



Date JUL 05 2022

CUSTOMS MEMORANDUM ORDER

NO. 19 - 2022

SUBJECT: IMPLEMENTATION OF THE ELECTRONIC ZONE TRANSFER SYSTEM (E-ZTS) FOR THE INTER-ZONE TRANSFER OF GOODS BETWEEN PEZA-REGISTERED ENTERPRISES (PRES)

Introduction. This Customs Memorandum Order (CMO) implements CAO No. 11-2019 on the Admission, Movement and Withdrawal of Goods in Free Zones, in relation to Bureau of Customs (BOC)-Philippine Economic Zone Authority (PEZA) Joint Memorandum Order (JMO) No. 2-2015 dated July 2015 and the 2018 Memorandum of Agreement (MOA) between BOC and PEZA as circulated under Customs Memorandum Circular No. 27-2018.

Section 1. Scope. This CMO shall cover the implementation of the Electronic Zone Transfer System (e-ZTS) for the transfer of goods from an Ecozone Export Enterprise (EEE) or an Ecozone Logistics Service Enterprise (ELSE) to another EEE or ELSE located in a different PEZA Zone.

Section 2. Objectives.

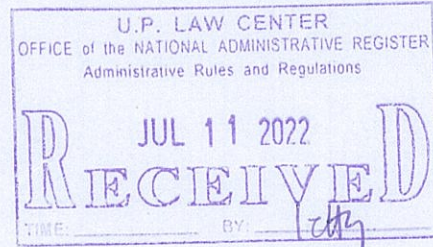
- 2.1. To automate the BOC-PEZA operations governing inter-zone transfers and the Bring-In and Bring-Out of goods to/from the PEZA economic zones to other PEZA economic zones pursuant to Section 4.3.2 of CAO No. 11-2019, BOC- PEZA JMO No. 2-2015 dated July 2015 and the 2018 MOA between BOC and PEZA.
- 2.2. To provide guidelines and institute measures to safeguard the transfer of goods from one PEZA zone to another PEZA zone.
- 2.3. To improve the competitiveness of enterprises doing business in the countries' economic zones and align their operations with the global best practices.
- 2.4. To clearly define the duties and responsibilities of Customs Personnel in the transfer of goods from EEE Facilities to other EEE Facilities or ELSE Locators.

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Section 3. Administrative Provisions.

3.1. Posting of the General Transportation Surety Bond (GTSB).

All EEE/ELSE locators desiring to transfer their goods to other EEE/ELSE shall be required to post a GTSB, the face value of which shall be computed as follows:

$$\frac{\text{Total FOB value of goods transferred} \\ \text{For the preceding three-month period}}{90 \text{ days}} \times 7 \times 14\%$$

The GTSB shall be valid for a one-year period and there shall be no need for the Bureau to check on the GTSB value for "charging/debiting" or for crediting for every transfer of goods under this Order.

No PRE can transfer goods to partner PRE without having posted a GTSB duly approved as provided for in JMO No. 2-2015 and this CMO.

3.2. Duties and Responsibilities of Customs Officials. Customs officials in the Ecozone shall be charged with the following duties and responsibilities with respect to the inter-zone transfers of goods:

3.2.1. Approval of the General Transportation and Surety Bond (GTSB) to ensure that there is adequate security for the goods being transferred to another PEZA Zone.

3.2.2. Selective examination of the goods covered by the electronic Zone Transfer Document or e-ZTD, before exiting from the ecozone of originating PRE and upon arrival of the transferred goods to the destination ecozone of the receiving PRE. PREs shall ensure only duly-approved goods are contained in said transfers.

3.2.3. Support tracking transfer to identify transfers that may have diverted from the intended destination.

3.2.4. Support initiation at the earliest possible recovery operation for diverted transfer and certification of the GTSB.

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- 3.2.5. Support the spot-checking at the destination location to check if the goods approved for transfer were successfully delivered at the approved destination.

Section 4. Operational Provisions.

4.1. Filing and Approval of the GTSB.

- 4.1.1. The duly designated PRE shall obtain the GTSB required from any of the Customs Accredited Surety Companies.

- 4.1.2. The PRE or its authorized representative shall submit the notarized GTSB Application for the Zone Transfer Document (ZTD) (Annex "A") and three (3) copies of the GTSB to the Head of the Customs Office based in the zone for approval.

