



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
PORT OF MANILA
Customs District II-A
South Harbor, Manila



21 April 1997

Customs Memorandum Order

No. 11-97

Subject: Establishment of the ATI-Calamba Inland Clearance Depot (ICD)
as Extension of the South Harbor.

1. OBJECTIVES

- 1.1. To contribute to the improvement of the operations of the Port of Manila by authorizing the operation of an inland port.
- 1.2. To accelerate trade movement by facilitating customs cargo clearance process.
- 1.3. To enhance industrial productivity of companies operating in the CALABARZON area.
- 1.4. To improve existing cargo monitoring systems through the introduction of state-of-the-art technology like the Vehicular Tracking System. (VTS).

2. GENERAL PROVISIONS

- 2.1. There is hereby established an ATI-ICD which shall be considered as an extension of South Harbor, subject to customs supervision and control and to be treated, operated like the container terminal and/or CFS inside the customs zone.
- 2.2. The operation of the ICD must comply with the following general provisions:
 - 2.2.1. Prior accreditation by the District Collector of Customs, POM, of prospective ICD users based on the criteria set by the Commissioner of Customs which for now are as follows:
 - 2.2.1.1. TRACK RECORD: The firm's general business reputation must be beyond reproach. The company or any of its officials must not have any delinquency nor derogatory records with the bureau e.g. no pending criminal / administrative case and/or confirmed liabilities with the bureau.
 - 2.2.1.2. PROXIMITY TO THE ICD: The plant facilities of the applicant firm must be within the CALABARZON area. Exceptions to this criterion may be recommended to the Commissioner for approval.
 - 2.2.1.3. CREDIT WORTHINESS: The applicant firm must present a DUN & BRADSTREET or similar report showing good standing
 - 2.2.1.4. CONTRIBUTION TO THE ECONOMY: It must be demonstrated that the use of the ICD by the firm will boost

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the efficiency of its operation and contribute to the economic well-being of the country.

- 2.2.2. Only trucks / vehicles equipped with a Vehicle Tracking System (VTS) shall be accredited and utilized by the port operator in the transfer of cargoes to the ICD
- 2.2.3. Computer systems must be installed to handle the documentation, inventory, records-keeping and audit trail of all transfers to and releases from the ICD.
- 2.2.4. Computer equipment and communication line (leased line) must be made available for the implementation of the Automated Customs Operation System (ACOS), retrieval of file of entry declaration registered at the South Harbor, receipt of OLRIS instruction with the corresponding clearance channel notation, lowering of the examination flag and transmission from ICD to South Harbor of relevant information for the collection of additional payment of duties/taxes or recommendation for seizure of a particular shipment.
- 2.2.5. Allocation of a Designated Examination Area. (DEA)
- 2.3. ATI shall guarantee and assume full responsibility for the payment of duties and taxes in case goods are lost during transit and after transfer to the ICD. In the absence of definitive documentary basis such as entry, CRF or invoice for determining the amount, the duties and taxes payable shall be PHP 1 million / TEU.
The Bureau of Customs shall send a demand letter to the port operator demanding payment within three (3) working days from receipt thereof. Failure to pay the amount within the prescribed period shall be sufficient ground for the District Collector to suspend the operation of the ICD until such time that the obligation has been fully settled.
- 2.4. The ICD shall be headed by a Customs Supervisor as may be designated by the District Collector who shall likewise assign such number of personnel necessary to ensure the efficient operation of the facility.

3. OPERATIONAL PROVISIONS

3.1. PROCESSING OF REQUESTS FOR TRANSFER

- 3.1.1. Responsibility of the user firm - At least 36 hours prior to the arrival of the vessel at the port, the duly designated official of the user firm must submit a copy of the Bill of Lading and the Packing List to ATI which the latter shall attach to the Inland Clearance Depot Transfer Request (ICDTR), sample of which is appended as Annex "A".
- 3.1.2. Responsibility of ATI - It shall be the responsibility of the ATI duly designated official to lodge the ICDTR to the office of the Deputy Collector for Operations 24 hours before vessel arrival.

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- 3.1.3. The Document Processor, Office fo the Deputy Collector for Operations, shall ascertain the following:
- 3.1.3.1. The authenticity of the signature appearing therein as against the specimen signature on file.
 - 3.1.3.2. Whether or not applicant is accredited by the District Collector of Customs
 - 3.1.3.3. Whether or not shipment subject of transfer is manifested.

If everything is in order, he submits the ICDTR to the DCO for approval.

