all the 17 Collection Districts in the Philippines.

In 2022, another TRS was conducted in all the 17 Collection Districts to determine if the process enhancements and systems improvements such as the utilization of the Electronic-2-Mobile (E2M) Automated Import and Export Declaration System, integration of Electronic Tracking of Containerized Cargo System (ETRACC) with E2M and enhancement of Online Releasing System (OLRS) that were put in place in the ports have resulted in improved performance in terms of cargo clearance and release.

The Study was conducted by the BOC TRS Working Group with the involvement of key units/offices from the Bureau as well as relevant stakeholders (importers, brokers, exporters, and terminal operators). The TRS Working Group, led by the Planning and Policy Research Division, consisted of key officials and personnel from the Internal Administration Group (External Affairs Office & Central Records Management Division), the Revenue Collection Monitoring Group (Statistical Analysis Division), the Management Information System & Technology Group (Systems Development Division), and the Assessment and Operations Coordinating Group (Super Green Lane & Auction and Cargo Disposal Monitoring Division), as well as representatives from all the ports and their respective Technical Working Groups (TWGs).

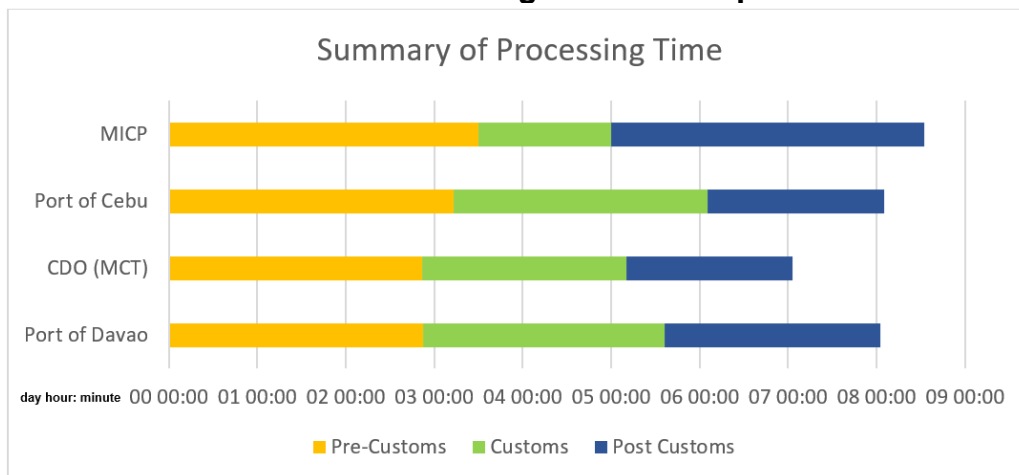
After collecting, verifying, and analyzing the data, which were gathered manually and electronically, the following results were obtained from the four (4) Collection Districts—Manila International Container Port (MICP), Port of Cebu, Port of Cagayan De Oro-Mindanao Container Terminal (CDO-MCT), and Port of Davao:

1. The overall average time for **PRE-CUSTOMS** process for import which is from the arrival of vessel to Single Administrative Document (SAD) Registration is (a) 4 days, 10 hours, and 29 minutes for MICP; (b) 3 days, 5 hours, and 23

minutes for Port of Cebu; (c) 2 days, 20 hours, and 39 minutes for Port of CDO-MCT; and (d) 2 days, 21 hours, and 1 minute for Port of Davao.

2. The overall average time for **CUSTOMS** process for import which is from the receipt of the notice of arrival to portal upload for imports is (a) 1 day, 18 hours, and 44 minutes for MICP; (b) 2 days, 20 hours, and 40 minutes for Port of Cebu; (c) 2 days, 7 hours, and 35 minutes for Port of CDO-MCT; and (d) 2 day, 17 hours, and 31 minutes for Port of Davao.
3. The overall average time for **POST-CUSTOMS** process for import which corresponds to the cargo movement process at the port terminal is (a) 3 days, 12 hours, and 49 minutes for MICP; (b) 2 days and 5 minutes for Port of Cebu; (c) 1 day, 21 hours, and 3 minutes for Port of CDO-MCT; and (d) 2 days, 10 hours, and 30 minutes for Port of Davao.
4. For the entire process from the ship's arrival to the time the goods exited the port terminal facility, the **OVERALL** average time to process an import is (a) 9 days, 14 hours, and 30 minutes for MICP; (b) 8 days, 1 hour, and 46 minutes for Port of Cebu; (c) 7 days and 55 minutes for Port of CDO-MCT; and (d) 8 days, 1 hour, and 3 minutes for Port of Davao.

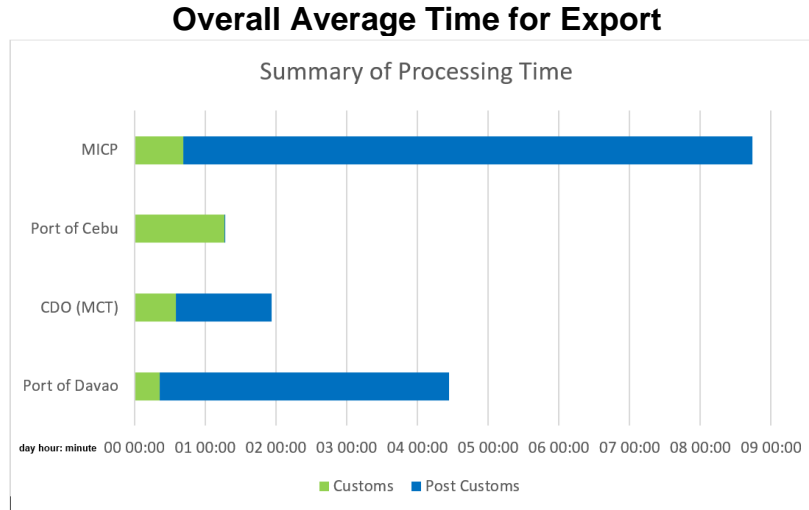
Overall Average Time for Import



Meanwhile, average time for export shipments are as follows:

1. From the submission of the export declaration to the issuance of the Authority to Load (ATL), the overall average time for **CUSTOMS** process for export is (a) 16 hours and 7 minutes for MICP; (b) 1 day, 6 hours, and 36 minutes for Port of Cebu; (c) 14 hours and 11 minutes for Port of CDO-MCT; and (d) 8 hours and 29 minutes for Port of Davao.
2. From the issuance of the ATL until departure of the vessel, the overall average time for **POST-CUSTOMS** process for export is (a) 8 days, 1 hour, and 1 minute for MICP; (b) 7 minutes for Port of Cebu; (c) 1 day, 8 hours, and 17 minutes for Port of CDO-MCT; and (d) 4 days, 2 hours, and 12 minutes for Port of Davao.

3. The **OVERALL** average time for lodgment of export declaration to the issuance of clearance is (a) 8 days, 17 hours, and 8 minutes for MICP; (b) 1 day, 6 hours, and 43 minutes for Port of Cebu; (c) 1 day, 22 hours, and 29 minutes for Port of CDO-MCT; and (d) 4 days, 2 hours, and 12 minutes for Port of Davao.



Observations:

Based on the data presented above, most of the import and export processes happen pre-customs and post-customs. Customs processing time only took up about 30% of the overall average time for import and 18% for export.

Post-customs took the longest time on the overall time of processing for imports due to the long queue at the Terminal Appointment Booking System (TABS) and the slow movement of trucks going in and out of the terminal as explained by the brokers, while issuance of authority to load, clearance, and loading of vessels for exports are also beyond Customs control.

Most of the import entries under orange selectivity took the longest processing time for both import and export caused by the long queuing for x-ray.

It was also noted that majority of the ports experienced delays during the value verification process of the documents caused by brokers’ failure to submit supporting documents and required licenses or permits to proceed with the import and export transaction.

Some delays in the E2M and the Customer Care Portal System (CCPS) were also attributed to the intermittent connection.

It was noted that the delays experienced was caused by the practice of submitting and bringing of documents by the brokers and that permits from relevant government agencies are still not directly being transmitted to the BOC. These practices highlight the need to enhance the digitization of custom process and strengthen trade facilitation which can be achieved through:

Recommendations:

1. Implementation of Informed Compliance Program

The Informed Compliance Program is a program that encourages stakeholders and Customs to work together for mutual benefit and shared responsibility. This is achieved through streamlining operational procedures, cutting down on unnecessary delays, and collaborating to ensure that all requirements are clearly communicated as well as that all legal and regulatory requirements are strictly followed.

2. Intensify trade facilitation programs

The Trade Facilitation Programs such as the Advance Ruling and Authorized Economic Operator (AEO) programs are pivotal in modernizing customs procedures through technological advancements. These programs ensure efficient goods movement and reduce trade costs.

3. Continue the advancement of customs digitalization and integration of systems

In our interconnected world, supply chain disruptions are causing significant slowdowns, bottlenecks, and substantial revenue losses. Advanced digital and technological systems, alongside extensive proprietary global data resources, provide unique, reliable, and relevant intelligence on traders, goods, and vessels, enabling swift and precise risk assessments. This results in rapid processing times, streamlined operations, and ultimately fosters economic growth while enhancing public trust.

4. Strengthening employee competencies

An effective learning strategy and training system enhances employee efficiency, effectiveness, uniformity, confidence, and job satisfaction, thereby contributing to the attainment of organizational objectives.

