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

CUSTOMS MEMORANDUM ORDER (CMO)
NO. 12-2017

**SUBJECT: INTERIM OPERATIONAL GUIDELINES OF LAGUNA GATEWAY
INLAND CONTAINER TERMINAL INC. (LGICT), OFF-DOCK
CUSTOM FACILITY CONTAINER YARD (OCF-CY)**

Introduction. This CMO serves as an interim operational guideline of the LGICT OCF-CY, pending implementation of the Customs Administrative Order on Custom Facilities and Warehouses, consistent with CMO 32-2015 and Republic Act 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA).

Section 1. Scope. This Order shall cover the clearance procedures for incoming or outgoing shipments in the LGICT.

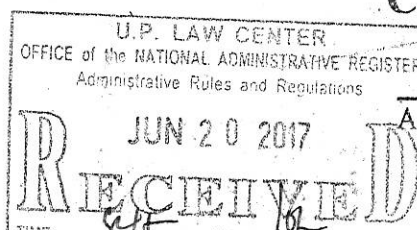
Section 2. Objectives.

- 2.1 To contribute to the improvement of port operations;
- 2.2 To accelerate trade by facilitating the customs cargo clearance process;
- 2.3 To enhance industrial productivity of PEZA Accredited companies and Customs Bonded Warehouses operating in the Laguna, Batangas, Rizal and Quezon area;
- 2.4 To facilitate the transfer of consumption goods and transit goods from port of discharge to LGICT; and
- 2.5 To strengthen control and supervision over the movement of taxable goods through maximum use of the electronic data transfer technology.

Section 3. Definition of Terms. For purposes of this CMO, the following terms are defined accordingly:

- 3.1. **Accredited Information Provider (AIP)** – shall refer to those entities accredited by the Bureau to facilitate electronic transactions with the Customs ICT System.
- 3.2. **Authority to Transfer** – shall refer to a letter authorizing the transfer of goods given by the consignee which must be under oath.
- 3.3. **Bureau** – shall refer to the Bureau of Customs.

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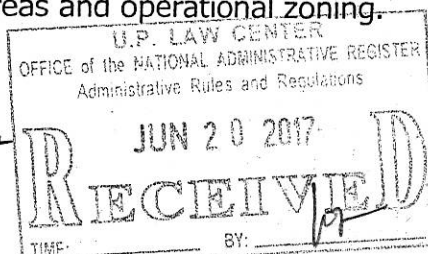


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- 3.4. **Container Terminal** – shall refer to a facility where cargo containers are trans-shipped/transferred between different transport vehicles for onward and outward transportation.
- 3.5. **Customs Facility** – shall refer to facility duly authorized to accept and store containers vans, laden or empty, intended for international shipping, that for storage within the period allowed under customs laws, rules and regulations.
- 3.6. **Customs Zone** – shall refer to an area designated by the LGICT for storage of commercial goods that have not yet been cleared by the Bureau.
- 3.7. **Formal Entry Division (FED)** – shall refer to the office in the Bureau where all consumption entries shall be filed.
- 3.8. **Inland Clearance Depot Transfer Advice (ICDTA)** – shall refer to Notice of Transfer issued to an importing individual or entity, for the transfer of the goods to a common inland user, equipped with fixed installation handles and/or temporarily stores any kind of goods, carried by land and placed under the control of the Bureau.
- 3.9. **Online Cargo Release System (OLRS)** – shall refer to an online service which enables the port or arrastre operators, other authorized warehouses and Container yard-Container Freight Stations (CY-CFS) to receive release instructions from and transmit confirmation or misroute OLRs messages to the Bureau ICT system.
- 3.10. **Transfer Permit** – shall refer to a request for transfer of Containers from port of discharge to LGICT, subject to the approval of the Deputy Collector for Operations.
- 3.11. **Transfer Note** – shall refer to the document issued by the Piers and Inspection Division whenever the Vehicle Tracking System is inaccessible.
- 3.12. **Transferred Container Monitoring Report (TCMR)** – shall refer to a summary of containers that were transported, and contains details such as "container number" and "date of transfer".
- 3.13. **Vehicle Tracking System (VTS)** – shall refer to a modern locator system which provides real-time status updates for vehicle carrying product. This includes, but not limited to, Global Positioning System and other similar tracking device.

Section 4. General Provisions.