- 3.1.4. The DCO approves application if in order, by affixing his signature on the space provided for on the form.
- 3.1.5. Duty Stop is removed by the OLRs operator and indicates on the REMARKS portion: Transfer to ATI - Calamba ICD. He then distributes the approved ICDTR as follows:
- Sheet #1- Piers & Inspection Division
 - Sheet #2- Port Operator
 - Sheet #3- Deputy Collector for Operations
 - Sheet #4- VTS Monitoring Unit, CIIS
- 3.1.6. The PID Chief, upon receipt of his copy (Sheet #1) shall officially transmit the same to the Customs Gatekeeper.

3.2. TRANSFER PROCEDURE

- 3.2.1. Port Operator prepares the Transferred Containers Monitoring Report (TCMR) and mounts cargoes onto the trucks (see Annex "B").
- 3.2.2. Port Operator signs the TCMR upon dispatch of trucks and presents same to Customs Gatekeeper.
- 3.2.3. Customs Gatekeeper verifies accuracy of information on approved ICDTR and TCMR as against cargoes to be transferred. If in order, he completely fills up all applicable boxes in the TCMR. He then submits to the DCO the TCMR and the ICDTR.
- 3.2.4. Upon release at the gate, the VTS technology will be utilized in lieu of underguarding.
- 3.2.5. To ensure that the VTS is working, it shall be the duty of the Port Operator to inform the CIIS-VTS Monitoring Team by radio/telephone that the trucks carrying the shipment are about to depart so that the necessary systems checks can be undertaken. It shall be the responsibility of ATI to see to it that all transfers to the ICD are tracked through VTS. To this effect, ATI shall assign its liaison officer in the VTS room, CIIS, to receive messages from ATI monitoring office that shipments are already on their way out of the port so that the VTS computer tracking system is activated.

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FAILURE TO TRACK SHALL BE THE RESPONSIBILITY OF ATI.

- 3.2.6. The Customs Gatekeeper at the ICD shall match the information on the TCMR presented by the truck deliver as against cargoes delivered. If in order, he completely fills-up all applicable boxes in the TCMR. Within 15 minutes thereafter, he shall call (by radio or by phone) the VTS Monitoring Unit to report the completion of the delivery. He then sends through fax a copy of the TCMR to the DCO within 2 hours from completion.
- 3.2.7. The VTS Monitoring Unit updates the computer system to reflect completion of delivery and generates a computer print out which he shall send to the DCO. If the Customs Gatekeeper at the receiving ICD fails to report delivery completion by radio/phone within 15 minutes, it shall call the ICD Customs Gatekeeper to inquire on status.
- 3.2.8. The DCO reconciles, on a daily basis, the approved ICDTR, the accomplished TCMR and the report of the CIIS-VTS monitoring team to confirm delivery and receipt of cargoes at the ICD.

3.3. TRANSHIPMENT TO ATI-ICD OF CARGOES DISCHARGED AT MICT

- 3.3.1. In case cargoes destined to ATI-ICD are discharged at MICT, the procedures in 3.1.1, 3.1.2, 3.1.3 & 3.1.4 must first be done at the POM except for the verification with the manifest portion. ATI then files Transshipment Permit with the DCO at MICT following existing transshipment procedures together with an undertaking that ATI shall guarantee and assume full responsibility for the payment of duties and taxes in case goods are lost during transit and/or after transfer to the ATI-ICD and attaching to the Transshipment application a copy of the ICDTR.
- 3.3.2. The DCO, MICT, forwards through fax a copy of the approved Transshipment Permit to the CIIS-VTS Monitoring Unit.
- 3.3.3. At least 2 hours prior to the departure of the shipment from MICT, ATI shall submit the following information, in writing, to the CIIS-VTS Monitoring Unit:
- a) Name of Trucker
 - b) Name of Driver
 - c) Truck Plate Number
- 3.3.4. Same as 3.2.4 and 3.2.5.
- 3.3.5. The Customs Gatekeeper at the ATI-ICD shall match the information appearing on the copy of the Transshipment Permit presented by the truck driver as against cargoes delivered. If in order, he shall call (by radio or by phone) the VTS Monitoring Unit within 15 minutes to report the completion of the delivery. He

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then sends through fax a written report on the arrival of the shipment at the ICD to the DCO-MICP within 2 hours from receipt of shipment.

3.3.6. The VTS Monitoring Unit updates the computer system to reflect completion of delivery and generates a computer print out which he shall send to the DCO-MICP. If the Customs Gatekeeper at the receiving ICD fails to report delivery completion by radio/phone within 15 minutes, it shall call the ICD Customs Gatekeeper to inquire on status.

3.3.7. The DCO-MICP reconciles, on a daily basis, the approved Transshipment Permit, the ICD Customs Gatekeeper report and the report of the CIIS- VTS monitoring team to confirm delivery and receipt of cargoes at the ICD.