5. Onboarding of Regulatory Government Agencies in the National Single Window (NSW)

Promoting and incentivizing the active participation of government agencies in the NSW initiative is imperative. The collaborative effort plays a crucial role in improving the process of granting permits and licenses, consequently resulting in a significant decrease in the duration of cargo release. By promoting and facilitating collaboration and smooth integration within this framework, we not only improve efficiency but also make a substantial contribution to the overall optimization of trade operations, benefiting both industry stakeholders and regulatory bodies.

6. Improve payment methods

The Revised Arusha Declaration, as proposed by the World Customs Organization (WCO), recommends the configuration of automated systems to mitigate instances of official discretion misuse, reduce direct interactions between Customs personnel and clients, and minimize physical handling and monetary transactions. The adoption of online payment methods is becoming increasingly necessary given the rise of e-government projects designed to provide comprehensive administrative services through online platforms.

II. Introduction

The BOC endeavors to further enhance trade facilitation by expediting import and export transactions. This is also in consonance with the implementation of the WTO Trade Facilitation Agreement (TFA).

The WTO-TFA, which the Philippines ratified on 27 October 2016, entered into force on 22 February 2017. The TFA contains provisions for expediting the movement, release, and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. One of the provisions of the TFA refers to the conduct of TRS as a tool for member countries to measure and publish the average release time of goods. Article 7.6.1 of the TFA “encourages WTO Members to measure and publish their average release time of goods periodically and in a consistent manner, using tools such as the WCO Time Release Study”.

Further, the TRS was conducted since 2019 to comply with our commitments to, among others, the Association of Southeast Asian Nations (ASEAN) Economic Community Blueprint 2025 and the BIMP – EAGA (Brunei Darussalam-Indonesia-Malaysia-Philippines – East ASEAN Growth Area) Vision 2025, and the WCO Strategic Plan 2019-2022.

This TRS is a step towards the accomplishment of the desired transformation of the agency, specifically in enhancing trade facilitation by reducing clearance time and improving its own performance with respect to cargo processing and release procedures.

III. Objectives

The main goal of this Study is to improve the effectiveness and efficiency of the Customs cargo process and clearance procedures by identifying bottlenecks in the supply chain affecting the release of imported and exported goods and recommending appropriate trade facilitation measures to mitigate such bottlenecks. The Study seeks to accomplish the following:

- Measure the performance of the ports with respect to cargo clearance and release procedure;
- Measure the average time taken between the arrival of goods and release from Customs control;
- Measure the average time required for each intervening event between arrival and release of the goods (i.e., unloading, storage, submission of the declaration, inspection, and release of goods);
- Determine the average time taken between the lodgment of export declaration and cargo's release for loading;
- Identify cause/s of delays, constraints, or bottlenecks affecting the release of goods;
- Identify possible corrective measures and recommendations in creating a conducive environment for a seamless flow of goods; and
- Identify opportunities for trade facilitation improvements.

IV. Scope

The TRS was conducted using the WCO's Guide to Measure the Time Required for the Release of Goods (Version 3, 2018). The Working Group also followed the minimum scope of the ASEAN on TRS implementation.

Table 1 summarizes the specific scope of the TRS consistent and in compliance with the ASEAN's Proposed Minimum Scope on TRS Implementation for Import/Export Transactions (**Annex A**).

TRS SCOPE

Scope Item	Inclusion
Geographical	Manila International Container Port (MICP), Port of Cebu, Port of Cagayan De Oro-Mindanao Container Terminal (CDO-MCT), Port of Davao
Mode of Transport	Sea
Customs Regime	Import, Export
Type of Cargo	Containerized cargo
Categories of Traders	Commercial, Private
Agencies - Private	Arrastre/Terminal Operators Customs Brokers Importers Exporters

The Study covered containerized imported and exported shipments that entered and exited through seaports and were processed through import/export entry

declarations for consumption only, both regulated and non-regulated goods from July 26 to August 3, 2022.

V. Methodology

To ensure that proper procedures were followed for this Study, the business process was mapped out to identify sequence of activities, steps, and/or transit points an international consignment undergoes in the form of the physical movement of cargo, document processing, examination, inspection, intervention by other stakeholders, payment of duties, taxes, and/or fees, release of goods etc. These series of activities may fall before, within, and after Customs authority. **(Details of the process flow for imports and exports are elaborated in Annex B).**

Key elements in the import and export processes were captured and recorded using timestamps and were collected manually (logbooks/written records) and electronically (CCPS and E2M) for a period of seven (7) days. After which, a verification was conducted to ensure accuracy of the data captured, taking into consideration the sequence and structure of the data consistent with the process flow of cargo.

Finally, processing of timestamps was done to get the average times imports and exports fall before, within, and after Customs authority, as well as the overall average of the entire import and export process per selectivity¹.

Computation of the time stamps was made using descriptive statistics technique and the differences between elements and transit times were done in Microsoft Excel.

VI. Data Presentation and Findings

Manila International Container Port

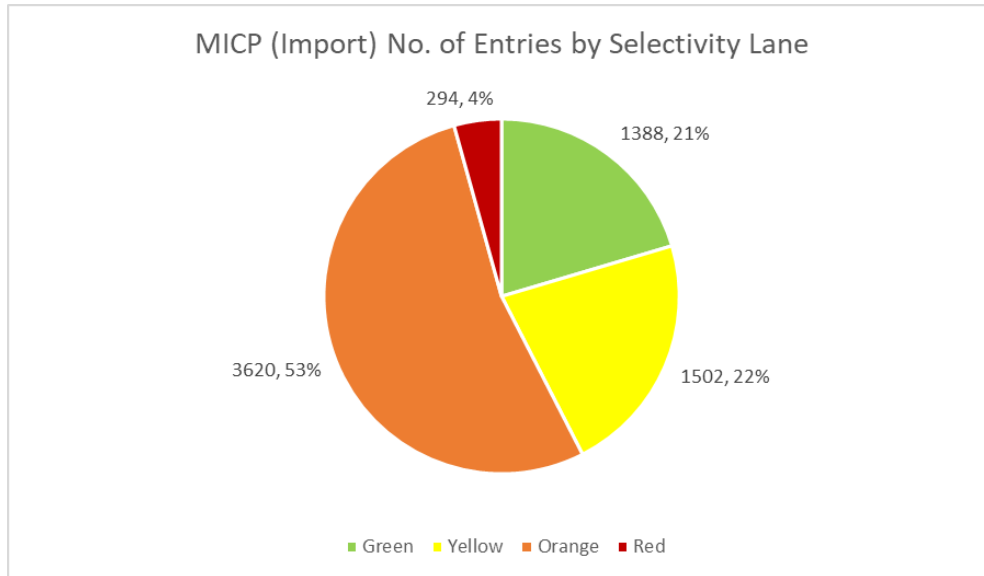
More than 6,800 import entries filed at the MICP were included in the TRS during the period. About 53% or 3,620 entries are under Orange Selectivity, 22% or 1,502 are under Yellow Selectivity, 21% or 1,388 are under Green Selectivity, and 4% or 294 entries are under Red Selectivity.

¹ **Green Selectivity:** *Cargoes with low to no risk.*

Yellow Selectivity: *Cargoes with low to medium risk subject to document-check.*

Orange Selectivity: *Orange-tagged shipments shall pass through the x-ray scanning and once the image is found to be suspicious, it shall be subjected to physical examination.*

Red Selectivity: *Goods declaration tagged “red”, covering high-risk cargoes, shall be mandatorily subject to both x-ray scanning and physical examination.*

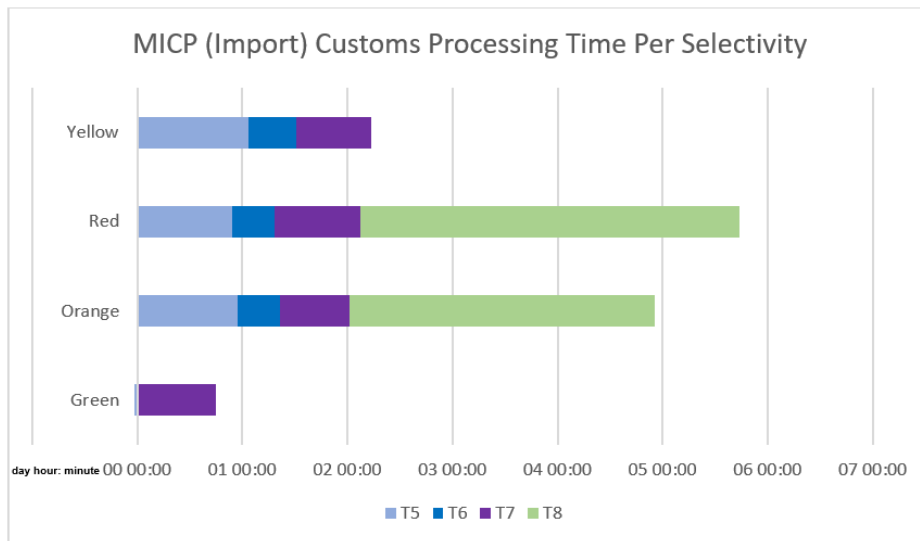


Pre-Customs, Customs, and Post-Customs were the three classified time intervals used to categorize the time periods for import. Pre-Customs processes took an average of 4 days, 10 hours, Customs procedures took an average of 1 day, 19 hours, and Post-Customs procedures took an average of 3 days, 13 hours for MICP. The full import process took, on average, 9 days and 14 hours.