~~4.1. LGICT shall be considered as a Customs Facility subject to Customs supervision and control, classified and operated as a container terminal with definition of areas and operational zoning.~~



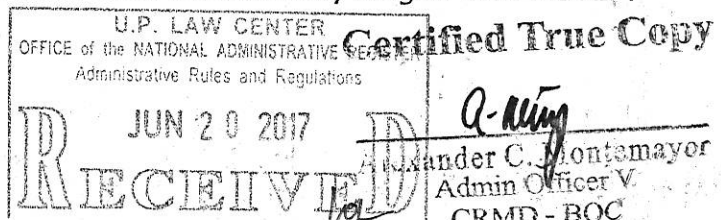
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- 4.2 The goods intended for LGICT transfer shall be declared on any of the following authorized shipping documents and shall include among others, details such as place of delivery and destination, otherwise Authority of Transfer shall be issued by the cargo owner prior to transfer:
- i. Master Bill of Lading;
 - ii. House Bill of Lading; or
 - iii. Inward Foreign Manifest.
- 4.3. LGICT shall ensure that users are duly registered in the Client Profile Registration System (CPRS) as importers/exporters in compliance with Customs regulations and in conformity with the following general conditions:
1. The user should have a good track record and business reputation;
 2. The user should be located within Southern Luzon Area; and
 3. The user should have a contribution to the national economy.
- 4.4. LGICT shall use its own and/or hired trucks and trains as soon as they become available at the port for the transfer of cargoes to LGICT.

Truckers engaged in cargo transfer must be accredited and registered carriers/truckers and/or quipped with a VTS which shall be linked to the onsite computer unit of the customs personnel assigned by the Deputy Collector for Operations. Access to the VTS shall be assigned to a principal customs personnel and his alternate, who is likewise a customs employee.

- 4.5. Information and Communications Technology enabled (ICT) Systems shall be installed to handle the documentation, inventory, records-keeping, and auditing of the truck and/or train transfers and releases to and from the LGICT.
- 4.6. Computer equipment and communication lines shall be made available for the implementation of the existing ICT system. The same shall be used for the retrieval of files such as entry declaration filed at the port of discharge, receiving of Online Cargo Release System (OLRS) instruction with the corresponding clearance channel notation, lowering of examination flag and transmission from LGICT to discharge/district collection port of relevant information for the collection of additional payment of duties/taxes or recommendation for seizure of a particular shipment.
- 4.7. The LGICT shall provide office and facilities to the Bureau personnel assigned thereat.
- 4.8. For consumption entries, before it may be transferred to LGICT, the goods declaration should have been electronically lodged with the AIP.



- 4.9. LGICT shall provide a Designated Examination Area (DEA) for the selective spot-checking and a Holding Area for cargoes under Hold or Seizure Orders, if necessary.
- 4.10. In the absence of a VTS or any equivalent tracking device, the LGICT must apply for a transfer note for each and every container to be transferred to the LGICT in the Piers and Inspection Division (PID).
- 4.11. The Bureau shall establish a Customs Clearance Unit, in charge with the clearance of inbound and outbound shipments in LGICT, composed of representatives from Enforcement Group, Intelligence Group, PID, POS and other concerned offices.
- 4.12. LGICT shall provide CCTV access to customs personnel assigned for purposes of customs zone and cargo security.
- 4.13. A Special Stop/Hold Order shall be issued for those shipments tagged red in accordance with Section 5.1.2.

Section 5. Operational Provisions.

5.1. LGICT Transfer Advise

- 5.1.1. Responsibility of LGICT. It shall be the responsibility of the duly designated LGICT official to electronically transmit the Transfer Permit and Inland Clearance Depot Transfer Advice (ICDTA) (see Annex "A") to the Office of the Deputy Collector for Operations (DCO) within 24 hours before the departure of the truck or train.
- 5.1.2. Any container may be held for transfer, based on any of the following reasons:
 - a. If the user firm is not accredited by the District Collector;
 - b. If the shipment subject for transfer is not manifested;
 - c. If there is an Alert Order; or
 - d. If there is a Hold Order.

5.2. Transfer Procedure from Port of Discharge to LGICT

- 5.2.1. LGICT shall lodge the Transfer Permit into the Bureau's ICT system via accredited AIP and shall subsequently file said Transfer Permit to DCO.
- 5.2.2. LGICT shall prepare the Transferred Container Monitoring Report (TCMR) and shall mount the cargo/es unto the truck or train (see Annex "B"). The transfer note and TCMR shall be electronically transmitted to the DCO and to the Customs Gatekeeper at the LGICT.

