



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA

MAY 21 1996

CUSTOMS MEMORANDUM ORDER  
NO. 18-96

**SUBJECT : Selectivity System in the Customs Clearance Process for Imported Goods**

**1.0 OBJECTIVES**

- 1.1 To facilitate the Customs Clearance of legitimate imported goods
- 1.2 To enhance the Bureau's capability to detect shipments attendant with fraud

**2.0 COVERAGE**

This order shall apply to all ports of entry with an ASYCUDA++ system already operational and shall cover regular consumption entries either containerized or breakbulk.

**3.0 GENERAL AND OPERATIONAL PROVISIONS**

3.1 Shipments Subject to Examination - Only the following shipments shall be subjected to examination :

- 3.1.1 Alerted/Hold shipment pursuant to CMO 104-92
- 3.1.2 Shipments requiring mandatory examination pursuant to CMO 23-93
- 3.1.3 Shipments selected for examination pursuant to this order.

3.2 Selectivity System - There is hereby provided on automated selection process for shipments to be subjected to examination following the procedures set herein.

3.3 Responsibility for Triggering the selectivity. - The selection process shall be manage within ASYCUDA++ and shall be triggered by the COO5 (or designated official) when the clearance process reaches his (her) level.

3.4 Procedure Prior to Triggering of Selectivity. - Current procedures shall be observed up to the level of the COO3. The COO3 shall undertake all the processes required of him as of the date of the order except for the physical examination of the goods, which must now be pursued following the procedures and conditions provided herein.

3.5 Examination - If the shipment is selected for examination by the automated selectivity system, the COO5 shall return the entry to the assigned COO3 for examination. Those not selected shall be finally assessed and then forwarded to the Collection Division for final processing.

3.6 Post Examination Procedure - If no discrepancy is found during examination, the COO3 shall make the necessary entry into the ASYCUDA++ system, print the words "NO DISCREPANCY FOUND" in the examiner's return, affixed his signature immediately under the returns and then forward the entry to the COO5 for continuance of processing. If a discrepancy is discovered, he shall proceed as follows:

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3.6.1 If the level of the discrepancy warrants seizure of the shipment, he shall print the words "FOR SEIZURE" in the examiner's return, affix his signature immediately under the return and then accomplish a seizure report for submission the COO5 and to the Collector of Customs. It shall be the duty of the COO3 to ensure transfer of cargoes for seizure to Hold Area.

3.6.2 If the discrepancy level does not merit seizure he shall make the necessary notation on the entry and encode the actual findings in the ASYCUDA++ after which he shall alert the COO5 of his findings.

3.7 Extent of Examination - Only regular examination shall be undertaken unless a more detailed examination is called for based on the outcome of the regular examination.

3.8 CMO 37-94 AND CMO 96-92 SHIPMENTS - These shipments shall continue to be processed pursuant to said CMO's. As such, for 37-94 and 96-92 shipments, the COO5 shall trigger the final assessment process even if selected by the automated selectivity. Provided : there are no disqualifications against these shipment's non-examination as listed in said CMO's. If there are disqualifications against non-examination as provided under said CMO then examination shall be mandatory.

#### 4.0 REPEALING CLAUSE

All previous orders inconsistent with this order are hereby amended and or modified accordingly.

#### 5.0 EFFECTIVITY

This order shall take effect 21 May 1996.

  
GUILLERMO L. PARAYNO, JR.  
Commissioner