- 4.1.3. Approval of the GTSB Application by the assigned Customs officer must be based on the following:

- a. Completeness of the Application Form;
- b. Correctness of the mathematical computation (Declared F.O.B. Value to be presumed correct subject to subsequent PEZA verification);
- c. Verification of the GTSB with the issuing surety company thru telephone or other fastest means available;
- d. Compliance of the GTSB with the format and content of the GTSB Template (Annex B);
- e. Uploading the secured and approved GTSB by the EEE in the eZTS following the procedures outlined in Annex "C"; and
- f. Verification of the uploaded GTSB by the BOC/PEZA officer in the e-ZTS following the steps in Annex "D".

- 4.1.4. If in order, the GTSB application shall be approved and distributed as follows:

- a. **BOC** – Original copy of the application and the GTSB;
- b. **PEZA Zone Officer** – Second copy of the GTSB and copy of the application filed by the PRE with the BOC; and
- c. **PRE** – Third copy of the GTSB.

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A scan/photocopy of the original GTSB application must be taken and attached to an email addressed to the PEZA Zone Officer.

- 4.1.5.** The approved GTSB must be lodged/uploaded in the e-ZTS prior to the first application or filing of the e-ZTD.

4.2. Examination of Goods for Transfer.

- 4.2.1.** The originating PRE must apply for the transfer of goods to the receiving PRE using the Electronic Zone Transfer Document (e-ZTD) of the e-ZTS.

- 4.2.2.** The goods for transfer must be physically segregated or immediately located to the carrying truck where these may be examined by BOC.

- 4.2.3.** BOC Officer must monitor the e-ZTS screen display unit for submitted e-ZTDs and determine based on risk assessment whether or not to physically examine the goods.

- 4.2.4.** The BOC Officer shall have a 30-minute window within which to exercise its option to inspect the goods and inform PEZA, through the fastest means, of such option within the prescribed 30-minute period. Failure to indicate intent to examine will free the goods for withdrawal and transfer.

- 4.2.5.** BOC must keep a printed copy of the e-ZTD for spot-checking and other monitoring activities.

4.3. Monitoring of Transfer.

- 4.3.1.** BOC Officers shall be responsible for checking that the goods transferred arrives safely at the partner locator premises and are duly received thereat. In general, the above shall be performed by:

- a. Checking the status of the e-ZTD in the e-ZTS as already delivered/received;
- b. Verification through the fastest means possible with the EEE/ELSE locator and EEE operator if the transfer has been completed;

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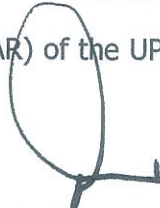

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- c. On selection basis following Risk Management to proceed to the goods' destination if goods arrived thereat; and
- d. BOC Officer shall ensure that "View Only" access is provided in the e-ZTS by PEZA-Accredited VASPs.

Section 5. Repealing Clause. Provisions of any CMO, Orders, or Memoranda inconsistent herewith are deemed repealed or modified accordingly.

Section 6. Effectivity. This Order shall take effect on JUL 15 2022.

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this CMO.



REY LEONARDO B. GUERRERO
Commissioner



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CMO No. 19-2022



BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY

ANNEX A

TO : (Officer-in-Charge
Customs PEZA Office
(PEZA Zone)

FROM : Authorized Officer
PEZA-Registered Company

DATE : (Date of Application for Approval of GTSB)

SUBJECT: GTSB Application for the Zone Transfer Document (ZTD)

Sir,

Pursuant to JMO 02-20215 as implemented by CMO _____, respectfully submitted is the attached GTSB issued by _____, a duly BOC Accredited Surety Company in the amount of Php _____ computed as indicated below:

(Please write the second column the instruction indicated in the adjacent box of the first column)

1. Total FOB Value (inclusive the amount of imported goods) of all transferred goods for the preceding three-month period	
2. Divided the total of box #1 by 90	
3. Multiply the result of box #2 by 7	
4. Then multiply the result of box #3 by 14%	
THE FACE VALUE OF GTSB	Php _____

Please fill up the following information:

- Address of the Bonding Company: _____
- GTSB Bond Number : _____
- Name of PRE Company: _____
- Address of PRE Company: _____

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CNO NO. 19-2022

-
- Name of Principal (PRE Company): _____
 - _____
 - Name of Bond Underwriter: _____

Approved by:

Customs Officer (Signature over Printed Name)

Important Reminders:

1. This application form is **under oath** and should be **notarized when approved**.
2. It shall be the responsibility of the BOC Approving Officer to verify that the GTSB is duly issued by the Bonding Company by telephone or any other means.
3. BOC Officer to make sure the GTSB Application Form contains all the important elements of a GTSB.
4. A Certified True Copy of this GTSB Application, a copy of the GTSB and OR should be with the BOC for safekeeping.