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- 5.2.3. LGICT shall sign the TCMR printout upon completion of the truck or train loading/unloading operations and shall submit the same to the District Office Port Customs Gatekeeper who shall then verify the accuracy of the information contained in the TCMR. If the TCMR shall be found to be in order, the LGICT shall deliver the same to the DCO.
- 5.2.4. The Customs Clearance Unit located at the LGICT shall verify and cross-check the information on the Transfer Permit as against the cargoes actually delivered by the truck or train. It shall then send a Confirmation of Delivery to the DCO via electronic data transfer. A signed copy of the TCMR shall likewise be transmitted electronically to the DCO.
- 5.2.5. The DCO or his authorized representative, shall use the Confirmation of Delivery to tag the container as "ARRIVED" in the ICT System.
- 5.2.6. The DCO or his authorized representative shall reconcile on a daily basis, the ICDTA and the accomplished TCMR to confirm the delivery and receipt of cargoes at the LGICT.

5.3. Filing and Processing of Entries for Shipments Transferred to LGICT.

- 5.3.1. The goods declaration of inbound cargoes intended for LGICT transfer, must be electronically lodged, at least 12 hours before the arrival of the vessel or upon ICT manifest submission to undergo assessment selectivity. The filing and processing of the Goods Declaration or Entry shall comply with the existing CMOs related thereto.
- 5.3.2. Release instructions shall be given by the Bureau and shall then be transmitted through the AIP OLRs system and procedure.
- 5.3.3. Pursuant to existing rules and regulations, shipments flagged for examination shall be immediately brought to the DEA where physical examination shall be conducted by the assigned customs personnel.
- 5.3.4. An audit of all OLRs releases at the facility shall be conducted by the authorized Customs officer on a weekly basis, and a report thereon shall be submitted to the District Collector, while the Commissioner shall be furnished a copy thereafter.

5.4. Shipment For Seizure

- 5.4.1. The assigned Customs personnel shall evaluate all documents, make reports and recommendations, and forward the same to the appropriate offices, through proper channels.


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- 5.4.2. The concerned Formal Entry Division Chief or equivalent officer, shall recommend to the District Collector, the transfer of any shipment for seizure to the Container Hold Area (CHA).
- 5.4.3. The authorized Customs personnel shall prepare the discrepancy, inventory and seizure report.
- 5.4.4. The District Collector shall forward the necessary documents to the Law Division for WSD.

5.5. Report and Reporting System.

5.5.1. **Responsibility of the LGICT.** The following reports shall be submitted by the LGICT electronically to the PID, Deputy Collector for Operations, District Collector, Director of Port Operations Service and the Commissioner:

- i. Monthly List of Containers Received at the LGICT.

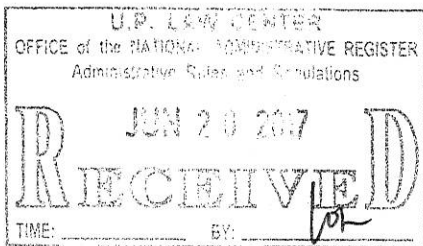
The report shall contain the following information:

- 1. Transfer Permit Number;
- 2. Container Number;
- 3. Vessel;
- 4. Registry;
- 5. Consignee;
- 6. ICDTA Number;
- 7. Date; and
- 8. Date/Time Received.

- ii. Monthly List of Containers Advised for Transfer but Not Actually Transferred. The report shall contain information the same as in subparagraph i of this Subsection, except for Receipt Data. Moreover, the report shall indicate the reasons for non-transfer and present location in the port;

- iii. Monthly List of Over-staying Containers at LGICT. The report shall contain the same details as indicated in subparagraph i; and

- iv. Unusual Incident Report. The report shall be submitted within 24 hours from the discovery of the incident containing information on matters such as, containers transferred but not received, diversion, pilferage and unauthorized withdrawal of containers from LGICT.



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5.5.2. **Responsibility of the DCO.** The DCO shall be responsible for the preparation and maintenance of an LGICT record, containing details on the transfer disposition of LGICT of containers. The electronic record shall contain the following details:

1. ICDTA Number;
2. Transfer Note/Permit Number;
3. Date of Transfer;
4. Consignee;
5. Vessel Voyage/Registry Number;
6. Container Number;
7. Description of Goods;
8. Goods Declaration Entry/Permit Number;
9. Duties and Taxes paid;
10. Date Released;
11. LGICT Gate pass Number; and
12. Bill of Lading.

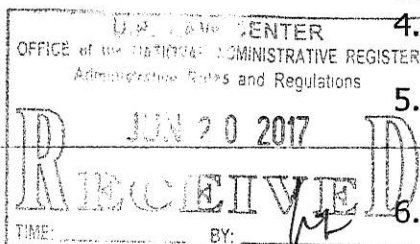
5.5.3. The DCO shall be informed on a daily basis of all transfers of containers that have reached their destination as evidenced by the ICDTA. Any transfer which shows non-arrival at the LGICT must be immediately be reported to the DCO, District Collector and the Commissioner.

