



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

07 November 1997

CUSTOMS MEMORANDUM ORDER

NUMBER 37-97

Subject : Duties and Responsibilities of Customs Operations Officers III and IV for ACOS-Selected Entries

1.0 OBJECTIVE

To pinpoint responsibilities in the clearance of selected shipments (YELLOW AND RED) which are subsequently found to be attendant with fraud and or violations of the TCCP.

2.0 SCOPE

This order shall apply in ports with a Selectivity System in place as defined in CMO 18-74 and its amendments and shall cover containerized shipments only.

3.0 GENERAL PROVISIONS

- 3.1 For RED LANE SHIPMENTS, it shall be the RESPONSIBILITY or LOOKOUT of the COO3's assigned at the DEA to determine whether or not the shipment is properly DECLARED (DESCRIPTION AND QUANTITY/WEIGHT) CLASSIFIED AND VALUED. Failure to detect violation along this line shall be the responsibility of these officers assigned at the DEA. The DEA COO3 shall be the one to sign the entry in box 64 of the Entry for COO III.
- 3.2 COO5's at the DEA must exercise supervisory control over COO3's and shall take appropriate steps to insure that COO3's perform their responsibilities properly. They may conduct examination themselves if in their best judgment, no proper examination was undertaken by the

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assigned COO3. The DEA COO5 shall be the one to sign the entry in the box 64 for COO V.

3.3 At the FED, RED LANE SHIPMENTS must be processed as in YELLOW LANE processing described in 3.4.3 below.

3.4 YELLOW LANE PROCESSING

3.4.1 For YELLOW LANE shipments the following shall be the responsibilities of the assigned FED COO3:

3.4.1.1 Verify whether or not the shipment is sufficiently described in the declaration, it is clear what the contents are, i.e., the correct HS Code can be ascertained and the determination of the value can proceed even without physically examining the goods.

3.4.1.2 Should no sufficient description be provided in the declaration and as a consequence thereof, the assessment process cannot properly proceed, require additional documents/information from the importer or his representative such as brochures, catalogues, and technical manuals or even pictures.

3.4.1.3 If procedure 3.4.1.2 is not possible or it failed to provide the sufficient description of 3.4.1.1, then COO3 shall in writing, request the COO5 to change the processing of the entry from YELLOW to RED lane. The COO5 shall evaluate the request and if in accord, authorize the change.

3.4.1.4 If certain exemptions from payment of duties and taxes are made, insure that the description in the entry and in the exemption tallies and the quantities declared is within the quantity exempted. The authenticity of the authority itself must be established thru the established verification systems.

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3.4.1.5 Ascertain the reasonableness of the declared value and the appropriateness of the HS Code declared.

3.4.1.6 If the CRF findings of shipment has been appealed before the BOC-SGS Appeals Committee, verify the authority granted for Tentative Release.

3.4.1.7 Signed off the entry by affixing signature in the appropriate space.

3.4.2 For YELLOW LANE ENTRIES converted to RED LANE following the procedure in 3.4.1.4, the FED-COO3 shall be responsible for the conduct of the examination but which examination must be made at the DEA but prior to the calling of the ASSESSMENT MODULE (Conversion to Green) and transmittal of entry to Cash Division. The transfer of the container at the DEA must be the initiative of the FED-COO3 and may be made thru the importer or his representative.

3.4.3 For RED Lane Entries, the activities of the assigned FED-COO3 shall be limited to the activities described in 3.4.1.4 and 3.4.1.6 and as a proof of having performed this, affix his signature below the COO V space of box 64 and above the Free Disposal box. The rest of the activities in 3.4.1 shall be undertaken by the DEA-COO3/5. The FED-COO3 shall convert the RED Lane to GREEN and the FED-COO5 shall call the assessment routine of ACOS so processing can proceed accordingly.

4.0 EFFECTIVITY

This Order shall take effect immediately.


GUILLERMO L. PARAYNO, JR.
Commissioner