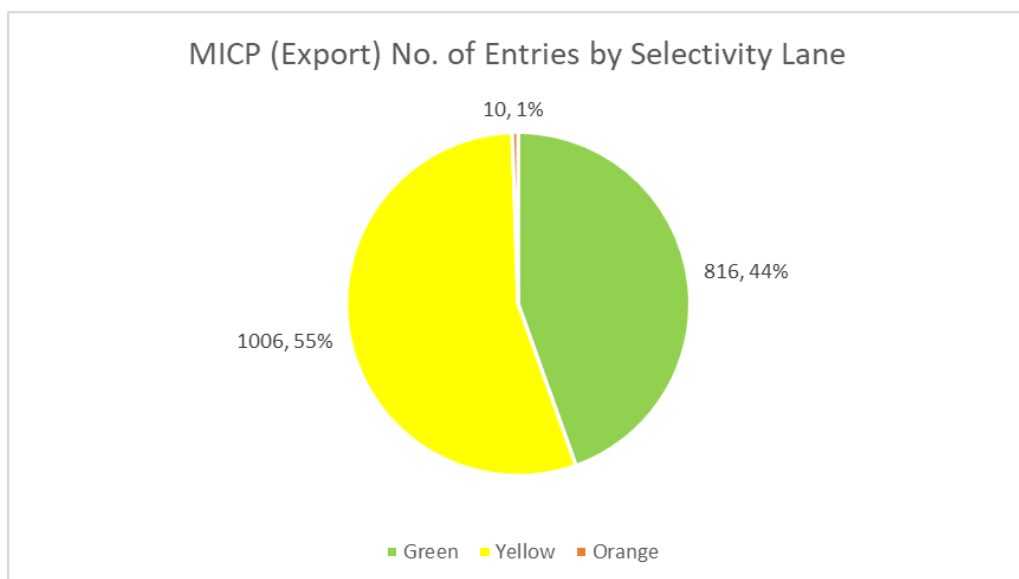
		MICP – Import <i>Summary of Time Intervals Measured</i>	Average Time <i>(Day/Hour/Min/Sec)</i>
PRE-CUSTOMS	T1	IFM Registration to Ship Arrival	9 hours & 36 minutes
	T2	Ship Arrival to Cargo Discharge	3 days, 2 hours & 6 minutes
	T3	Cargo Discharge to SAD Lodgment	12 hours & 5 minutes
	T4	SAD Lodgment to Portal Upload	8 hours & 56 minutes
CUSTOMS	T5	Portal Upload to SAD Registration	19 hours & 53 minutes
	T6	SAD Registration to SAD Assessment	8 hours & 25 minutes
	T7	SAD Assessment to SAD Payment	16 hours & 47 minutes
	T8	SAD Payment to Non-Intrusive Inspection (NII)/X-ray (for RED/ORANGE)	2 days, 22 hours & 56 minutes
POST-CUSTOMS	T9	SAD Payment to Gate Out	3 days, 12 hours & 49 minutes

		PRE-CUSTOMS	4 days, 10 hours & 29 minutes
		CUSTOMS	1 day, 18 hours & 44 minutes
		POST-CUSTOMS	3 days, 12 hours & 49 minutes
		OVERALL AVERAGE	9 days, 14 hours & 30 minutes

Considering only the Customs process, entries under red selectivity took the longest to process among the all the selectivity. The longer processing time as explained by the customs examiner is attributed to the time the containers undergo non-intrusive and physical examination.



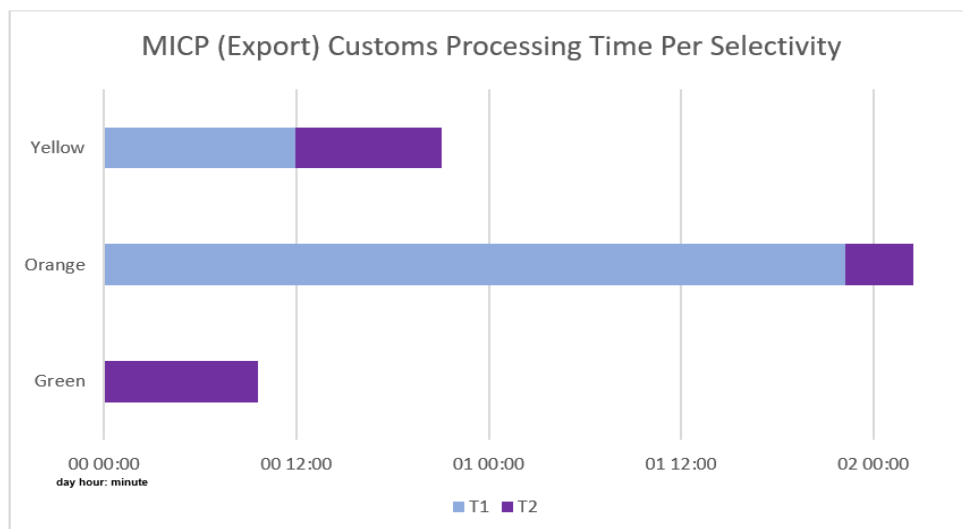
For MICP exports, out of the 1,832 entries included in the TRS during the covered period, 1,006 (55% of the total) were tagged as Yellow, 816 (44%) as Green, and 10 (1%) as Orange. No export entry was tagged under Red Selectivity during the covered period.



Further, the time periods for export were divided into Customs and Post-Customs procedures. For MICP, Customs and Post-Customs procedures took, on average, about 16 hours and 8 days, respectively. The overall export process took, on average, 8 days and 17 hours.

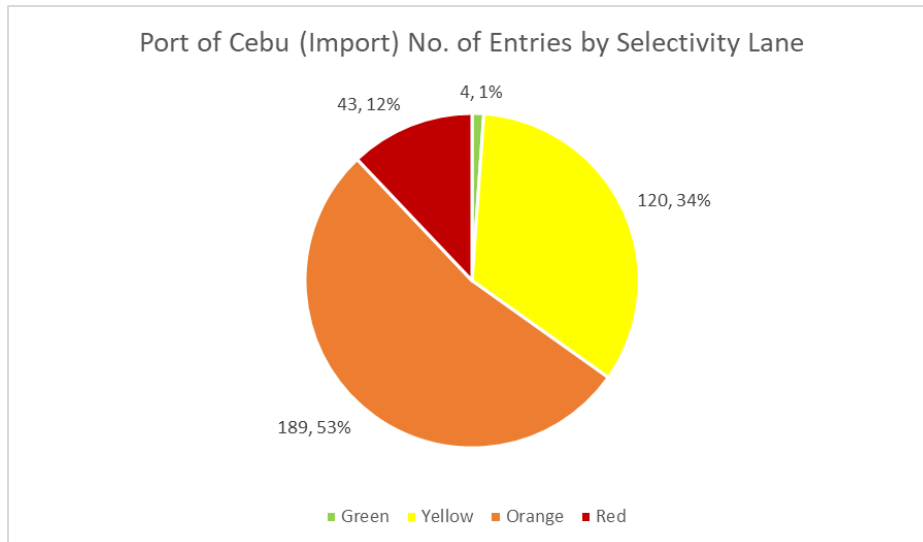
		MICP – Export Summary of Time Intervals Measured	Average Time (Day/Hour/Min/Sec)
CUST OMS	T1	Export Declaration Lodgment to Portal Upload	6 hours & 48 minutes
	T2	Portal Upload to Payment	9 hours & 18 minutes
POST CUSTOMS	T3	Payment to Loading of Vessel	7 days, 10 hours & 7 minutes
	T4	Loading of Vessel to Issuance of Clearance	13 hours & 27 minutes
	T5	Issuance of Clearance to Vessel Departure	1 hour & 26 minutes
		CUSTOMS	16 hours & 7 minutes
		POST-CUSTOMS	8 days, 1 hour & 1 minute
		OVERALL AVERAGE	8 days, 17 hours & 8 minutes

For export, entries tagged as Orange had the longest processing time due to the additional time incurred for securing required licenses and permits prior to processing of the payment. The shortest time to process were the Green entries with 9 hours and 37 minutes processing time.



Port of Cebu

From July 26 to August 3, 2022, 356 import entries filed at the Port of Cebu were included in the TRS. 189 or 53% of which were under Orange Selectivity, 120 or 34% were Yellow, 43 or 12% were Red, and only four (4) entries or 1% were under Green Selectivity.



For the Cebu import process, the Pre-Customs processes took an average of 3 days and 5 hours, the Customs procedures took an average of 2 days and 21 hours, and the Post-Customs procedures took an average of 2 days. The overall average of the import process was about 8 days and 2 hours.