5.5.4. Periodical Audit. It shall be the responsibility of the District Collector to conduct periodic audits on a monthly and yearly basis, of the operations of the LGICT to ensure that illegal activities, if any, are detected without delay and necessary measures are undertaken to protect the interest of the government. A copy of the said Audit Report must be submitted to the Commissioner.

5.6. Functions of the Other Units in the Bureau

5.6.1. Port Operation Service (POS)

1. Primarily responsible for the operations of LGICT;
2. Conduct periodic audit of LGICT's operations to ensure its compliance to this CMO and other customs related laws;
3. Serves as the repository of the updated CPRS;
4. Primary responsible for the formulation of disposal program for overstaying containers;
5. Formulate policies that will enhance the operations of LGICT and other Off-Dock Customs Facility Container Yards (OCF-CY);
6. Endeavor to set up a Container Control Program (CCP) that will be able to monitor movements of incoming and outgoing containers in the customs facilities; and



7. Perform other duties as may be directed by the Commissioner.

5.6.2. Deputy Collector for Operations (DCO)

1. LGICT shall secure clearance from the DCO prior to the actual transfer of containers from port of discharge to LGICT and vice versa;
2. Assign wharfingers in LGICT; and
3. Perform other duties as may be directed by the Commissioner.

5.6.3. Piers and Inspection Division (PID)

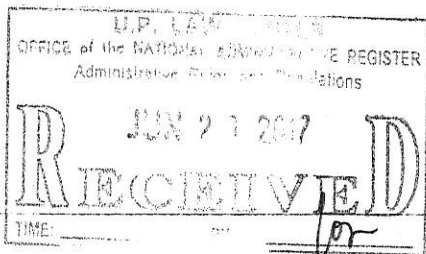
1. Monitor, post and record all incoming or outgoing container movements within the LGICT; and
2. Directly supervise and continuously monitor all containers for transfer from port of discharge to LGICT and vice versa in accordance with Section 4.10.

5.6.4. Enforcement and Security Service (ESS)

1. Maintain peace and order, security and protection of all persons, cargoes and properties within the Customs zone;
2. Provide general security for customs installation, building and properties;
3. Render police assistance to all needing the same while within the customs jurisdiction;
4. Prevent and suppress smuggling, pilferage, theft and other forms of fraud and various evasions of customs laws and other regulations enforced by the Bureau;
5. Keep records/documents of entrance and exit cargoes from the LGICT;
6. Submit periodic reports and other data that may be required; and
7. Act on related matters as may be required by authorities consistent with the assigned tasks.

5.6.5. X-Ray Inspection Project (XIP)

1. The XIP shall scan shipments electronically selected for X-ray inspection that are identified and required in reference to Section 5.3.1;
2. For shipments of personal effects, only single-consignee shipments shall be subject to mandatory container X-ray inspection; and
3. Scan shipments with derogatory information as ordered by the Deputy Commissioner for EG pursuant to Section 6.1 of CMO No. 6-2014.



5.6.6. Customs Intelligence and Investigation Service (CIIS)

1. Coordinate with PID in the monitoring of outgoing and incoming shipments bound to the LGICT; and
2. Coordinate with the registered companies, through the Office of the District Collector, relative to the request to witness and verify the examination of the assigned Customs Examiners for inbound and outbound cargoes based on derogatory information. Said procedure shall require a Mission Order and submission of an After-Mission-Report.

Section 6. Personnel. The Bureau shall provide and assign the following personnel in the LGICT:

- a. At least two (2) Wharfingers;
- b. At least two (2) Customs Guards;
- c. At least two (2) ESS Representatives;
- d. CIIS Representatives;
- e. POS Representatives; and
- f. Any other personnel as may be deemed necessary.

Section 7. Additional provision. The Bureau may issue supplementary orders or memoranda for the operation or enhancement of the LGICT.

Section 8. Repealing Clause. All rules and regulations inconsistent with this order are hereby deemed repealed, superseded or modified accordingly.

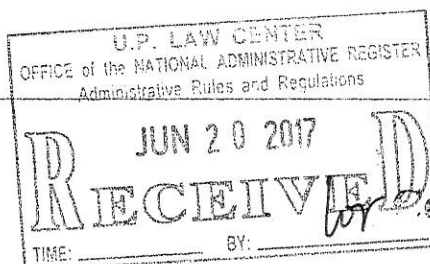
Section 9. Separability Clause. If any part of this Order is declared unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.

Section 10. Effectivity Clause. This Order shall take effect immediately.



NICANOR E. FAELDON
 Commissioner



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