3.4. FILING & PROCESSING OF ENTRIES FOR SHIPMENTS TRANSFERRED TO ICD

3.4.1. Filing and the processing of the IBIRD shall comply with existing CMO's on the matter covering the POM.

3.4.2. Release of the shipment at the ICD shall go through the OLRS procedure.

Release instructions shall be created by the Bureau which shall be transmitted through the OLRS.

3.4.3. Shipment flagged for examination shall be immediately brought by the ICD Operator to the ICD Designated Examination Area (ICD-DEA) where physical examination is conducted by the assigned COO III.

3.4.3.1. In the interim, when no FED personnel are assigned at the ICD and no ACOS computer stations are in place, the assigned Examiner at POM shall proceed to the ICD with the entry for the examination of RED LANE shipments.

In case a composite unit shall have been established within the ACOS work station set-up, the concerned COO III shall retrieve from the ACOS computer the corresponding entry declaration, prints same and use it as basis in the conduct of the examination of the shipment applying the procedures prescribed in Annex "A" of CMO 18B-96.

3.4.3.2. If there are no discrepancies found, the Customs ICD COO V shall authorize the release of the shipment through established channels.

3.4.3.3. If additional payment is required, the COO III and the COO V shall update the registered declaration assessment and prepare the corresponding notice for additional payment and transmit the same to the Port Of Manila ACOS system. The concerned FED Supervisor at POM, on the basis of the

transmitted notice and updated assessment, shall retrieve the working copy of the entry from the Collection Division. He shall then prepare/print an assessment notice and attach this to the working copy of the entry and return the same to the Collection Division for collection of additional duties and taxes.

3.4.3.4. Upon collection of the additional payment, POM-FED shall lower the examination flag through ACOS which will be the basis for the ICD Operator to release the shipment.

3.4.4. An audit of all OILRS releases at the facility shall be done by the Customs ICD Supervisor on a weekly basis and a report thereon submitted to the District Collector, copy furnished the Commissioner of Customs.

3.5. SHIPMENT FOR SEIZURE

3.5.1. The concerned COO III shall ensure the transfer of shipment recommended for seizure to the Container Hold Area (CHA) as may be designated by the ICD Operator.

3.5.2. He then prepares the discrepancy, inventory and seizure report.

3.5.3. The COO V evaluates report and forwards all documents with his recommendation to the District Collector through the Customs ICD Supervisor.

3.5.4. The District Collector of Customs forwards the necessary documents to the Law Division for issuance of WSD.

4. REPORT AND REPORTING SYSTEM

4.1. **RESPONSIBILITY OF THE ICD OPERATOR** - The following reports must be submitted by the ICD operator to the Collector of Customs and the Commissioner of Customs:

4.1.1. Monthly list of containers received at the ICD with the following structure: Container number, Vessel, Registry, Importer, ICD/TR Number, Date, Date/Time received at the ICD.

4.1.2. Monthly list of containers applied for transfer but not actually transferred containing same information as above except for receipt data but indicating reasons for non-transfer and present location in the port.

4.1.3. Monthly list of over-staying containers at ICD containing same details as 4.1.1.

4.1.4. Unusual Incident Report to be submitted within 24 hours from the discovery of the incident reporting on such matters as containers transferred but not received, diversion, pilferages and unauthorized withdrawal from ICD.

4.2. **Responsibility of the Deputy Collector for Operation** - The DCO shall be responsible for the preparation and maintenance of an ICD logbook of all

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transfers to and disposition from the ICD of containers. The logbook shall contain the following details:

4.2.1. On the left page of the logbook:

- ICDTR Number
- Date of transfer
- Consignee
- Vessel/Registry Number
- Container Number
- Description of goods

4.2.2. On the right page of the logbook

- IIRD Number
- Duties and Taxes Paid
- Date released
- ATI Gatepass Number

4.3. **Vehicle Tracking Printout** - The DCO shall be responsible for ensuring that all transfers for the day have reached their destination as evidenced by the vehicle tracking system report. He shall cause the printing of the tracking report for attachment to the ICDTR file of all transfers. Any transfer which shows non-arrival at the ICD must be immediately reported to the bureau's law enforcement unit and personally to the Commissioner /Collector of Customs.


4.4. **Monthly Audit** - It shall be the responsibility of the District Collector of Customs to conduct monthly audit of the operations of the ICD with the end in view of immediately detecting illegal activities and taking necessary measures to protect the interest of government. A copy of the Monthly Audit Report must be submitted to the Commissioner of Customs.

5. **REPEALING CLAUSE**

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

6. **EFFECTIVITY CLAUSE**

This order shall take effect upon approval.


GUILLERMO L. PARAYNO, JR.
Commissioner