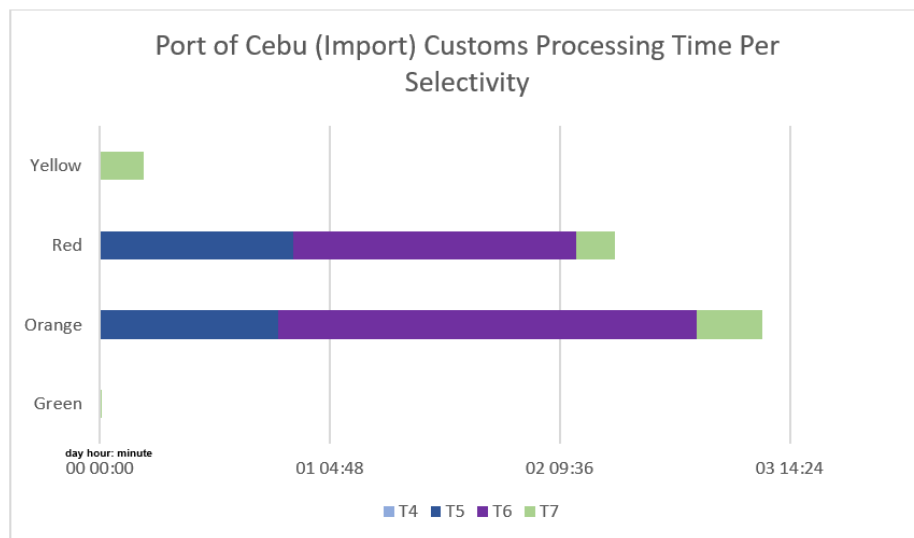
		Port of Cebu – Import Summary of Time Intervals Measured	Average Time (Day/Hour/Min/Sec)
PRE- CUSTOMS	T1	Inward Foreign Manifest (IFM) Registration to Ship Arrival	1 day, 19 hours & 27 minutes
	T2	Ship Arrival to SAD Lodgment	8 hours & 52 minutes
	T3	SAD Lodgment to Customer Care Center (CCC) Received	1 day, 1 hour & 17 minutes
CUSTOMS	T4	CCC Received to Document Check	52 seconds
	T5	Document Check to Non-intrusive examination (Orange/Red)	22 hours & 40 minutes
	T6	Non-intrusive examination to SAD Registration (Orange/Red)	2 days, 1 hour & 17 minutes
	T7	SAD Registration to SAD Assessment	6 hours & 4 minutes
POST- CUSM TOMS	T8	SAD Assessment to Gate out	2 days & 5 minutes

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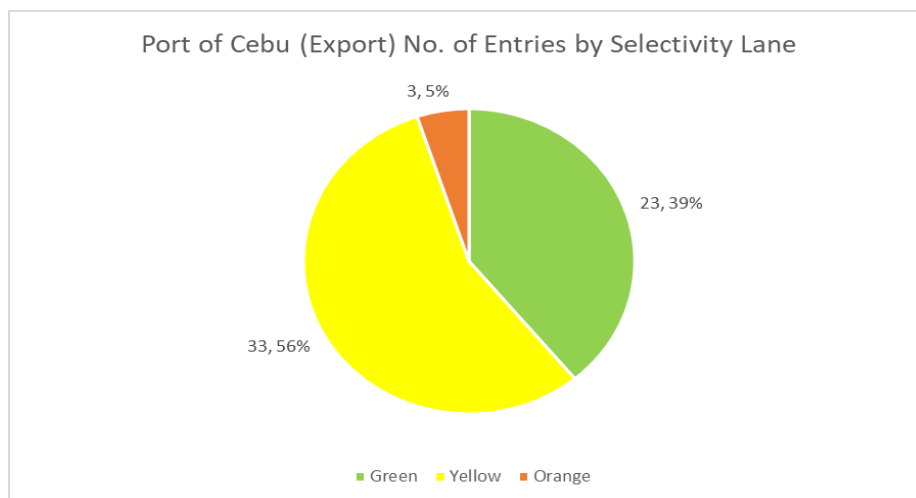
South Harbor, Gate 3, Port Area, Manila 1099
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		PRE-CUSTOMS	3 days, 5 hours & 23 minutes
		CUSTOMS	2 days, 20 hours & 40 minutes
		POST-CUSTOMS	2 days & 5 minutes
		OVERALL AVERAGE	8 days, 1 hour & 46 minutes

Considering only the processes under Customs control, entries under orange selectivity took the longest to process among all the selectivity. The longer processing time as explained by the customs examiner is attributed to the long queuing of x-ray with multiple containers and the high volume of orange entries. Green entries, with only 8 seconds processing time took the shortest time to process.



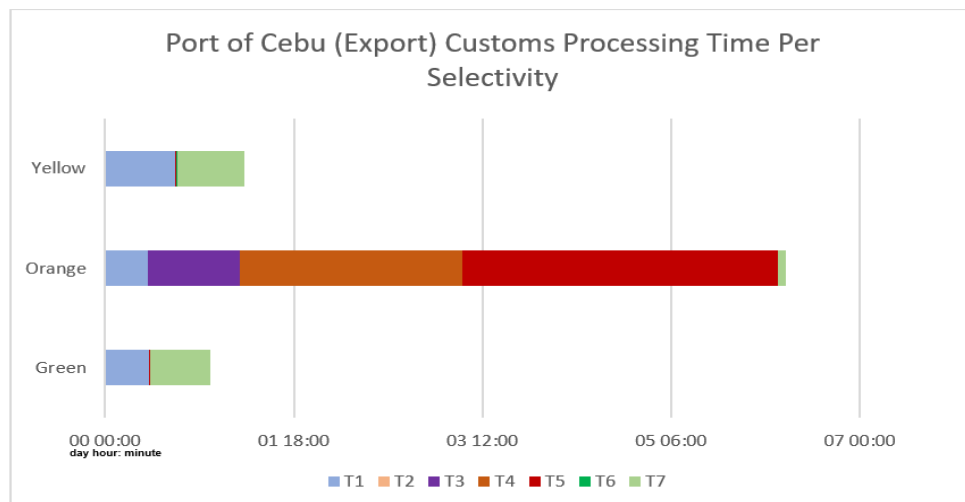
As for export, out of the 59 entries included in the TRS during the covered period, 33 (56% of the total) were selected as Yellow, 23 (39%) as Green, and only three (3) (5%) as Orange. No export entry was tagged under Red Selectivity during the covered period.



For Port of Cebu export, Customs procedures took an average of around 1 day and 7 hours, while Post-customs procedures took only an average of 6 minutes. The Overall average length of time for the export process was around 1 day and 7 hours.

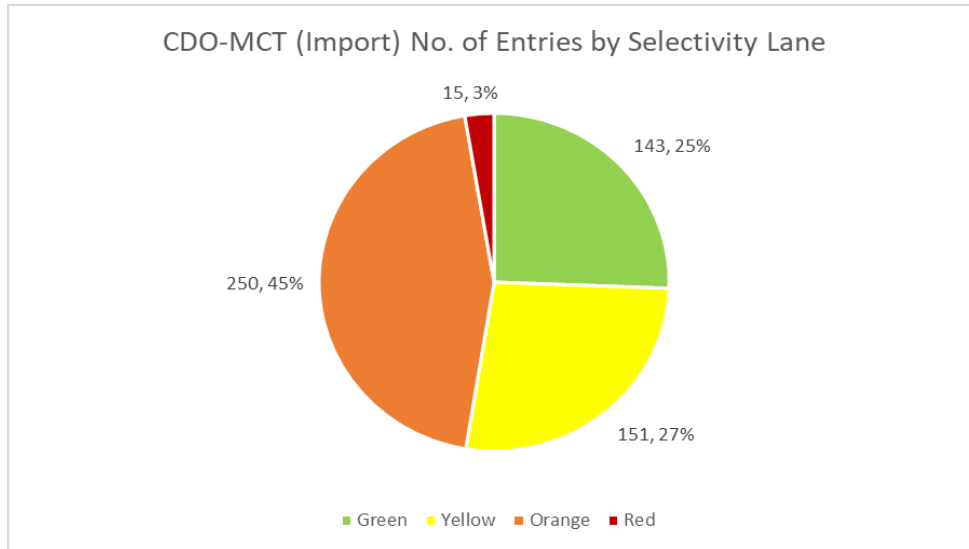
		Port of Cebu – Export Summary of Time Intervals Measured	Average Time (Day/Hour/Min/Sec)
CUSTOMS	T1	Export Declaration (ED) Lodgment to CCC Received	13 hours & 3 minutes
	T2	CCC Received to Document Check	1 minute
	T3	Document Check to Non-intrusive examination (Orange)	20 hours & 29 minutes
	T4	Non-intrusive examination to SAD Validation (Orange)	2 days, 1 hour & 37 minutes
	T5	Document Check to SAD Validation	3 hours, 37 minutes
	T6	SAD Validation to SAD Assessment	9 mins 10 minutes
	T7	SAD Assessment to Issuance of ATL	13 hours and 46 minutes
POST-CUSTOMS	T8	Issuance of ATL to Clearance for Loading	6 minutes
		CUSTOMS	1 day, 6 hours & 36 minutes
		POST-CUSTOMS	6 minutes
		OVERALL AVERAGE	1 day, 6 hours & 43 minutes

For export, due to the lengthy x-ray queueing with numerous containers, the entries under orange selectivity took the longest to process same as the import. Green entries took the shortest time to process.



Port of Cagayan de Oro – Mindanao Container Terminal

From July 26 to August 3, 2022, 559 import entries filed at the Port of CDO-MCT were included in the TRS. 143 (25% of the total) of which were tagged under Green Selectivity, 151 (27%) were tagged Yellow, 250 (45%) were tagged Orange, and 15 entries (3%) were tagged Red.

