



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

August 10, 1993

CUSTOMS MEMORANDUM ORDER
NO. 46-93

TO : The Deputy Commissioners of Customs
Customs Service Chiefs
Collectors of Customs
Division/Section/Unit Chiefs
Customs Brokers/Importers
Others Concerned

SUBJECT : Modified Manual Clearance Procedure
for Cargoes Entered Under Formal
Entries (Consumption/Warehousing)

Pursuant to Section 608 of the Tariff and Customs Code of the Philippines, as amended, and to provide a simplified manual cargo clearance procedure in the Bureau of Customs, the following regulations are hereby promulgated:

I. OBJECTIVES -

1. To maximize revenue collection and provide timely financial management data;
2. To facilitate and promote trade and protect legitimate commerce;
3. To protect the community and the environment;
4. To maximize utilization of BOC resources;
5. To facilitate the collection of accurate trade statistics.

II. ADMINISTRATIVE PROVISIONS -

1. Documentation -

The following documents shall be used/submitted in clearing importations entered under a formal entry (consumption/warehousing):

1.1. MANDATORY REQUIREMENTS

- 1.1.1. Import Entry and Internal Revenue Declaration (IEIRD);
- 1.1.2. Bill of Lading/Airwaybill of Lading; House Bill of Lading, in case of consolidation cargoes;
- 1.1.3. Commercial Invoice;
- 1.1.4. Packing List

1.2. OTHER REQUIREMENTS

Additional document requirement(s) for specific shipment/procedure shall be governed by existing rules and regulations and/or future issuances by the Commissioner of Customs.

III. PROCEDURES -

COMMON PROCEDURES
(For Consumption/Warehousing Entry)

1. At the Entry Processing Division -

1.1. The importer and the customs broker shall make a full and complete declaration of the particulars of the importation on the IEIRD, which declaration shall be under oath of the importer and the customs broker and subscribed before a notary public or a customs personnel authorized to administer oath under Section 3503 of the Tariff and Customs Code, as amended, under pain of prosecution for perjury in case of any misrepresentation.

1.2. The importer/customs broker/representative (atty-in-fact) shall lodge seven (7) copies of the IEIRD together with the required supporting documents (heretofore referred as Entry) with the Document Examiner at the Entry Processing Division.

1.3. The Document Examiner shall verify the completeness of the Entry and check if the importer is duly accredited with the Bureau of Customs. In case of any deficiency, including non-accreditation, he shall indicate the same at the back portion of the Declarant's copy of the IEIRD and return the Entry to the importer/customs broker or their duly authorized representative. Otherwise, he signs on Box 54 of the IEIRD and forward the Entry to the Perforating Clerk.

1.4. The Perforating Clerk assigns and simultaneously perforates the import entry number on the Entry, and indicates on the free disposal portion of the Customs copy of the IEIRD the time of filing of the Entry. He shall then forward the Entry to the Recording Clerk. The foregoing procedure may vary from port-to-port, depending on the circumstances obtaining in the port concerned.

1.5. The Recording Clerk/Segregating/Releasing Clerk records the number assigned to the Entry and the other details of the importation in a logbook kept for the purpose, and segregates the IEIRD copies according to which office each copy is to be forwarded, batches the Entries filed with him according to which section in the Formal Entry Division (FED) they are to be processed, and transmits them to the appropriate assessment section in the FED (for consumption entry) or to the Bonds Division (for warehousing entry), as the case may be. He shall also prepare a daily report on all entries processed by him during the day.

The Declarant's copy of the IEIRD, however, shall be forwarded to the Document Processor who shall immediately (not more than two (2) minutes from the time of his receipt of the Declarant's copy of the documents) verify the cargo's bill of lading/airwaybill against the corresponding inward foreign cargo manifest. If all is found in order, he shall give the Declarant's copy of the IEIRD to the consignee/customs broker or their authorized representative under receipt. In case the cargo is unmanifested or wrongly manifested, the Document Processor shall submit the Declarant's copy of the IEIRD to chief of the EPD, who shall immediately recall the Entry for appropriate action.

