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Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
1099 Manila

CUSTOMS MEMORANDUM ORDER
NO. 11-2017

SUBJECT: REALIGNMENT OF THE CUSTOMS X-RAY INSPECTION PROJECT TO THE OFFICE OF THE COMMISSIONER

In line with the on-going reorganization of the Bureau of Customs (BOC) and to harmonize its anti-smuggling drive and border protection functions, there is a need to place the X-Ray Inspection Project (XIP) under the Office of the Commissioner (OCOM). This is a measure to strengthen the integrity of the XIP and enhance transparency, the XIP being one of the BOC's foremost tool against smuggling and other customs fraud.

In view of the foregoing, the X-Ray Inspection Project is hereby realigned from the Enforcement Group (EG) to the Office of the Commissioner. Henceforth, the Head of the XIP shall report directly to the Commissioner of Customs.

The Head of the XIP, in consultation with the Commissioner of Customs, is hereby authorized to reshuffle personnel within the XIP or reassign existing Enforcement and Security Service (ESS) personnel performing duties at the XIP back to their respective mother units, and vice versa.

The Head of the XIP shall be responsible for taking measures to achieve the appropriate rate of detection of prohibited, restricted, misdeclared, underdeclared, undeclared, and otherwise illegal importations.

Provisions of Customs Memorandum Order (CMO) Nos. 06-2014, 22-2011, 10-2011, 17-2008, 14A-2007, 14-2007, 13-2007, 6-2007, and all other rules and regulations that are inconsistent with this Order are deemed repealed or modified accordingly.

This Order shall take effect immediately and shall last until revoked.

For strict compliance.

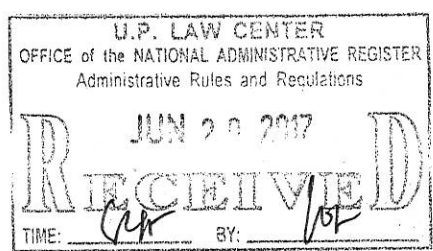
NICANOR E. FAELDON
Commissioner



JUN 14 2017

Certified True Copy

Alexander C. Montemayor
Admin Officer V
CRMD - BOC





Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
Manila

MASTER COPY

February 14, 2014

CUSTOMS MEMORANDUM ORDER
NO. 06-2014

SUBJECT: REALIGNMENT OF THE X-RAY INSPECTION PROJECT (XIP) TO THE ENFORCEMENT GROUP AND DESIGNATION OF DUTY CUSTOMS EXAMINERS AT THE XIP DESIGNATED EXAMINATION AREA/FIELD OFFICE BY THE DISTRICT COLLECTOR

In line with the on-going reorganization of the Bureau, there is a need to realign the X-ray Inspection Project (XIP) in recognition of its law enforcement function considering that x-ray is a frontline border protection facility. Beyond question, x-ray inspection is a centerpiece project for a modernized and efficient customs service and should therefore, be accorded permanency.

There is also a need to strengthen integrity in the Bureau of Customs by enhancing transparency in customs processes and procedures.

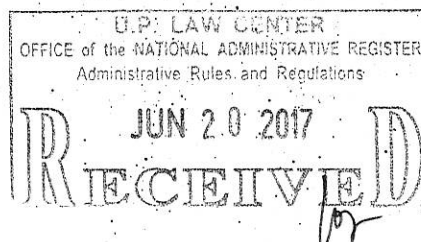
It is along this line that customs examiners will be given a role in the conduct of non-intrusive container inspection. Container X-ray operation neither diminishes nor supplants the statutory duties of a customs officer to examine, classify, and appraise imported articles pursuant to Section 1403 of the Tariff and Customs Code of the Philippines (TCCP), as amended. It is foremost a mandate on the part of customs examiner to conduct thorough examination on selected high-risk shipments, under pain of sanction under Section 3604 of the TCCP.

To prevent, however, potential overcrowding at the x-ray examination area, it is practical to rationalize the deployment of customs examiners who will be tasked to conduct preliminary inspection of the cargo. This will dispense with the need for every assigned examiner for a specific Import Entry to perform the preliminary inspection by themselves at the XIP Designated Examination Area (XIP-DEA).

In view of the foregoing, the following rules and regulations are hereby adopted:

SECTION 1. REALIGNMENT OF XIP TO THE ENFORCEMENT GROUP. The X-ray Inspection Project (XIP) is hereby realigned from the Office of the Commissioner to the Enforcement Group (EG). Henceforth, the Head, XIP shall report directly to the Deputy Commissioner, EG.