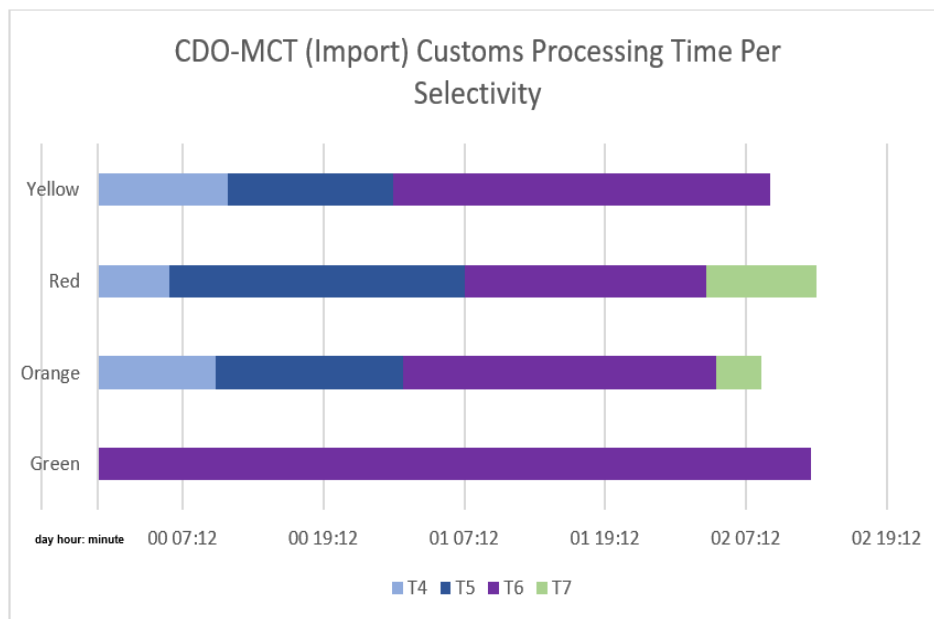


The overall average time for the entire import process of the Port of CDO-MCT was 8 days. Pre-Customs procedures took an average time of 2 days & 21 hours, Customs procedures took an average of around 2 days and 21 hours, while Post-customs procedures took an average time of 1 day and 21 hours.

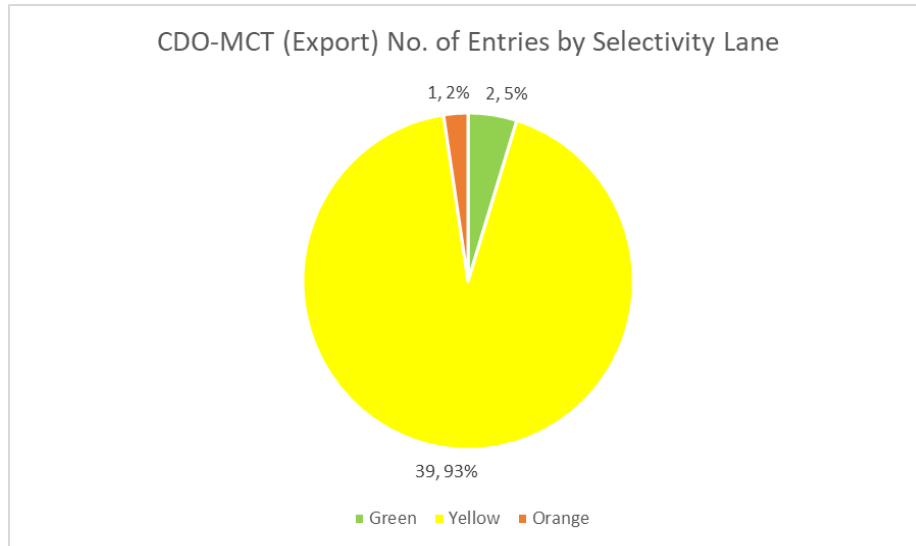
		CDO-MCT – Import <i>Summary of Time Intervals Measured</i>	Average Time <i>(Day/Hour/Min/Sec)</i>
PRE-CUSTOMS	T1	IFM registration to Ship arrival	1 day, 10 hours & 5 minutes
	T2	Ship arrival to Cargo Discharge	6 hours & 55 minutes
	T3	Cargo Discharge to SAD Lodgment	1 day, 3 hours & 38 minutes
CUSTOMS	T4	SAD Lodgment to SAD Registration	9 hours & 54 minutes
	T5	SAD Registration to SAD Assessment	16 hours & 21 minutes
	T6	SAD Assessment to Payment	1 day, 13 hours & 38 minutes
	T7	Xray to Payment (Red/Orange)	4 hours & 30 minutes

POST-CUSTOMS	T8	Payment to Issuance of Gate pass	-35 minutes
	T9	Issuance of Gate pass to Gate out	1 day, 22 hours & 50 minutes
		PRE-CUSTOMS	2 days, 20 hours & 39 minutes
		CUSTOMS	2 days, 7 hours & 35 minutes
		POST-CUSTOMS	1 day, 21 hours & 3 minutes
		OVERALL AVERAGE	7 days & 55 minutes

Considering only the processes under Customs control, regardless of the selectivity, the processing time for import does not have much difference. The longer processing time results as explained by the customs examiner is attributed to the importers maximizing the grace period of 5 days to pay their import duties affected the processing time for import.



As for export, out of the 42 entries included in the TRS during the covered period, almost all (39 or 93% of the total) were tagged as Yellow. Only 2 and 1 were tagged as Green and Orange, respectively. No export entry was tagged under Red Selectivity during the covered period.



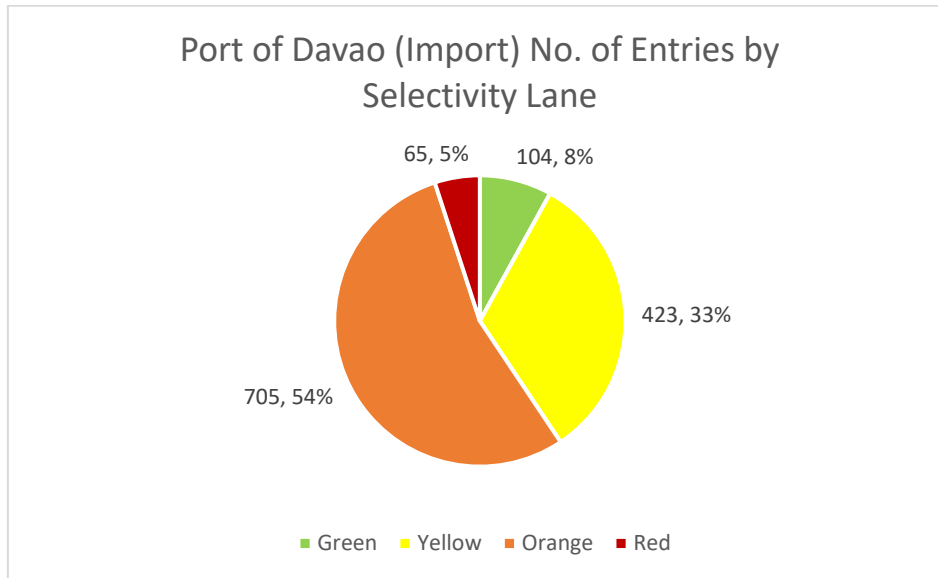
The overall average time for the entire export process at the Port of CDO- MCT was about 1 day & 22 hours; 14 hours of which were Customs procedures and the remaining majority of the process accounting for 1 day & 8 hours were post-Customs.

		CDO- MCT – Export Summary of Time Intervals Measured	Average Time (Day/Hour/Min/Sec)
CUSTOMS	T1	Lodgment to Export Division Received	6 hours & 59 minutes
	T2	Export Division Received to Export Division Processing	6 minutes
	T3	Export Division Processing to Payment	7 hours & 3 minutes
	T4	Payment to Issuance of ATL	1 minute
POST-CUSTOMS	T5	Issuance of ATL to Vessel Departure	1 day, 8 hours & 17 minutes
		CUSTOMS	14 hours & 11 minutes
		POST-CUSTOMS	1 day, 8 hours & 17 minutes
		OVERALL AVERAGE	1 day, 22 hours & 29 minutes

Since there were only three entries which is not tagged as Yellow, comparison of customs processes per selectivity would not seem necessary in this case.

Port of Davao

Almost 1,300 import entries filed at the Port of Davao were included in the TRS during the covered period. Majority of which, 705 entries (54% of the total), were under Orange Selectivity, while 423 (33%) were under Yellow Selectivity, 104 (8%) were under Green Selectivity, and 65 (5%) were under Red Selectivity.



Overall average for the entire import process at the Port of Davao was about 8 days & 1 hour. Pre-Customs procedures incurred an average of 2 days & 21 hours, for Customs procedures it was about 2 days & 18 hours, and for post-Customs the average was about 2 days & 10 hours.

