



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA

**CUSTOMS MEMORANDUM ORDER**

NO. 12-97

MAY 06 1997

**Subject:** *Amendments to Selectivity CMO on the Import Clearance Procedure for Adoption with Airport Operations*

**1.0 Objectives**

- 1.1 To implement ACOS at Ninoy Aquino International Airport.
- 1.2 To utilize current import clearance procedure at the seaports with slight modifications for adoption with airport operations.
- 1.3 To clearly define modifications on the Selectivity procedure.

**2.0 Scope**

The provisions of this order shall initially apply to PAIRCARGO shipments. Applicability to shipments entered into the other NAIA CBW's including those of PAL shall be announced in subsequent order.

**3.0 General Provisions**

Considering the need to modify current Customs import clearance process of seaports (POM & MICP) as embodied in CMO 18-96 A to D, CMO 32-96 and CAO 6-96 for the subsequent adoption at NAIA airport, the following amendments shall be implemented:

**3.1 Assignment of Composite Teams**

Composite teams shall be detailed at airport warehouses requesting for composite teams in order to facilitate processing of cargoes. Composite teams are BOC and private units primarily concerned with import clearance procedures. These are:

- 3.1.1 Private encoders
- 3.1.2 Document processors (EPU personnel)
- 3.1.3 Examiners and Appraiser (FED staffs)

FED staffs concerned with Post Audit procedure for Green Lane entries shall also be detailed at the different warehouses for quick review of documents.

**3.2 Review and Approval of Additional Payments / Seizure**

CMOs 18-96 par. 3.6.1 and 18A-96 par. 4.7.3 and 4.7.4 shall be amended as follows:

"Payment of additional customs duty/tax/surcharges resulting from examination of cargoes shall be reviewed and approved by the Deputy Collector for Assessment or her duly authorized representative which are the Special Collectors. Special Collectors shall be detailed at the different airport warehouses and shall be included in the different composite teams as described in 2.1."

**3.3 Transfer Document from Storage Area to DEA of shipments Under Red Lane Channel**

A transfer order document shall be issued to the Importer Representative (IR) which shall be used to move shipments channelled from storage area to DEA. Subsequently, after the conduct of physical examination of the goods, the transfer order document shall serve as the gatepass if initialed by the examining COO3.

**3.4 Lowering of the Examination Flag**

The delivery copy of the IEIRD shall be the document used to lower down the examination flag. The the delivery copy must reflect the results of the physical examination done on the particular shipment by the examining COO3 (i.e. no discrepancy found, for additional payment, etc.).

Whenever an Importer Representative (IR) presents the blue copy of the IEIRD along with the appropriate gatepass, it is the responsibility of the Warehouse Gatekeeper to verify in the OLRs the selectivity color of that particular shipment (Green, Yellow, or Red). If the channel in the OLRs indicates "RED", the Warehouse Gatekeeper must verify from the Delivery copy of the IEIRD officially transmitted to them that the examination has been conducted and the flag subsequently lowered. Please refer to the prescribed release procedure under "Annex A".

**3.5 Payment of Additional charges**

Payment of surcharges resulting from documentary or physical examination shall be done at the Collection Division of the particular warehouse.

**3.6 Payment of Importation Utilizing Other Payment Schemes**

Payment of importation using deferred payment, cash bonds, and as well as cases under tentative releases shall first be processed at Collection Division (CD) of NAIA Customhouse. Fees for tentative releases initiated by BOC/FED staffs shall also be paid at CD.

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**4.0 Continuity Clause**

All other provisions of CMOs 18-96 A to D, 32-96 & CAO 6-96 remains in force and will still apply at NAIA.

**5.0 Repealing Clause**

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

**6.0 Effectivity**

This Order shall take effect upon approval.

  
GUILLERMO L. FARAYNO, JR.  
Commissioner

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Annex A

## NAIA CBW's RELEASE PROCEDURE

The release procedure starts only after the duty stop has been lifted and the Selectivity color channel has also been encoded in the OLRs as processed at the NAIA Customhouse. The prescribed procedure is as follows:

- 1.0 The Importer Representative (IR) presents the blue copy of the IEIRD to the Warehouse Operator (WO) for payment of warehousing fees.
- 2.0 The WO then checks the Selectivity channel in the OLRs and issues the appropriate document based on the Selectivity color.
  - 2.1.1 If the color as indicated in the OLRs is either "Yellow" or "Green", then the WO issues the gatepass that initiates release of the shipment.
  - 2.1.2 If the color as indicated in the OLRs is "Red", then the WO issues a transfer order document that initiates transfer of the item from the storage area to the Designated Examination Area (DEA).
- 3.0 Procedure Under Green or Yellow Lane Channel:
  - 3.1.1 IR presents the gatepass issued by WO to the Warehouse "Bodegero" who then releases the cargo from the storage area.
  - 3.1.2 The warehouse gatekeeper checks cargo against the issued gatepass and then signs the gatepass if everything is in order.
  - 3.1.3 The warehouse gatekeeper then hands the signed gatepass to the BOC gatekeeper.
  - 3.1.4 The BOC gatekeeper then checks the gatepass and then verifies it against the OLRs.
  - 3.1.5 If everything is in order, the BOC gatekeeper releases the shipment and then hands the gatepass to the Wharfinger.
- 4.0 Procedure Under Red Lane Channel:
  - 4.1.1 IR presents the transfer order document issued by WO to the Warehouse "Bodegero" for transfer of the shipment from the storage area to the DEA.
  - 4.1.2 The DEA COO3 examiner then conducts the physical examination in the presence of the IR or CCBI representative.
  - 4.1.3 Procedure for shipments **without** discrepancy
    - 4.1.3.1 If there is **no** discrepancy found then the COO3 enters the findings on the appropriate space of the IEIRD working copy and notes the delivery copy of the IEIRD for the release of the shipment and then initials the transfer order document which shall serve as the gatepass.
    - 4.1.3.2 The COO3 then submits the documents to the Chief FED of the particular warehouse for validation.
    - 4.1.3.3 The delivery copy is then officially transmitted to the warehouse gatekeeper after validation of the warehouse FED Chief. The

- delivery copy then signals that the examination flag has been lowered.
- 4.1.3.4 The IR then presents the blue copy along with the transfer order document to the warehouse gatekeeper.
- 4.1.3.5 The warehouse gatekeeper checks the cargo against the issued transfer order document and delivery copy and then signs the transfer order document if everything is in order.
- 4.1.3.6 The warehouse gatekeeper then hands the signed transfer order document to the BOC gatekeeper.
- 4.1.3.7 The BOC gatekeeper then checks the transfer order document and then verifies it against the OLRs.
- 4.1.3.8 If everything is in order, the BOC gatekeeper releases the shipment and then hands the transfer order document to the Wharfinger.
- 4.1.4 Procedure for shipments with discrepancy but not for seizure
  - 4.1.4.1 If there are discrepancies found then the COO3 enter the findings on the working copy and notes the delivery copy of the IEIRD for additional payment.
  - 4.1.4.2 The IR then pays the additional charges as indicated in the delivery copy of the IEIRD to Collection Division.
  - 4.1.4.3 The examining COO3 then notes on the delivery copy that the shipment maybe released after payment of additional charges have been verified and then initials the transfer order document for the release of the shipment
  - 4.1.4.4 Procedure 4.1.3.2 to 4.1.3.8 is then followed.
- 4.1.5 Shipments for seizure shall stop processing and seizure proceedings shall follow.