



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

March 28, 2007

**CUSTOMS MEMORANDUM ORDER**

No. 6-2007

**SUBJECT: IMPLEMENTING GUIDELINES ON CUSTOMS X-RAY INSPECTION PROJECT**

Pursuant to the provisions of Executive Order No. 592 and to pave the way for the operationalization of Customs Memorandum Order No. 30-96 dated September 19, 1996, the following guidelines for the BOC X-ray Inspection Project (X-RAY PROJECT) are hereby promulgated:

**SECTION 1. OBJECTIVES:**

- 1.1. To further facilitate the clearance of legitimate imported goods
- 1.2. To enhance the Bureau's capability in detecting/monitoring shipments suspected to contain contraband, anti-social goods and/or those the importation of which are attendant with fraud;
- 1.3. To increase revenue collections by utilizing state of the art technology;
- 1.4. To set up a Bureau-wide human resource career development program that will establish a professional labor force in the field of Customs x-ray inspection, and formulate guidelines for recruitment/screening, selection, appointment, placement, promotion, welfare/incentive system and other personnel matters.

**SECTION 2. COVERAGE.-** This Order shall cover all ports with x-ray scanning equipment owned and operated by the Bureau of Customs and other similar equipment including parts and spare parts thereof, and other tangible assets of the Bureau of Customs especially designated for x-ray inspection of cargoes and container vans, among others.

**Section 3. CONTROL AND SUPERVISION.** - To rationalize and harmonize the operations of existing and newly acquired container x-ray equipment, and to fully assist the X-ray Project in its aim to migrate into a full Service of the Bureau of Customs, the **BOC X-RAY PROJECT** shall be placed under the Office of the Commissioner, with the Commissioner as the overall Project Head who shall be assisted by an Executive Assistant and Project Point Person who shall oversee the operational and administrative functions of the Project. The Interim Scanning Unit is hereby integrated into the **BOC X-RAY PROJECT** and henceforth reverted back to its original office at the Office of the Commissioner under the direct control and supervision of the Commissioner. The

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duties and responsibilities of the Project Manager shall be transferred to the Executive Assistant and Project Point Person.

**Section 4. SELECTIVITY.** - Subject to machine availability, shipments subject to scanning operations are selected pursuant to the following general criteria:

1. Alerted shipments;
2. Shipments that cannot be examined by using regular examination procedures (e.g. dangerous chemicals, paints, liquid concentrates, etc.);
3. Shipments processed under informal entry (e.g. bales of clothing, balikbayan boxes, personal effects, etc.) especially those coming from high risk countries;
4. Consolidated shipments before delivery to consignee's warehouse;
5. Those originating from high-risk countries;
6. Export shipments. For big volume shipments, square root formula shall be applied in the selection of the containers to be scanned;
7. Those shipments subject for x-ray scanning on the basis of derogatory report against the same;

In the identification of the attendant risks, the Executive Assistant shall be given full cooperation and support by MISTG, RMG, CIIS-ID, ESS, all District Collectors concerned and the Post Entry Audit Group. He shall appoint an Executive Officer to handle the profiling and risk assessment capability of the Project.

As much as possible, profiling, analysis, and generation of risk profiles shall be through information technology systems. In this case, the Executive Assistant shall be given full access to available information, including data acquired from the implementation of the ASYCUDA World.

**Section 5. SCANNING AS AN ALTERNATIVE TO PHYSICAL EXAMINATION.** - As envisioned by CAO 1-2002 dated January 30, 2002, the x-ray facilities, both parcel and container x-ray units, may be used as alternatives to actual physical examination under existing selectivity systems pursuant to the applicable provisions of the TCCP, as amended

**Section 6. PLACE OF X-RAY SCANNING.** - The x-ray scanning shall be conducted at the designated station at all ports where the x-ray machines are located or at a designated area as may be determined by the Executive Assistant, subject to existing guidelines and regulatory requirements.

**Section 7. OPERATIONAL PROVISIONS:**

1. Pre-delivery selectivity
  - a. To facilitate the selection of containers subject for x-ray inspection, the present selectivity scheme shall be employed. Shipments which are selected red shall be subject to x-ray inspection, unless the x-ray machines cannot handle the volume of selected shipments, in which case, the containers subject for x-ray may be further reduced upon clearance from the

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Executive Assistant or his duly authorized representative. The result of the x-ray examination shall serve as guide by the examiner in ensuring the regularity of the cargo without stripping the container of its contents.

- b. The Executive Assistant shall have its own profiling and evaluation team to conduct its own risk assessment work to assist the Risk Management Group in the selection of containers for x-ray inspection.