SECTION 1.1. In the interim, the Deputy Commissioner, EG, upon the recommendation of the XIP Head and in consultation with the Director, Enforcement and Security Service (ESS), is hereby authorized to reshuffle personnel within the XIP or reassign existing ESS personnel performing duties at the XIP back to their mother units and *vice versa*.



SECTION 1.2. The Head, XIP shall submit a proposal for the conversion of the XIP into a full-time plantilla Service under the Enforcement Group.

SECTION 1.3. The Head, XIP shall be responsible for taking measures to achieve an appropriate rate of detection of prohibited, restricted, misdeclared, underdeclared, undeclared, and otherwise illegal imports.

SECTION 2. ASSIGNMENT OF DUTY EXAMINERS AT THE XIP DESIGNATED EXAMINATION AREA. To prevent collusion among the x-ray operators, the District/Port Collector in a collection district/port where container x-ray inspections are conducted, is hereby directed to assign two (2) Duty Examiners for the day at the (XIP-DEA). In ports where the volume of containers subject for x-ray inspection is low, the District/Port Collector may assign only one (1) Duty Examiner for the day.

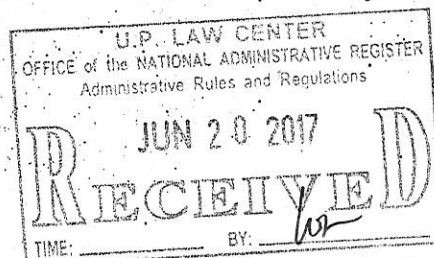
SECTION 2.1. The Duty Examiner/s shall be taken from the pool of examiners actually performing assessment functions at the Formal Entry, Informal Entry, Warehousing Assessment Divisions and other assessment divisions of the port. Except for justifiable reason, no customs examiner actually performing examination or assessment duties shall be exempt from being assigned as Duty Examiner.

SECTION 2.2. The examiners shall be designated on a rotational basis as Duty Examiner/s for the Day at the XIP-DEA. The District/Port Collector shall establish the daily tour of duty of each Duty Examiner, which does not exceed one (1) day, a copy of which shall be furnished to the Field Officer for proper guidance. Substitution of duty is not allowed unless approved by the District/Port Collector, provided that no Duty Examiner shall be assigned as such for two (2) successive days.

SECTION 2.3. The Duty Examiner/s shall remain at the XIP-DEA as long as the X-ray operation is on-going. They cannot leave the area to perform other assessment functions.

SECTION 3. The Duty Examiner/s shall have the following responsibilities:

- a. The Duty Examiner shall review the x-ray image with the assistance of an XIP image analysis inspector;
- b. In consultation with the XIP image analysis inspector, he/she shall preliminarily determine whether the shipment which is tagged "no suspect" and with stamped notation "IMAGE APPEARS TO BE REGULAR," should still be subject for spot-checking, or issuance of Alert Order. If he concurs with the findings, he shall write his name and signature on the stamped notation;
- c. For image marked "suspect" with notation "FOR VERIFICATION," the Duty Examiner may either immediately conduct spot-checking of the cargo in the presence of an XIP spot-checker and other authorized witnesses, or recommend the issuance of an Alert Order. If he/she concurs with the findings, he/she shall stamp on the printed image "FOR SPOT-CHECKING";
- d. For image marked "suspect" but with notation "FOR ISSUANCE OF ALERT ORDER", the Duty Examiner shall affix his name and signature on the stamped notation.



- e. The Duty Examiner/s shall clearly enumerate all the activities for the day in a logbook following the format prescribed in Annex "A" hereof. He/She shall furnish the District Collector on the next working day a photocopy of the pertinent portion of the logbook covering his/her tour of duty.
- f. The Duty Examiner/s shall likewise make sure that spot-checking of containers, which was not completed during the day they were x-rayed, shall be properly noted in the last portion of the Logbook covering his/her tour of duty. He/she shall endorse the same to the succeeding Duty Examiners who shall immediately act thereon. The same endorsement shall be made if upon the next following day, the spot-checking of the container/s remained un-acted upon, clearly stating the reasons therefor.

SECTION 4. Spot-checking at the XIP-DEA shall be done in the presence of the Duty Examiner/s. However, for 100% examination pursuant to an Alert Order, the examiner assigned for that particular Import Entry shall be responsible in conducting the examination, to be witnessed by, among others, the Officer/s-on-Case specified in the Order.