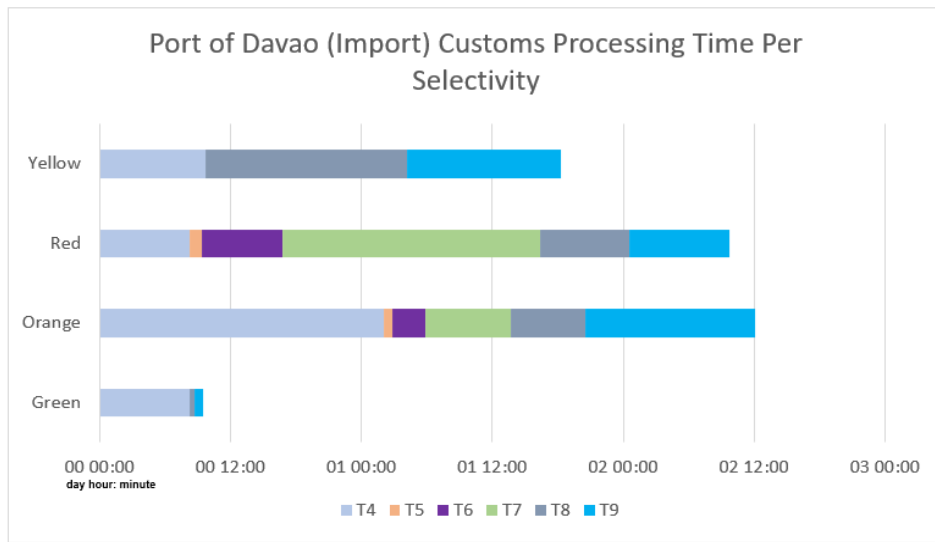
		Davao – Import <i>Summary of Time Intervals Measured</i>	Average Time <i>(Day/Hour/Min/Sec)</i>
PRE-CUSTOMS	T1	IFM Registration to Ship Arrival	1 day, 16 hours & 39 minutes
	T2	IFM Arrival to SAD Lodgment	20 hours & 31 minutes
	T3	SAD Lodgment to Portal Upload	7 hours & 10 minutes
CUSTOMS	T4	Portal Upload Document Check	11 hours & 25 minutes
	T5	Document Check to Xray (For Red and Orange)	1 hours & 59 minutes
	T6	Xray to Physical Examination	5 hours & 11 minutes
	T7	Physical Examination to SAD Registration	22 hours & 51 minutes
	T8	SAD Registration to SAD Assessment	10 hours & 18 minutes
	T9	SAD Assessment to SAD Payment	13 hours & 45 minutes

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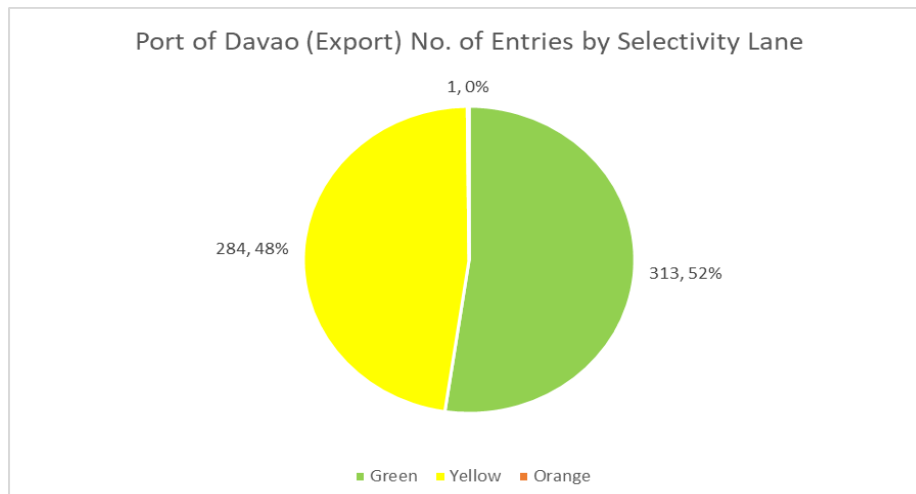
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POST-CUSTOMS	T10	SAD Payment to Gate Out	2 days, 10 hours & 30 minutes
		PRE-CUSTOMS	2 days, 21 hours & 1 minutes
		CUSTOMS	2 days, 17 hours & 31 minutes
		POST-CUSTOMS	2 days, 10 hours & 30 minutes
		OVERALL AVERAGE	8 days, 1 hour & 3 minutes

Entries under Orange selectivity took the longest to process among all the selectivity. The longer processing time as explained by the customs examiner is attributed to the long queuing for x-ray and physical examination.



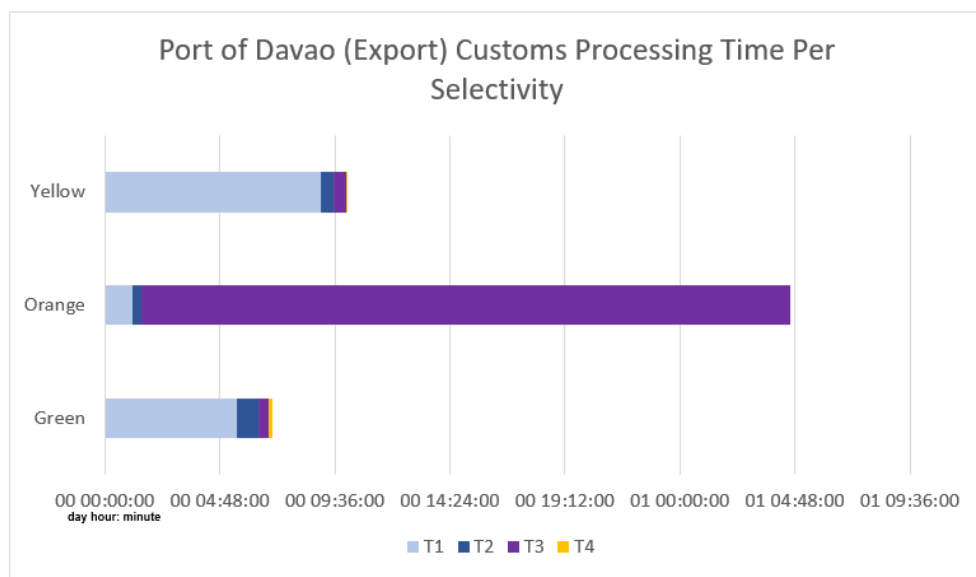
As for export, out of the 758 entries included in the TRS during the covered period, 313 (52% of the total) were tagged as Green, 284 (48%) as Yellow, and only 1 (1%) as Orange. No export entry was tagged as Red during the covered period.



The overall average for the entire export process at the Port of Davao was about 4 days & 11 hours. Majority of time incurred was post-Customs, registering an average of 4 days & 2 hours, while Customs procedures averaged only 8 hours.

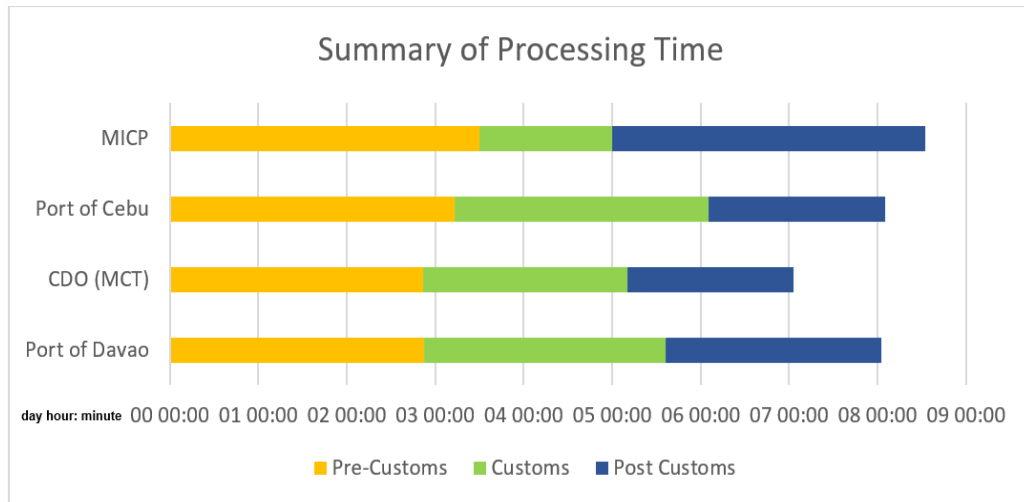
		Davao – Export Summary of Time Intervals Measured	Average Time (Day/Hour/Min/Sec)
CUSTOMS	T1	Export Declaration Lodgment to Portal Upload	7 hours & 10 minutes
	T2	Portal Upload to ED Processing	42 minutes
	T3	ED Processing to Xray	31 minutes
	T4	Xray to Issuance of Clearance	37 minutes
POST-CUSTOMS	T5	Issuance of Clearance to Departure	4 days, 2 hours & 12 minutes
		CUSTOMS	8 hours & 29 minutes
		POST-CUSTOMS	4 days, 2 hours & 12 minutes
		OVERALL AVERAGE	4 days, 10 hours & 42 minutes

For export, entries under orange selectivity took the longest to process among all the selectivity. The longer processing time as explained by the customs examiner can be attributed to the long queuing for x-ray.

