

DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

FILE

July 07, 1997

CUSTOMS MEMORANDUM ORDER

NO. 17-97

SUBJECT : *Guidelines in the Clearance of Shipments Destined for Subic and Clark Special Economic Zones*

I. OBJECTIVE

- 1.0 To comply with the memorandum of the President dated 17 June 1997 directing the implementation of a computerized accounting system to track the duty free importations at the Special Economic Zones.
- 2.0 To properly implement CAO 1 - 97 on the revised clearance procedures for shipments consigned to duty free shops and trading warehouses discharge in a port in the Customs territory and destined for a special Economic Zone

II GENERAL PROVISIONS:

Shipments of duty free shops and trading warehouses located at Subic and Clark Special Economic Zones shall be covered by Warehousing entries and shall be filed/processed at the Port of Discharge (POM/MICP) using the Automated Customs Operation System.

III. OPERATIONAL PROCEDURE

- 3.1 A warehousing entry shall be filed with the Entry Encoding Center (EEC) at the Port of Discharge (POM/MICP/NAIA).
- 3.2 Entry Encoding Center (EEC)
 - 3.2.1. Receives warehousing entry, encodes declaration, and attaches a generated Temporary Assessment Notice reflecting duties and taxes assessed by the system.
 - 3.2.2. Marks entry "Green" if shipment had been tagged as "Green" in the system or "Selected" if tagged as "Selected" in the system.
 - 3.2.3. Forwards warehousing entry documents of shipments tagged as "Green" in the system directly to the Deputy Collector for Operations, by-passing the Warehousing Assessment Division (WAD) in the case of the Port of Manila and the Special Warehousing Assessment Unit (SWAU) in the case of the International Container Port.

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CMO 17-97

IV. DEPUTY COLLECTOR FOR OPERATIONS

- 4.1 Assigns Customs Guard to conduct shipments or initiate vehicle tracking procedure and triggers electronic signal to the Arrastre Operator to allow the transfer of the shipment to destination (Subic or Clark Special Economic Zones) via the On-Line Release System (OLRS).

V.

Warehousing entries which had been tagged as "Selected" at the EEC shall be forwarded to WAD (Port of Manila) or similar office in case of MICP/NAIA.

VI. WAREHOUSING ASSESSMENT DIVISION (POM) / SPECIAL WAREHOUSING ASSESSMENT UNIT (MICP)

- 6.1 COO III checks warehousing entry documents and on this basis registers his findings into ACOS and generates Warehousing Entry Declaration.
- 6.2 COO V reviews findings of COO III in the system, checks clearance channel ("Yellow" or "Red"), generates Assessment Notice from the system and marks entry "Yellow" or "Red" depending upon the clearance channel appearing in ACOS.
- 6.3 Entry document covering shipment which had been tagged as "Yellow" shall be marked "Yellow" and, if found in order, shall be forwarded to the Deputy Collector for Operations who shall proceed as in IV.
- 6.4 Warehousing entry of shipment which had been tagged as "Red" in the system shall be processed as in 6.3 (Yellow Lane) with the added procedure that been generated from the system and attached to the entry by WAD (POM) / SWAU (MICP) shall be marked "RED-FED" for breakbulk shipment and "RED-DEA" for containerized shipment.
- 6.5 Examination shall be in accordance with the guidelines prescribed for consumption entries processed under the "RED-FED" and "RED-DEA" channels as defined under CAO 6-96 and CMO 18-96 and its amendments.
- 6.6 It shall be the responsibility of the Arrastre Operator to transfer shipments selected for examination under ACOS and correspondingly tagged for examination under the OLRS to bring the shipment to the DEA by generating a job order form.
- 6.7 Examination of cargo shall be on-board the truck unless it would be difficult to examine without the goods being dismounted. If discrepancy evidencing prima facie fraud is discovered in the course of examination, the goods must be taken to the Hold Container Area (containerized) or the Security Warehouse (breakbulk) for proper disposition.
- 6.8 If there are no discrepancies found upon examination, the DEA COO III shall report the result to the DEA COO V who in turn shall give the Arrastre Operator authority to allow transfer of shipment to destination (Subic/Clark).

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CMD-17-97

- 6.9 It shall be the responsibility of the Deputy Collector for Operations to see to it that shipment leaves the Port of Discharge (POM/MICP) with an assigned Customs Guard to conduct same to destination, or that the Vehicle Tracking procedures has been engaged.

VII REPEALING CLAUSE

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

VIII EFFECTIVITY

This Order shall take effect

14 July 97


GUILLERMO L. PARAYNO, JR.
Commissioner