SECTION 5. The XIP Field Officer shall perform the following, in addition to his responsibilities under Customs Memorandum Order (CMO) Nos. 6-2007 and 13-2007:

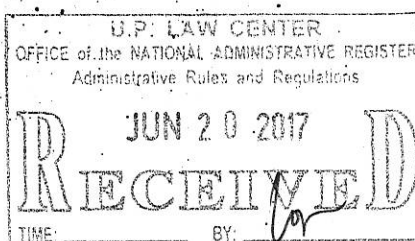
- a. The Field Officer shall take note of the actions/recommendations of the Duty Examiner/s. Should a recommendation for the issuance of an Alert Order be made, the Field Officer shall immediately endorse the same to the Head, XIP for issuance by the Deputy Commissioner, EG of an Alert Order without prejudice to Section 6.2 hereunder
- b. The Field Officer shall be responsible in ensuring that appropriate safety and precautionary measures are adopted while the duty examiners are stationed in the XIP-DEA.
- c. The Field Officer shall likewise ensure that the duty examiners will have ample working space in the XIP-DEA.

SECTION 6. MISCELLANEOUS:

SECTION 6.1. To effectively carry out and to further strengthen this mandate, the Deputy Commissioner, EG may, from time to time, order the x-ray scanning of shipments subject of derogatory information. For Import Entries with multiple containers, square-root rule shall be implemented.

SECTION 6.2. For expediency, the District Collector, upon receipt of the daily report from the Duty Examiner, may *motu proprio*, or upon further inquiry with the Field Officer, issue the Alert Order against the shipment recommended for 100% examination.

SECTION 6.3. To strengthen the existing automated risk management scheme, the XIP shall focus only on shipments, which are electronically selected for x-ray inspection. Except for containers or Import Entries covered under section 6.1 hereof, refrigerated shipments, transshipments, PEZA-bound shipments and export shipments are no longer subject to mandatory container x-ray scanning. Provided that, for personal effects, only single-consignee shipments shall be subject to mandatory container x-ray inspection. Consolidated shipments shall be subject to strict and full 100% examination by the examiner upon



devanning at the authorized outside container yard or designated area for physical inspection.

SECTION 6.4. For commodities where possible violations cannot be determined through x-ray scanning - such as but not limited to Intellectual Property Rights (IPR) violation, determination as to whether a particular item is brand new or used - they shall be subjected to mandatory ocular spot-checking. The Risk Management Office shall come up with a list of specific commodities susceptible to IPR violation and misdeclaration as to the condition of the commodity. The Import Assessment Service is likewise directed to come up with a list of high-value commodities to assist the Duty Examiner in determining the approximate value of the shipment.

SECTION 7. Portions of CMO Nos. 6-2007, 13-2007, 17-2008, 10-2011, 14-2007, 14A-2007, 22-2011, and all rules and regulations that are inconsistent herewith are deemed repealed or modified accordingly.

SECTION 8. If any portion of this Order is declared void, the remaining portions shall remain effective.

SECTION 9. This Order shall take effect immediately.

[Handwritten Signature]
JOHN P. SEVILLA
Commissioner



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Administrative Rules and Regulations
JUN 20 2017
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BY: *[Signature]*



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
Manila 1099

May 29, 2007

CUSTOMS MEMORANDUM ORDER

NO: 13-2007

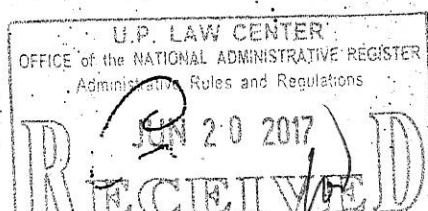
SUBJECT: SUPPLEMENTAL GUIDELINES IN THE CONDUCT OF X-RAY INSPECTION

To fully operationalize the implementation of the Bureau of Customs (BOC) X-Ray Inspection Project pursuant to Customs Memorandum Order (CMO) No. 6-2007, the following guidelines are hereby adopted:

Section 1. Operational Flow for the Manila International Container Port (MICP). The following general guidelines in the flow of containers in MICP shall be adopted:

1. Entry is filed by the importer/broker;
2. Filed entries are selected through a selectivity module in the ASYCUDA system;
3. Among the entries covering containerized shipments which are selected red, selection is further trimmed down through a computer program to arrive at a specific container to be subjected to x-ray inspection. For multiple-container entries, only one container may be selected among them;
4. An electronic instruction on the selected container shall be sent by MISTG to the Entry Processing Unit, the X-ray Inspection Office and the ICTSI to facilitate the delivery of the container to the x-ray inspection area at the access road outside the MICT West Gate;
5. Upon receipt of an entry containing an instruction to subject a particular container to x-ray inspection, the COO V shall provisionally lift the examination flag to allow the transfer of the container from the terminal to the scanning area. In the case of an entry covering multiple containers, the COO V shall lift the examination flag only for the particular container selected for x-ray inspection;
6. If, upon scanning, the x-ray image appears to be regular, a scanning report signed by the x-ray inspector shall be issued and transmitted to the Section concerned which shall determine whether the container shall undergo spot-checking or shall be released. Thereafter, the COO V may allow the release of the shipment in accordance with existing rules.