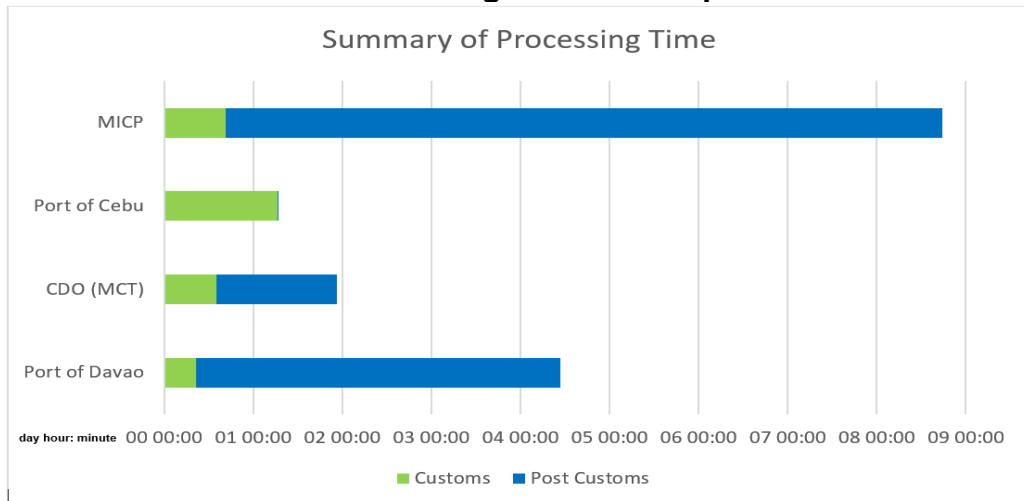


General Observations

Overall Average Time for Import



Overall Average Time for Export



Based on the data presented above, bulk of the import and export processes happen pre-Customs and post-Customs. Customs processing time only took up about 30% of the overall average time for import and 18% for export.

Post-customs took the longest time on the overall time of processing of imports due to the long queue at the Terminal Appointment Booking System (TABS) and the slow movement of trucks going in and out of the terminal as explained by the brokers, in addition, the issuance of authority to load, clearance, and loading of vessels for exports are also beyond Customs control.

Most of the import entries under orange selectivity took the longest processing time for both import and export caused by the long queuing for x-ray.

It was also noted that majority of the ports experienced delays during the value verification process of the documents caused by the brokers' failure to submit

supporting documents and required licenses or permits to proceed with the import and export transaction.

Some delays in the Electronic to mobile (e2m) and the Customer Care Portal System (CCPS) were also attributed to the intermittent connection.

VII. Issues

1. Incomplete submission of supporting documents

Through regular stakeholders' engagements, the BOC was able to gradually improve stakeholders' compliance by raising awareness and knowledge on the different Customs processes and their corresponding requirements. Despite the repeated information drive on the submission of documentary requirements and imposition of penalties and consequences for late submission, some stakeholders fail to comply in submitting complete requirements.

Collection districts continue to observe manual document filing in various offices by customs brokers and transmission of permits from regulating government agencies to BOC as one of the reasons for delays in import and exportation process that takes one to three days. This issue causes delays in the process between the Portal Upload to Document Review timestamp up to SAD Assessment for importation and Export Division processes for exportation.

2. Intermittent internet connection

Poor internet connection in some areas of the Philippines where collection districts and subports are located, inclement weather, and other factors related to the system hardware or software, continue to affect the BOC's move towards full automation.

To resolve the current issue, the BOC provided network backups to ensure that unreasonable delays in the processing caused by the intermittent connectivity are avoided. Moreover, there are site managers assigned in all seventeen collection districts to resolve related issues. The Management Information Systems and Technology Group (MISTG) of the central office also keeps its line open for urgent ICT-related concerns that need immediate solution.

However, with all the solutions in place, the same problems continue to affect automated Customs processes such as SAD Assessment, Export Division Processing, etc., since the network provider cannot assure consistent internet signals in some areas due to their limited capabilities. Understanding that it is beyond BOC's control, the MISTG continues to strictly monitor server downtimes and provide ICT hardware and software upgrades and maintenance.

3. Trade Net Portal

In terms of the processing of clearances, licenses and permits in the Trade Net Portal, 22 trade regulatory government agencies have onboarded in the National Single Window under the BOC's chairmanship in 2021, a significant increase from only 4 agencies.

For the full utilization of the Trade Net Portal and to maximize its advantages, all or 100% of the trade regulatory agencies must be onboarded in the said system. While it is still incomplete, processors will not utilize the Trade Net Portal and continue to process manually, which takes a longer processing time.

The Study observed delays in the Document Review and SAD evaluation timestamps, and since the processing of specific goods needs the presentation of licenses, permits, or clearances, which are possibly accessible via the Trade Net Portal, the usage of the Trade Net Portal is encouraged. Such a delay may result in processing times of one day to three days.

4. Capacity of the port operators

While the issue is beyond the control of the BOC, the delays in the pre-customs and post-customs processes can sometimes be attributed to the capacity of the port operators which are immensely affected due to the emerging trade economy of the Philippines.

Despite the continuous efforts from the port operators to expand their yards, from the acquisition of properties to introduction of innovative changes and upgrades in the existing systems, infrastructure, processes, and equipment, the massive volume of shipments coming in and out on Manila can cause difficulties and delays in the pre- and post-customs processes.

5. Capacity building for modernization programs

With the implementation of the BOC's modernization program, employees must be able to keep up with the changes. Cascading, information dissemination, and capacity building must be ensured prior to the implementation of automated systems.

The development of processes and automation of systems made it difficult for some employees to cope with the technological advancements. Delays in online Document Review, SAD Assessment, SAD Payment can be attributed to unfamiliarity with the systems being implemented. Although cascading and technical training were done, some features of the system are still confusing to employees who are not technologically well-versed. This may require further capacity building activities for employees to continuously cope with the modernization program being implemented.

VIII. Recommendations

1. Implementation of Informed Compliance Program

Under the concept of informed compliance, trade compliance is considered a shared responsibility between customs and the trading community. It requires customs to communicate its requirements clearly and effectively to the stakeholders, and in return, the business community is obligated to conduct its activities in accordance with laws and regulations.

Importers must be diligent in upholding their legal obligations, making sure entries are accurate and complete, and appropriate duties are paid. Importers must be made aware of what is expected of them by customs officers. As a result, the business community has a duty to take proactive measures to ensure that they are compliant with all relevant laws and regulations. As mentioned in the first identified issue of persistent submission of incomplete documentary requirements, the informed compliance program is expected to provide sanctions and penalties for non-compliant stakeholders and rewards for compliant stakeholders.

The 24-hour rule to file goods declaration after the discharge of the last cargo in the vessel shall be strictly implemented to eradicate possible delays in the SAD Lodgment and Portal Upload. Additionally, the appropriate penalty for the submission and uploading of late and incomplete documentary requirements of stakeholders must be imposed to avoid or shorten the delay.

Stakeholders attribute import payment delays to factors like bank cut-off times and inadequate funds. Provided that Authorized Agent Banks (AABs) have a consistent 8AM-5PM cut-off on weekdays and stakeholders can track funds before importing, the BOC perceives some delays as stakeholders' negligence, therefore and proposing penalties for late payments to ensure accountability—urging timely payments and fund monitoring.

Moreover, delays in container movement are attributed to late payment of shipping and forwarding charges, arrastre charges, and truck provision due to insufficient slots in the Terminal Appointment Booking System (TABS). These delays extend yard usage and hinder container movement. To address this, a penalty is proposed for not promptly removing containers from the Port after payment of duties and taxes. Implementing this approach will lead to a streamlined control of containerized cargo yards, fostering improved yard utilization and reducing the likelihood of port congestion.

In addition to benefiting from trade facilitation initiatives like Advance Ruling, SGL, and AEO Programs, the BOC aims to establish policies rewarding compliant stakeholders without SGL or AEO accreditation. For instance, those consistently submitting complete documents may receive certificates of appreciation, acknowledging their efforts in avoiding delays. This recognition not only acknowledges regular good practices but also encourages non-compliant stakeholders to adhere to customs rules. Another approach involves

providing compliant stakeholders with special seating and complimentary drinks at the Customer Care Center.

2. Intensify trade facilitation programs

In 2022, the Bureau implemented trade facilitation programs such as Advance Ruling Program and AEO Program, in addition to the existing SGL. These programs aim to promote seamless flow of goods and secured trade.

Under the AEO and SGL, shipments will be expeditiously released online and without delays. This benefit will ensure that imports are released in a timely manner that will eventually result in a reduction in trade costs.

However, data showed that applications in these programs were unexpectedly low. For instance, only three (3) importers/companies were accredited as AEO in 2022.

Hence, this Study recommends the strengthening of information campaigns regarding these programs, its privileges to both parties and its importance to the trading environment. The promotion of AEO and SGL could be useful initiatives to solve noted delays brought on by stakeholders' failure to comply with import and export regulations.

3. Continue the advancement of customs digitalization and integration of systems

Since the inception of its modernization program in 2019, the BOC has demonstrated a dedicated commitment to enhancing trade operations within the country. This initiative has led to notable improvements in expediting and facilitating the movement of goods, thereby contributing to the overall economic growth. Moreover, a commendable achievement has been the reduction of potential avenues for corruption, particularly through minimizing direct human interactions with stakeholders.

Currently, modernization efforts have automated 160 processes out of 166 customs processes or 96.38%.

However, despite these accomplishments, a significant challenge remains in the lack of integration among the various systems that have been developed as part of this modernization drive. This lack of integration can be attributed to several intertwined factors, including technological constraints, limitations in available resources, the intricate nature of the organization's structure, and the possibility that further planning and coordination are required.

Integrating systems involve addressing intricate technical aspects such as ensuring compatibility and data coherence among diverse platforms. Logistical considerations also play a crucial role, as the integration process necessitates careful synchronization of operations without disrupting ongoing activities.

Furthermore, the integration effort demands substantial investments, not only of financial resources but also in terms of time and human effort.

The development of the Customs Processing System under the Philippine Customs Modernization Project (PCMP) holds the potential to revolutionize the way the BOC operates. By unifying and harmonizing existing systems and processes, the Customs Processing System is poised to address the challenge of non-integration.

