



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

20 December 2010

CUSTOMS ADMINISTRATIVE ORDER

No. 2-2011

SUBJECT: Creation of the Warehouse Monitoring and Audit Unit (WMAU) under the Office of the Commissioner of Customs and the Rules and Regulations Governing its Functions.

I. OBJECTIVES

- 1.1 To closely monitor the operations and activities of all CBWs, economic zones enterprises and free ports locators as buyer and transferee of goods used on the manufacturing and processing into finished products.
- 1.2 To conduct periodic physical inventory and audit of all CBWs suspected or found to have committed any infraction of the warehousing laws, rules and regulations.
- 1.3 To create a business climate free from harassment and other bureaucratic red tape.
- 1.4 To clearly define the responsibilities and accountabilities of the CBW operators, its accredited members, subcontractors and clientele/end users.
- 1.5 To prevent tax leakages and ensure proper collection of revenues.

II. ADMINISTRATIVE PROVISIONS

- 2.1 The Warehouse Monitoring and Audit Unit (WMAU) shall be under the Office of the Commissioner of Customs to be headed by a Special Assistant to the Commissioner of Customs for Warehousing and Operations. The Head of WMAU shall enlist sufficient number of customs personnel that will emanate from the various offices of the Bureau of Customs.

- 2.2 The Warehouse Monitoring and Audit Unit (WMAU) shall establish and maintain a comprehensive data base of information such as 201 File of the CBW Operator, its accredited members, subcontractors and clientele/end users, list of materials allowed for manufacturing, historical data of importations with covering warehousing entries and or transshipment permits, and records of exportations since its inception.
- 2.3 In order to have real time information, the Management Information and Systems and Technology Group (MISTG) shall provide computer terminals to view Single Administrative Document (SAD) of all warehousing entries filed and transshipment permits of shipments destined to CBWs, economic zones and free ports which were processed and approved by customs officers concerned.
- 2.4 The WMAU is hereby authorized to coordinate with the respective Ecozone and Freeport Authorities to verify transfers of raw materials to PEZA-registered enterprises and/or Freeport locators and for the possible conduct of joint audits on raw materials transferred to these entities.

III. GENERAL PROVISIONS

- 3.1 The Commissioner of Customs shall have the sole authority to issue a Mission Order stating therein the members of the Audit Team and its purpose and such order shall properly be numbered and docketed. The Head of WMAU may issue Office Order to verify the status of a specific shipment/raw materials or finished products as well as transfer of goods to the economic zones and free ports and such order shall be numbered and docketed.
- 3.2 The Special Assistant to the Commissioner for Warehousing and Operations shall submit the list of CBWs to be inventoried/audited and shall prepare the Mission Order for the consideration of the Commissioner of Customs.
- 3.3 The Intelligence and Enforcement Services, other personnel of the Bureau of Customs, or any agent of outside agencies are not allowed to enter the premises of any CBW for whatever purpose without prior coordination with WMAU which will assign its personnel to accompany the representatives from said offices/units to a specific CBW.
- 3.4 The Warehouse Inspection Division (WID), Port of Manila shall continue to conduct inspection of CBW premises for the purpose of checking compliance with the structural requirements as a requisite to the application for new license to operate a CBW or the renewal thereof.
- 3.5 All offices of the Bureau of Customs shall extend full cooperation and unhampered access to its records, and other information needed by WMAU to accomplish its assigned tasks.

- 3.6 The Audit Team thru the Head of WMAU shall submit a comprehensive and detailed report together with their findings and recommendations to the Commissioner of Customs within fifteen (15) days after completion of the mission.

IV. TRANSITORY PROVISIONS

Pending further study and evaluation on the performance of the Warehouse Audit Monitoring Unit (WAMU) created under Presidential Memorandum dated November 23, 1998, this Unit is hereby deactivated and its personnel shall be returned to their respective mother units. All records shall be turned over to WMAU.

V. PENAL PROVISION

Any person or entity that violates any provision of this Order shall be subject to penalties provided by law.

VI. REPEALING CLAUSE

All orders, memoranda, circulars and other issuances inconsistent herewith are hereby repealed and/or modified accordingly.

VII. EFFECTIVITY CLAUSE

This Order shall take effect upon approval of the Secretary of Finance and after fifteen (15) days from publication in two (2) newspapers of general circulation in the Philippines.


ANGELITO A. ALVAREZ
Commissioner of Customs

1/28/11



APPROVED:


CESAR V. PURISIMA
Secretary of Finance

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Date: May 24, 2011