The PID and X-ray Inspection personnel shall not allow the scanned container to exit the gate without the duly accomplished examination return of the import entry;



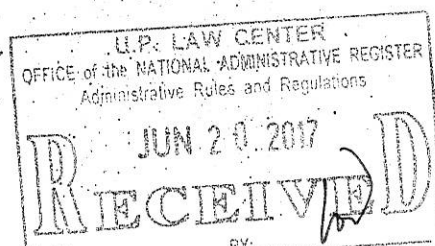
7. If the x-ray inspector finds that there are suspected portions in the container which merit a 100% physical examination thereof, the same shall be brought to CFS 2 for the scheduling of actual physical examination of the container. The shipment shall be considered alerted by the District Collector with the X-ray Inspection Office as the alerting unit. In case of entries covering multiple containers, the conduct of 100% examination of the remaining containers shall be performed at the Designated Examination Area inside the terminal, and shall be processed in accordance with existing rules;

Section 2. Operational Flow for the Port of Manila (POM). The following general guidelines in the flow of containers in POM shall be adopted:

1. Entry is filed by the importer/broker;
2. Filed entries are selected through a selectivity module in the ASYCUDA system;
3. Among the entries covering containerized shipments which are selected red, selection is further trimmed down through a computer program to arrive at a specific container to be subjected to x-ray inspection. For multiple-container entries, only one container may be selected among them;
4. An electronic instruction on the selected container shall be sent by MISTG to the Entry Processing Unit, the X-ray Inspection Office and the ATI to facilitate the delivery of the container to the x-ray inspection area at the Designated Examination Area;
5. If, upon scanning, the x-ray image appears to be regular, a scanning report signed by the x-ray inspector shall be issued and transmitted to the Section concerned which shall determine whether the container shall undergo spot-checking or shall be released. Thereafter, the COO V may allow the release of the shipment in accordance with existing rules;
6. If the x-ray inspector finds that there are suspected portions in the container which merit a 100% physical examination thereof, the same shall be scheduled for actual physical examination. The shipment shall be considered alerted by the District Collector with the X-ray Inspection Office as the alerting unit. In case of entries covering multiple containers, the conduct of 100% examination of the remaining containers shall be performed at Warehouse II and shall be processed in accordance with existing rules;

Section 3. Operational Flow for Outports. The following general guidelines in the flow of containers in the outports shall be adopted:

1. Entry is filed by the importer/broker;
2. Filed entries are selected through a selectivity module in the ASYCUDA system;
3. Among the entries covering containerized shipments which are selected red; selection is further trimmed down through a computer program to arrive at a specific container to be subjected to x-ray inspection. For multiple-container entries, only one container may be selected among them;
4. An electronic instruction on the selected container will be sent by MISTG to the Entry Processing Unit, the X-ray Inspection Office and



- the arrastre management to facilitate the delivery of the container to the x-ray inspection area;
5. In ports where the computer selectivity for x-ray inspection is still unavailable, all containers selected red under the ASYCUDA system shall be subjected to x-ray inspection. If the machine/s can handle the entire volume of importations, all container shipments shall be subject to x-ray inspection;
 6. If, upon scanning, the x-ray image appears to be regular, a scanning report signed by the x-ray inspector shall be issued and transmitted to the Section concerned which shall determine whether the container shall undergo physical spot-checking/examination or shall be released. Thereafter, the COO V may allow the release of the shipment in accordance with existing rules.
 7. If the x-ray inspector finds that there are suspected portions in the container which merit a 100% physical examination thereof, the same shall be scheduled for actual physical examination. The shipment shall be considered alerted by the District/Sub-port Collector with the X-ray Inspection Office as the alerting unit. In case of entries covering multiple containers, the conduct of 100% examination of the remaining containers shall be processed in accordance with existing rules;

Section 4. Miscellaneous Provisions.

1. In addition to the computer-generated container selection, the X-ray Inspection Office may subject other containers to scanning, *motu proprio* upon derogatory report against the same or upon the request of other units, which request shall be coursed through the Project Point Person;
2. Alerted shipments with request for x-ray inspection shall be coordinated by the alerting unit to the District/Sub-Port Collector, through the port's X-ray Field Officer.

Section 4. Effectivity. This Order shall take effect immediately.

NAPOLEON L. MORALES
Commissioner



07-02240
Napoleon L. Morales