In essence, the Customs Processing System under the PCMP represents a critical step forward in the BOC's modernization journey. It is not merely a technical solution but a comprehensive strategy to streamline operations, ensure transparency, and promote accountability. This integrated approach is poised to bolster the agency's reform agenda, aligning it with international standards and best practices while fostering a more efficient, responsive, and resilient trade environment.

4. Strengthening employee competencies

With the BOC's continuous efforts to modernize its systems and processes, the BOC must ensure competency upgrading of its employees as well. Given the issue identified above, the BOC should formulate a training program to capacitate its employees to properly utilize and maximize the benefits of its systems improvements.

5. Onboarding of Regulatory Government Agencies in the National Single Window

Document Review, SAD Assessment for import and Export Division Processing are affected by delays which are caused by low utilization of the Trade Net Portal. The use of the Trade Net Portal by both the regulatory government agencies and stakeholders is expected to reduce processing time.

In this regard, the BOC should continue intensifying its efforts to encourage onboarding of government permitting agencies involved in the importation or exportation in the National Single Window (NSW) to expedite the issuance of permits/licenses that affect the release times of the cargoes.

To effectively conduct this, the BOC may initiate a request to higher authorities regarding the participation of government agencies in compliance with the existing regulations.

6. Improve payment methods

Delays in the SAD Payment due to lack or unavailability of funds or the manual payment through the AABs which some payors are affected by the bank cut-off

times. With these identified delays, the BOC recommended to improve its payment methods which will include the payment of imports and exports even in the seat in our comfortable homes through different payment platforms.

The pandemic in 2020 pushed people to discover the capabilities of doing everything online and this includes doing payment online. Even before this, the BOC already aimed to improve payment systems through the auto debit payment system, which is already implemented to entries selected Green, Super Green Lane (SGL), and those processed by an Authorized Economic Operator (AEO). It is further recommended that this particular payment system be optionally or mandatorily availed by all stakeholders. This will cover all entries, including those selected Yellow, Orange, and Red. Without much forecast, this will inevitably reduce the processing time of payment and ease the processing of imports and exports, which is both beneficial to the trading community and the BOC.

Furthermore, the BOC shall continue its close coordination with the AAB and formulate policies or systems that will expand or improve the existing payment system.

The surge of the utilization of Philippine mobile wallet market companies, with the two of the most famous companies - Paymaya and Gcash, have been dominant in the current market. With this trend, the BOC has already signed with Paymaya in 2021 and it is hereby recommended that the BOC extend its network with the biggest mobile wallet market company – the Gcash.

Annex A. ASEAN Proposed Minimum Scope on TRS Implementation

No.	Item	Import	Export
1	Object of observation	AMS to choose at least 1 major port.	AMS to choose at least 1 major port.
2	Type of procedure measured	Import procedure (for all commodities) as priority. With special emphasis on commodities relevant in the EODB.	Export procedure with specific commodities based on the AMS' interest.
3	Exception	Commodities imported are containerized and for home-use only. Not including: a. Temporary import b. Re-import c. Bulk Note: For land borders, commodities imported are in van.	Commodities exported are containerized and normal export. Not including: a. Temporary export b. Re-export c. Bulk Note: For land borders, commodities exported are in van.
4	Initial measurement point	For sea port, the initial measurement point is docking. (Docking is defined as time when vessel arrived at dock for unloading) For land border, the initial measurement point is the submission of the form.	For sea port, the initial measurement point is the gate in.
5	Last measurement point	Gate out (both for seaport and land border)	Stack yard

6	Sampling method	AMS to consult with the statistician about the sampling method hence the data will be considered statistically significant.	AMS to consult with the statistician about the sampling method hence the data will be considered statistically significant.
7	Sample selection	Proportionally according to the average channelling of the previous 6 months.	-
8	Time frame	At least 7 days Note: <ul style="list-style-type: none"> To anticipate the outliers of the data sample, AMS shall take note to extract "data allowance" The duration of data allowance is to be decided internally by each AMS considering its own previous experiences. 	At least 7 days Note: <ul style="list-style-type: none"> To anticipate the outliers of the data sample, AMS shall take note to extract "data allowance" The duration of data allowance is to be decided internally by each AMS considering its own previous experiences.
9	Data collection	The data collection is conducted manually through questionnaire and electronic data and measured manual data.	The data collection is conducted manually through questionnaire and electronic data and measured manual data.
10	Data processing software	WCO Internet Software for TRS or any other software. Note: To propose a training on WCO Internet Software for TRS sponsored by ADB	WCO Internet Software for TRS or any other software.

11	Date of study	2018	2018
12	Cost	Optional for AMS to decide whether to measure the legal cost or not. Note: Legal cost only. Other than import duty, taxes, and fines.	Optional for AMS to decide whether to measure the legal cost or not. Note: Legal cost only. Other than import duty, taxes, and fines.
13	Stakeholders engagement	AMS is encouraged to engage stakeholders as many as possible.	AMS is encouraged to engage stakeholders as many as possible.

Annex B. Measuring Clearance Time

I. Import

The Study divided the whole cargo clearance and cargo movement process into nine (9) stages and nine (9) processing times. These stages were recorded using time-stamps from the BOC systems and port terminal operators.

These nine stages are as follows:

- S1 – Inward Foreign Manifest (IFM) Registration
- S2 – IFM/Ship Arrival
- S3 – Single Administrative Document (SAD) Lodgment
- S4 – Portal Upload
- S5 – Portal Retrieval of Document (FED Received)
- S6 – SAD Registration
- S7 – Assessment
- S8 – Online Releases Instruction/ Customs Release
- S9 – Port Delivery of Goods/Gate out

From these 9 stages, the Study tracked nine (9) Time Intervals, as follows:

Time Intervals		Description
T1	IFM Registration to Ship Arrival	This measures the time lapse from the submission of the IFM to the time the ship carrying the cargo arrived and docked. The IFM is a required document to lodge an import entry declaration and needs to be forwarded to BOC even before the ship arrives.
T2	Ship Arrival to Cargo Discharge	This measures the time lapse from the arrival of vessel the availability of berthing slot and container location slot with the arrastre operator.
T3	Cargo Discharge to SAD Lodgment	This measures the time lapse from cargo discharge to the lodgment of broker upon availability or validation of electronic manifest sent by shipping line, freight forwarder or Non-Vessel Operating Common Carrier (NVOCC), and import documents provided by the importer.
T4	SAD Lodgment to Portal Upload	This measures the time lapse from SAD lodgment to the uploading of shipping documents, entry, and other supporting documents to the Customer Care Portal System (CCPS).
T5	Portal Upload to SAD Registration	This measures the time lapse from the CCPS upload to the transmittal of tickets from the Entry Processing Division (EPD) to the Formal Entry Division (FED). This also includes the e2m registration by the customs examiner from the time that the ticket has been assigned to the examiner.

T6	SAD Registration to SAD Assessment	This measures the time lapse from the time that the ticket has been assigned and registered to the customs examiner through the e2m to the final assessment made by the customs appraiser.
T7	SAD Assessment to SAD Payment	This measures the time lapse from the final assessment by the customs appraiser to the payment of duties and taxes through Authorized Agent Bank (AAB). This time interval would indicate the length of time the payment process was completed and would include procedures involving AABs and the Philippine Clearing House Corporation (PCHC).
T8	SAD Payment to Non-Intrusive Inspection/X-ray (for those tagged as RED/ORANGE)	This measures the time interval from completing the payment process and OLRs to its actual Gate Out.

II. Export

Similar to import, the key milestones in export process have been identified in measuring the average times for cargo clearance (i.e. lodgment and submission of export declaration, issuance of authority to load, and issuance of clearance), and customs movement (i.e. submission of export declaration to shipping line, payment, loading and issuance of clearance).

The cargo clearance and cargo movement were divided into six (6) stages and five (5) processing times, as follows:

- S1 – Lodgment of Export Declaration
- S2 – Portal Upload
- S3 – Portal retrieval of ticket/Processing by Export Division
- S4 – Issuance of Authority to Load by Export Division
- S5 – Posting and Recording of Containers
- S6 – Clearance (for vessel departure)

From these stages, the Study tracked five (5) Time Intervals that would determine the length of time each sub-process took. These are as follows:

Time Intervals		Description
T1	Export Declaration Lodgment to Portal Upload	This measures the time interval from export declaration lodgment to registration and submission of export-related documents and information through CCPS for the purpose of complying with export regulations and facilitating international trade.
T2	Portal Upload to Payment	This measures the time interval from processing and assessment of export declaration filed

		through the Automated Export Documentation System (AEDS) to the payment of Customs Documentary Stamps (CDS) for the issuance of Authority to Load (ATL).
T3	Payment to Loading of Vessel	This measures the time interval from loading of goods to the vessel once the ATL is issued by the Export Division to the clearance of the cargo and documentation by the port authorities.
T4	Loading of Vessel to Issuance of Clearance	This measures the time interval from the tagging of containers with issued ATL as "ATL Release" in the Navis N4 system to enable clients to settle their fees and charges at ICTSI until the issuance of Clearance by the Bay Service for departure.
T5	Issuance of Clearance to Vessel Departure	This measures the time interval from the issuance of port clearance by the Bay Service Section until the submission of complete documents, securing all cargoes on board the vessel by ICTSI, and the maneuvering of the vessel by the pilot-in-command from the pier side to the Outside Break-Water (OBW).