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ANNEX B

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

SURETY BOND



GTSB

Number

Pursuant to BOC Joint Memorandum Order No. 02-2015

KNOW ALL MEN BY THIS PRESENTS:

That I/We _____
located at _____ as
PRINCIPAL and _____ (Bonding
Company), a corporation duly organized and existing under and by virtue of laws of
the Republic of the Philippines, as SURETY are held firmly bound unto the
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, in the sum of PESOS
_____ Philippine Currency for the
payment of which sum, we bind ourselves, our heirs, administrators, successors and
assigns, jointly and severally, firmly by this presents.

Whereas the above-bounded Principal is duly registered with the Philippine
Economic Zone Authority (PEZA) and will, from time to time between the date hereof
and _____ import into the Philippines raw materials and articles
for the account of its Partner locator to be used by the Partner Locators in the
Production, manufacture and or manipulation of products principally for export in
connection with its registered activity;

Whereas, such raw materials, supplies and other articles may be
cleared/released at the _____. PEZA exempt from payment of
customs, duties, and internal revenue taxes pursuant to Republic Act No. 7961, as
amended;

Whereas, there is a need to secure such raw materials, supplies, and other
articles that shall be transported and conveyed from the Principal's premises to its
Partner Locators premises without any police escort or guard from the PEZA Economic
Zone concerned, the form of security is determined as a General Transport and
Security Bond to protect against the possibility of loss, damage, theft, and/or diversion
after clearance/release at the PEZA Enterprise Assistance Division of the above-

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bounded Principal located at the PEZA Economic Zone in accordance with the regulations prescribed by the Bureau of Customs and/or the Philippine Economic Zone Authority, especially pursuant to the BOC-PEZA Joint Memorandum Order No. 02-2015 and its implementing regulations;

Whereas, to facilitate the transport, conveyance, and delivery of the above-described importation, the General Transport Bond is required to be posted with the Customs Collector at the Enterprise Assistance Division of the particular above-bounded Principal and to protect the interest and revenue of the government.

Now, therefore, the conditions of its obligation are such that if the above-bounded Principal shall duly observe and faithfully comply with Joint Memorandum Order No. 02-2015 as amended and other regulations pertaining to the transport and prompt delivery intact of its imported raw materials, supplies and articles to destination Ecozone and plant site in the manner prescribed by the regulation, or in default thereof shall pay the Republic of the Philippines for the liquidation damages plus the customs duties, internal revenue taxes and other charges due on importation concerned together with all costs, charges, and delivery for any cause or reason whatsoever and shall also protect and save harmless the Republic of the Philippines for any loss or damages resulting from fraud or negligence on the part of any official, agent, Principal, then this obligation shall be null and void, to remain the full force and effect.

WITNESS OUR HANDS AND SEAL, on this _____ day of _____,
_____ at _____ Philippines.

Principal

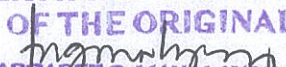
By:

By:

Approved:

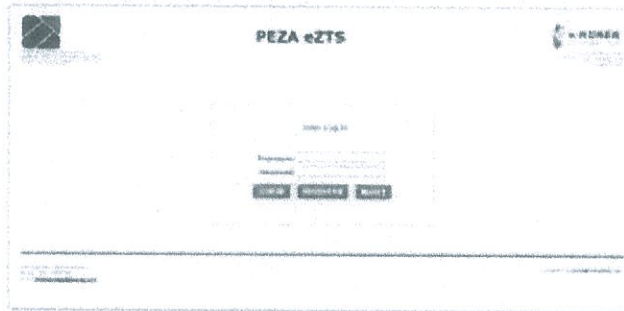
OIC, Customs Office
(PEZA Zone)

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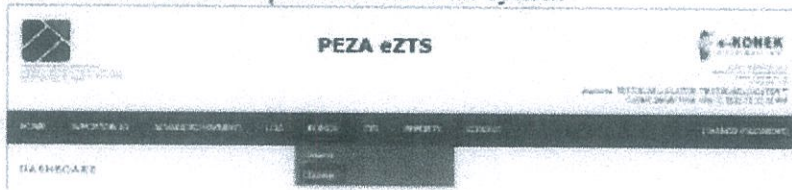
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Processes in uploading the issued and approved GTSB in the PEZA eZTS.

