



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

JUL 16 1993

16 July 1993

CUSTOMS MEMORANDUM ORDER
NO. 30-93

TO : All Deputy Commissioners
District Collectors
Service and Division Chiefs
And Others Concerned

SUBJECT : Implementation of the Monetary Board
Resolution Exemption shipments of Garments
Exporters from Pre-shipment Inspection
Scheme under Joint Order No. 1-91 subject
to certain conditions.

I. OBJECTIVES :

1. To facilitate the importation process for raw material of garment firms operation Customs Manufacturing Bonded Warehouses (CMBW).
2. To prevent smugglers from utilizing the facilities of CMBW as conduits for smuggling in textile materials and other raw materials involved in the manufacturing of garment for exports.
3. To set in place control measures in lieu of Pre-shipment Inspection to accomplish 1 and 2 above.

II. ADMINISTRATIVE PROVISIONS :

1. General Provisions

Importations of pre-cut fabrics, raw materials and related supplies and accessories for the manufacture of garment and other textile products by garment manufacturers operating bonded manufacturing warehouse as well as by members of Customs Common Bonded Manufacturing Warehouses engaged in the manufacture of garment and textile exports may be exempted from the

Pre-shipment Inspection under the Comprehensive Import Supervision Scheme upon proper accreditation and satisfaction of the following qualifications :

- 1.1 that the firm has been in the garment manufacturing business for the last five (5) years;
- 1.2 that the firm has, demonstrated regular export sales of at least US\$500,000.00 per annum;
- 1.3 that the firm and its principal stockholders and officers have not violated any rules and regulations of the Garment and Textile Export Board (GTEB), Central Bank (CB) and Bureau of Customs (BOC) governing import/export operations during this five years period nor have any pending case whether administrative or judicial regarding the conduct of importation of its raw materials;
- 1.4 that the firm is not be delinquent in the liquidation of imported raw material;
- 1.5 that the firm is not be delinquent in the liquidation of imported raw materials;
- 1.6 that the raw materials and supplies are directly used in the manufacture of the products to be exported;
- 1.7 that the firm will commit to computerize its operations with due consideration to its size and scope, along the lines to be set by the Bureau of Customs (Annex "A") especially in the matter of accounting and liquidation of its raw material import;
- 1.8 that the firm must show a substantial asset base commensurate to its level of operations as indicated by the (a) ownership of long term lease of manufacturing facility; (b) ownership or long term lease of the land and the building on which the factory is operating; and

2. Documentary Requirements

- 2.1 Certification from the GTEB that the applicant firm and its principal stockholders/partners and officers have not violated any of the rules and regulations of the GTEB governing import and export operations for five years nor have any pending case whether administrative or judicial regarding the conduct of its importation of its raw materials or

- exportation of its finished products. The Certification must categorically indorse the application of the firm for Pre-shipment Inspection to be accredited under this Order.
- 2.2 Certification from the GTER that the applicant firm and its principal stockholders/partners and officers have not violated any of the rules and regulations of the CB governing import and export operations for five years nor have any pending case whether administrative or judicial regarding the conduct of its importation of its raw materials or exportation of the products.
 - 2.3 Computerization proposal following the guidelines set forth in Annex "A" hereof indicating the time frame in which this is expected to be completed.
 - 2.4 Inward foreign exchange receipts for the last five (5) years and copies of export entries for the same period.
 - 2.5 Copies of Transfer Certificates of Title or equivalent documents, indicating ownership to the land and building or Deed of Lease to the land and improvements for period of at least five (5) years or its manufacturing facilities for the same period.
3. Requirements for the Issuance of Certificate of Accreditation - The Certificate of Accreditation shall be issued upon compliance with the following:
 - 3.1 Written Application - A written application shall be filed by the operator with the District Collector of the Port concerned together with all the required documents.
 - 3.2 Approval of the Application - Based on the favorable recommendation of the District Collector and the Accreditation Committee, the Commissioner may issue the Certificate of Accreditation which shall be valid for a period of two (2) years. The Certificate of Accreditation shall be a Bureau of Customs controlled form.
4. Suspension of Certificate of Accreditation -

At any time without Notice, the Commissioner of Customs, motu proprio or upon recommendation of the District Collector, may suspend or cancel/revolve the Certification of Accreditation.

5. Accreditation Committee -

For the purpose of Evaluating the Applications for Accreditation, an accreditation committee is hereby constituted the composition and work procedure of which shall be specified in a Special Personnel Order to be issued for the purpose.

III OPERATIONAL PROCEDURE:

1. The operator/applicant shall accomplish and file with the District Collector of the port concerned (Attn.: Garment Division or Equivalent Unit) an application form Annex "B" attaching thereto all the documentary requirements mentioned in par. II.2 hereof.
2. Upon receipt of the application, the District Collector shall evaluate the application and if found in order, shall endorse it to the Commissioner of Customs (Attn.: The Chairman, Accreditation Committee).
3. On the basis of the findings and recommendation of the Accreditation Committee, the Commissioner may either approve or disapprove the application and shall issue the corresponding certificate of accreditation in case of approval.

