



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

AUG 22 1996

CUSTOMS MEMORANDUM ORDER
NO. 26-96

**Subject: Electronic Declaration and Clearance
Procedure of Export Shipments Under the
Export Tracking and Monitoring System
(ETMS)**

1.0 Objectives

- 1.1 To facilitate and make convenient the export process and the export clearance procedure;
- 1.2 To prevent fraud on government revenue which "ghost" exports and other fraudulent practices in export result into;
- 1.3 To contribute in the prevention of pilferages in export shipments;
- 1.4 To harmonize Philippine Customs processes in exports with international best practices such as as the use of electronic commerce and UN Edifact standards.

2.0 Scope

This Order shall apply to ports where ETMS is operational and for exporters accredited/qualified to avail of the ETMS.

3.0 General and Operational Provisions

- 3.1 Electronic Declaration - Export declaration may be submitted by exporters or customs brokers electronically through the ETMS following a message format conforming to the UN/EDIFACT standard and utilizing the ETMS declaration module.

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- 3.2 Arrival Notification - Whenever the Customs Export Declaration (CUSDEC) is filed through the system, a Customs Cargo Report (CUSCAR) shall likewise be submitted providing information to Customs of the arrival within two (2) hours time of the shipment covered by the CUSDEC at the port of exportation.
- 3.3 Time for Filing CUSDEC/CUSCAR - The exporters or the customs brokers shall accurately provide the information required in the CUSDEC and CUSCAR messages at least two (2) hours prior to the arrival of the shipment and not later than 2 hours prior to the loading time of the carrying vessel.
- 3.4 Electronic Authority to Load (EAL) - For export declarations coursed through the ETMS, the authority to load shall be issued to the exporter electronically also through the ETMS following the Customs Response (CUSRES) format. A photocopy of the EAL must accompany the shipment for presentation to the Port Gate personnel.
- 3.5 Designated Examination Area (DEA) - There shall be established DEA where shipments subject to derogatory information or are selected for examination following a rational selection process shall be opened for examination. Upon arrival of the shipment in the port, the electronically provided export declaration number must be entered into the ETMS terminal to ascertain the channel thru which the shipment will go thru as in 3.8.
- 3.6 Examination at Customs Bonded Warehouses (CBWs) - Export shipments coming from CBWs and coursed through the ETMS are exempt from examination at the CBW since they may be examined at the DEA.

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3.7 Underguarding - For the same reason as in 3.6, underguarding of shipments from CBWs and coursed through the ETMS is hereby dispensed with.

3.8 Multi-Channel Processing - Export shipments coursed through the ETMS shall be cleared through one of the following channels:

3.8.1 C1 - Upon receipt of both CUSDEC and CUSCAR by the ETMS, a CUSRES will be sent back which constitutes the Authority to Load. Upon entrance of the shipment in the port, it shall be immediately allowed for export. The paper export declaration shall be filed with the Export Division of the port within five (5) days from issuance by the ETMS of the authority to load attaching thereto a printed copy of the authority.

3.8.2 C2 - Upon receipt of both CUSDEC and CUSCAR, a CUSRES message will be sent which will indicate that the shipment will be cleared under C2. The importer must then submit the paper export documents to the DEA with the shipment but the shipment may not be examined. Upon receipt of the shipment in the port, the arrastre operator shall bring the same to the DEA.

3.8.3 C3 - Upon receipt of both CUSDEC and CUSCAR, a CUSRES similar to 3.8.1 will be sent. Upon receipt of the shipment in the port, the arrastre operator shall conduct the shipment to the DEA for examination, clearance to load will be issued by the examiner at the DEA. As in 3.8.1, the paper export declaration shall be submitted with the printed copy of the authority within 5 days from receipt of the CUSRES.

3.9 Processing of the Paper Export Declaration - The paper ED in 3.8.2 shall be forwarded by the DEA to the Export Division of the Port. The ED, together with the ED in 3.8.1 and 3.8.3 shall undergo the regular processing and be transmitted to concerned Bureau offices.

4.0 Administrative Provision

4.1 Action Officer/Responsible Officer - The Port Operation Service (POS) is hereby designated as the action office and the Service Chief thereof is the responsible officer for the effective implementation of this Order.

4.2 Management Committee - There is hereby created a management committee to support the POS in the implementation of the CMO and to devise measures to enhance the operation of the system for better accomplishment of the objectives of the CMO. It shall be composed of the following:

Chief, Port Operation Service - Chairman
Chief, Export Coordination - Vice-Chairman
Members:

1. Chief, Export Division, POM and MICP
2. Directors, ESS and CIIS
3. Chief, Piers & Inspection Division, POM and MICP
4. Supervisor for Export, DEA
5. Special Assistant for Warehousing, OCOM Representative

4.3. Enrollment of ETMS Participants - The Management Committee shall set guidelines and criteria for participants to enroll in this ETMS process. Enrollment shall be based on compliance to the criteria. The Management Committee shall take all necessary measures to get all exports shipments covered by ETMS on or before 30 June 1998.

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4.4 Trade Agreement - The following trade agreements must be entered into by all ETMS participants: to define their respective responsibilities and obligations as well as the resolution of conflict that may arise:

- 4.4.1 BOC-Exporters Trade Agreements
- 4.4.2 BOC-Arrastre Operator Trade Agreement
- 4.4.3 BOC-EDI-NET/GTEB/DTI Agreement

4.5 Office Orders - All offices concerned must issue respective office orders and organize the necessary work/task groups to implement the provisions of this orders.

5.0 Effectivity

This Order shall take effect 01 September 1996.


GUILLERMO L. PARAYNO, JR.
Commissioner