1. The Ecozone Export Enterprise or Ecozone Logistic Services Enterprise user will log in to the system (PEZA eZTS)
 - a. Access the URL link provided by the Value Added Services Provider (VASP).
(example: <https://pezaapps.ekonek.com/ezts/>)
 - b. Type the login credentials provided by the VASP
 - c. Click on the **LOGIN** button



2. To proceed in the uploading of the issued and approved GTSB
 - a. Click the **Bond** in the menu bar of the system
 - b. Select **Create** in the dropdown menu of the system



- c. Type the correct data on the following data field:
 - Bond Reference Number
 - OR Number
 - Bond Amount (Ph)
 - Surety Company/Bonding Company
 - Bond Expiration Date
 - To attach the document copy of the Bond, click on the **Choose Files** button to select the bond document from the computer file folder.

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Bonds Application

Bond Reference Number	<input type="text"/>
OR Number	<input type="text"/>
Bond Amount (PHP)	<input type="text"/>
Bonding Company	<input type="text"/>
Expiry Date	<input type="text"/>
Attachment	<input type="button" value="Choose File"/> No file chosen

3. To link the approved eLOA in the Bond.

- Select the eLOA reference Number from the list of approved eLOA in the box
- Click the **Add** button.

APPROVED LOA
* Please select LOAs for Bonds Application

<input type="text" value="ELSE-TSTO-IE-004655-21E"/> <input type="text" value="ELSE-TSTO-IE-004648-21E"/> <input type="text" value="ELSE-TSTO-IE-004329-21E"/>	<input type="text"/>
<input type="button" value="Add"/>	<input type="button" value="Remove"/>

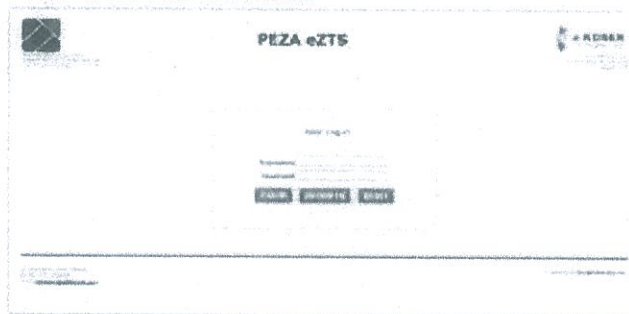
4. Click on the **Submit** button to upload or submit the Bond in the system

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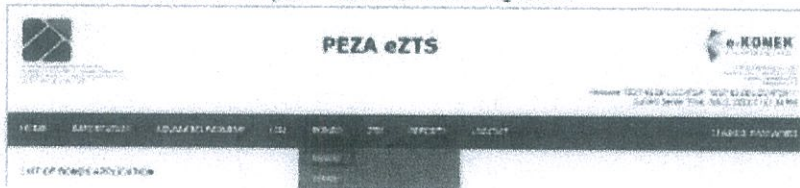
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Processes in verifying the uploaded GTSB in the PEZA eZTS.

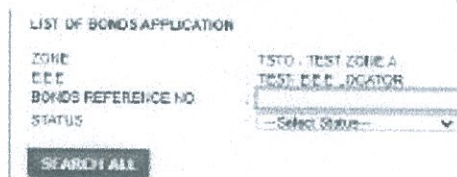
1. The Ecozone Export Enterprise or Ecozone Logistic Services Enterprise user will log in to the system (PEZA eZTS)
 - a. Access the URL link provided by the Value Added Services Provider (VASP). (example: <https://pezaapps.ekonek.com/ezts/>)
 - b. Type the login credentials provided by the VASP
 - c. Click on the LOGIN button



2. To proceed in the verification of the uploaded GTSB
 - a. Click the **Bond** in the menu bar of the system
 - b. Select **Search** in the dropdown menu of the system



3. To retrieve the uploaded Bond in the system.
 - c. Type the Bond Reference Number in the field and select the status in the dropdown (the status is optional in retrieving with Bond Reference Number provided)
 - d. Click the **Search** button.



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4. Click on the Bond Reference Number to view the details of the Bond.



Bond Account Details

Bond Reference Number	021822JVI
Bond CR Number	021822JVI
Bond Amount (PHP)	10,000
Bonding Company	Sam Company
ELSE	TEST-ELSE-LOCATOR
Expiration Date	2022-08-01 23:59:59
Attachment	1 images Attached Image Click to View
LOA Reference Number	0156-TTID-TR-RECORDS-100
Expiry Date	July 14, 2022

[PRINT](#) [BACK](#)

Note: click on the attached image button to view the attached copy of the GTSB.

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