IV INTERNAL RULES AND REGULATIONS -

For the implementation of, and consistent with this Order, District Collector shall prescribe further internal rules, regulations and procedures which shall be subject to the approval of the Commissioner.

V. PENALTIES -

Any willful violation by the applicant/operator of any provision of the Tariff and Customs Code, as amended, and related special laws, rules and regulations, more particularly, this Customs Memorandum Order and its implementing orders, shall be a cause for the immediate suspension, revocation or cancellation of the Certificate of Accreditation without prejudice to the imposition of whatever penalty/ties prescribed under the provisions of Part 4, Title VI, and the criminal liability of the importer, under paragraph 5, Title VII, both of the Tariff and Customs Code.

- VI. All Memorandum Order, Rules and Regulations inconsistent with this Order are deemed repealed or modified accordingly.

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VII. EFFECTIVITY :

This Order shall take effect immediately.


GUILLERMO L. FARAYNO, JR.
Commissioner

ANNEX "A"GUIDELINES FOR COMPUTERIZATION

A) CONCEPT OF OPERATIONS.

As a qualification requirement for exemption from pre-shipment inspection under the Comprehensive Import Supervision Scheme and to enable the Bureau of Customs to monitor the accounting and liquidation of raw material imports, the following shall serve as guidelines for computerization of the operations of garments exporters, or where computerized systems already exist these guidelines shall serve as enhancements or extensions thereto.

B) Operational Objectives.

1. Relational Database Management System (RDBMS) files on Imports Entries, Exports Permits/Declarations, Bill of Lading/Airway Bills, and Dollar Remittances shall be created and maintained within the computerized system; such files to be convertible to MS-DOS format in order to assure compatibility with BOC systems;
2. Reports showing:
 - * dollars inflows & outflows resulting from the operations as well as the net foreign exchange earnings generated.
 - * remaining stocks (in warehouse) by commodity groups.
 - * list of overstaying shipments.
 - * list of uncanceled bonds.shall be generated and submitted to the Bureau, at any time, upon demand.

C) Action Required.

A project plan outlining how the operational objectives will be complied with shall be included in the Computerization Proposal to be submitted as required under Section 2 (2.3) of the Administrative Provisions of this Customs Memorandum Order.

**APPLICATION OF ACCREDITATION FOR
EXEMPTION FROM SGS PRE-INSPECTION SCHEME**

Pursuant to Joint Order 1-91 as amended, I have the honor to apply for Exemption from SGS Inspection and hereby state the following relative to this application:

1. Name of Firm _____
2. Address/Office : _____ Tel. No. _____
Plant : _____ Tel. No. _____
3. Nature of Warehouse
_____ Customs Bonded Manufacturing Warehouse
_____ Member of Customs Common Bonded Warehouse
4. Kind of Business Entity
_____ Corporation _____ Single Proprietorship
_____ Partnership
5. List of Materials and Supplies/Accessories authorized by BOC/GTEB to be imported in connection with its Warehousing Operations.
6. Attached are the following required documents:
 - 6.1 Copies of Inward foreign exchange receipts for the last 5 years and copies of export entries for the same period.
 - 6.2 Computerization proposal indicating the time frame in which this is expected to be completed.
 - 6.3 GTEB certification that the firm and its principal stockholders and officers have not violated any rules and regulations of GTEB governing import and export operation for 5 years nor have any pending case whether administrative or judicial regarding the conduct of its importation of raw materials or exportation of its finished products.
 - 6.4 Copies of Transfer Certificates of Title or equivalent documents indicating ownership of the land and building or deed of lease to the land and building for at least 5 years of its manufacturing facility for the same period.
 - 6.5 CB certification that the firm and its principal stockholders and officers have not violated any rules and regulations of CB governing import and export operations for 5 years nor have any pending case

whether administrative or judicial regarding the conduct of its importation of raw materials or exportation of its finished products.

6.6 Board Resolution authorizing the undersigned to act for the company in connection with this application.

7. We hereby further manifest:

7.1 that the raw materials and supplies are directly used in the manufacture of products to be exported.

7.2 That we are not delinquent in the liquidation of its imported raw materials, supplies and accessories.

7.3 that none of the stockholder/partner/owner of the firm/entity have any pending case administrative or judicial with the Bureau of Customs.

7.4 that it has a regular export sales of at least US\$500,000.00 per annum.

U N D E R T A K I N G

Applicant has read all pertinent BOC, GTEB, CB rules and regulations and hereby undertakes and commits to abide by them.

Applicant HEREBY SOLEMNLY DECLARES, under pain of perjury, that the information herein-mentioned and the documents submitted herewith are true/genuine. It is hereby understood that any misrepresentation, false statement, non-disclosure of any material information herein-required shall be a cause for the denial of this application without prejudice to what ever administrative or legal action that Customs may take against the applicant under the circumstances.

Operator/Company
Name

BY: _____
Signature over Printed Name

Position _____

Date : _____

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CMY OF _____

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Affiant Exhibited to me his Res. Cert. No. A _____
issued on _____ at _____.

Notary Public
May Commission Expires, Dec. 31, 1993

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