## 2. Actual scanning operations

- a. Prior to scanning, the operator shall first check the import documents of the containerized shipments to be subjected to x-ray scanning inspection and make an ocular inspection to verify the container number and size as reflected on the import documents. The scanning inspector shall have a copy of the import entry, bill of lading, packing list or any other documents that would identify the contents of the container subject for scanning.
- b. If upon scanning, the image analysis inspector cannot find any suspected image or irregular pattern thereon, he shall input the proper notation on the screen and secure a printed copy of the image with his final conclusion. He shall print two copies of the image, one to be attached to the import documents and the other copy to be submitted to his immediate supervisor as part of his daily report. The inspector shall then write or stamp at the entry **SCANNED IMAGE APPEARS TO BE REGULAR**. For alerted shipments, however, it shall not prohibit the alerting unit or the examiner to conduct a 100% examination of the shipment. Moreover, the assigned examiner shall have the option to conduct further examination on the shipment.
- c. If upon scanning, the image analysis inspector detected suspected shipments inside the container when compared to the scanned import entry, he shall immediately input his conclusion in the appropriate field as **SUSPECTED** and print two copies of the image highlighting the exact location of the suspected portion of the container.
- d. The scanning supervisor shall immediately order an actual physical examination on the suspected portion of the container in the presence of the assigned examiner and other authorized witnesses as if the shipment was placed under alert order. The field officer shall assign an inspector to assist the examiner in locating the suspected item inside the container.
- e. If the actual physical inspection turned out to be negative, the field supervisor shall then make the proper notation on the printed copies of the image as well as on the entry highlighting the findings of the examiner. He shall then recommend to the Executive Assistant or his duly authorized representative the release of the shipment. The entry and the image shall then be stamped **NO OBJECTION TO THE RELEASE**. Such notation shall form part of the record of importation.
- f. If the alerted cargo is a consolidated shipment, the suspected shipment shall be segregated from the rest of the consolidation

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- g. If the inspectors detect any radioactive material inside the container, they should immediately stop the scanning process and inform their immediate supervisor regarding the same and who shall in turn relay the same to the Executive Assistant, through the fastest means of communication available. In the meantime, the container shall be immediately transferred to the designated holding area for radioactive materials and the shipment turned-over to the appropriate unit of the Bureau;
  - h. Upon completion of the operation, the Field Officer shall prepare a daily report addressed to the Executive Assistant. The said report shall include the findings or results of the examination.
  - i. The Field Officer shall see to it that the scanning operation shall not impede or hinder the normal clearing time for cargoes in pursuit of trade facilitation.
3. X-ray scanning may still be performed for containers cleared for release or not selected for x-ray inspection upon receipt of derogatory reports against the same. The Field Officer, in doing this shall first inform the Executive Assistant of such action.
  4. Existing scanning operations being implemented in ports with scanning equipment other than the newly purchased mobile and relocatable x-ray machines shall continue to be implemented pursuant to Customs Memorandum Order No. 21-96. All Field Officers of these ports shall be under the direct control and supervision of the Executive Assistant.

**Section 8. RESPONSIBILITY OF THE SCANNING PERSONNEL AND OFFICIALS.** - X-ray Field Officers and Operators shall ensure that the handling, maintenance and safekeeping of the x-ray equipment properly performed. The machines should in no way be handled by other Customs personnel without the suitable training and orientation on the proper handling and safety of the equipment.

The Field Officers shall report directly to the Executive Assistant on all matters pertaining to the x-ray operation in their respective areas.

The Executive Assistant or his duly designated representative shall conduct periodic review of the performance of the operatives and shall recommend to the Commissioner for the addition or removal of personnel to/from the Project.

The deployment of scanning personnel to the different ports shall be the sole responsibility of the Executive Assistant and he may assign new tasks and responsibilities as he may deem fit under the circumstances.

**Section 9. SCANNING OF SHIPMENTS UNDER ALERT/HOLD ORDERS** - Shipments subject of any Alert/Hold Order issued by competent authorities may still be required to undergo actual physical examination by the assigned Customs Examiner to be witnessed by a representative from the Field Office, with proper guidance from the image generated during the scanning operation.

**Section 10. INVESTIGATION AND PROSECUTION OF SEIZURE AND OTHER CASES INITIATED UNDER THE X-RAY PROJECT.**- The Executive

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Assistant shall initiate remedial measures to protect the interest of the government, particularly for goods scanned and found to be misdeclared or those containing contraband or prohibited items. He shall order the conduct of preliminary investigation for possibility of filing criminal and other charges. He shall assign lawyers under his supervision to prosecute seizure cases that might be pending in the concerned port.

The Executive Assistant shall coordinate with other investigation units within the Bureau to mutually reinforce their respective duties and responsibilities.

In the exercise of this responsibility, the Executive Assistant is hereby given authority to invoke the provisions of Section 3503 of the TCCP, as amended.

**Section 11. INSTALLATION OF CLOSE-CIRCUIT TELEVISION (CCTV) AT SCANNING HEADQUARTERS.**- Subject to budgetary requirements, the Scanning Headquarters shall be equipped with a Close-Circuit Television (CCTV) to monitor on real-time the actual operations of the scanning equipment all over the Philippines.

Where warranted, a remote viewing of images generated in real time may be likewise installed at the Scanning Headquarters.

**Section 12. MISCELLANEOUS PROVISIONS.** - The Executive Assistant shall submit report and updates to the Commissioner of Customs on the performance of the Project.

Pending allocation of the share for administrative support to be taken from the Container Security Fee, the Budget Division-Financial Management Office is hereby authorized/directed to allocate the funding requirement of the Project chargeable against the Bureau's appropriation, subject to usual accounting and auditing rules and regulations.

The Executive Assistant shall immediately prepare the necessary guidelines for the upgrading of the BOC X-ray Project into a full time Career Service within the Bureau of Customs.

To provide continuity of the Project, the Chairman of the former BOC X-Ray Scanning committee created pursuant to Special Order No. 4-2007 shall be the Executive Assistant and Project Point Person.

**Section 13. REPEALING CLAUSE.**- All Orders, memoranda, circulars or parts thereof which are inconsistent with this Order are hereby deemed repealed and/or modified accordingly.

**Section 14. EFFECTIVITY.** - This Order shall take effect immediately.

NAPOLEON L. MORALES  
Commissioner