CLEARANCE PROCEDURES FOR CONSUMPTION ENTRY

1. At the Formal Entry Division -

1.1. The Customs Operations Officer V (COO V) receives the Entry from the Entry Processing Division; records the entry number and other essential particulars in a logbook kept for the purpose; determines on the basis of available data and rules and regulations whether a cargo is to be coursed through the "GREEN" channel, i.e., without actual physical examination of the cargo, or the "RED" channel, i.e., the cargo shall be examined. In case a cargo is determined to be processed through the "GREEN" channel, the COO V accepts all declarations in the Entry by signing on Box 67 of the IEIRD, after which the Entry shall be forwarded to the Releasing Clerk for transmittal to the Collection Division.

On the other hand, when a cargo is determined to be processed through the "RED" channel, the COO V assigns its Entry to a COO III who shall conduct a document and physical examination of the cargo, afterwards submitting his findings to the COO V for review. If found in order, the COO V signs in Box 67 of the IEIRD and forwards the Entry to the Releasing Clerk for transmittal to the Collection Division; otherwise, the matter shall be elevated to the appropriate customs authority for resolution.

1.2. The Releasing Clerk shall record the entry number and other required particulars in a logbook kept for the purpose, after which he shall transmit the same to the Collection Division.

2. At the Collection Division -

2.1. The Receiving Clerk shall receive the Entry from the FED, records the entry number and other required particulars in a logbook kept for the purpose, and forwards the same to the Matching Clerk.

2.2. The Matching Clerk shall match the data appearing in the Order of Payment with the data appearing in the BOC official receipt as to the amount of the advance deposit and/or final payment made through the bank on the importation, after which he shall immediately forward the Entry to the Document Examiner.

In cases where the payment of the duty and tax is made directly to the Bureau of Customs, the Matching Clerk shall forward the Entry to the Cashier who shall accept payment, issue and validate the official receipt, and forward the Entry to the Document Examiner who shall accomplish Box 51 in the IEIRD.

2.3. The Document Examiner shall check the correctness of payments made against the data contained in Box 44 of the IEIRD for cargoes processed through the "GREEN" channel, and also Box 65 (revised charges) of the IEIRD for cargoes processed through the "RED" channel. Once satisfied, he shall approve the release of the cargo by signing in Box 56 of the IEIRD. He shall then forward the Entry to the Releasing Clerk.

2.4. The Releasing Clerk segregates the Customs Gatekeeper, Customs, and Delivery copies of the IEIRD. He then transmits the Customs Gatekeeper's copy to the Piers and Inspection Division, the Customs copy to the Liquidation Division, and the Delivery copy to the arrastre operator.

In case where computer and communication facilities are available at the port, data from the Delivery copy of the entry will be electronically transmitted to the arrastre operator and Customs Gatekeeper/Wharfinger.

3. At the Gate -

3.1. The Customs Gatekeeper matches the data in his copy of the IEIRD with the data in the gate pass issued by the arrastre operator to effect the release of the cargo.

If no discrepancy is noted, he allows the cargo to be released.

CLEARANCE PROCEDURES FOR WAREHOUSING ENTRY (1

1. At the Bonds Division -

1.1. The Bonds Examiner receives the Entry from the Recording/Releasing Clerk of the EPD and verifies the sufficiency of the bond posted by the consignee for the importation. If the bond is found to be sufficient, he shall approve the same by signing on Box 53 of the IEIRD, after which he shall transmit the Entry to the Warehousing Assessment Division (WAD); otherwise, he shall notify the consignee/customs broker or their authorized representative of any deficiency and shall hold processing of the Entry until the bond requirements have been duly complied with.

2. At the Warehousing Assessment Division -

2.1. The Customs Operations Officer V (COO V) receives the Entry from the Entry Processing Division; records the entry number and other essential particulars in a logbook kept for the purpose; determines on the basis of available data and rules and regulations whether a cargo is to be coursed through the "GREEN" channel, i.e., without actual physical examination of the cargo, or the "RED" channel, i.e., the cargo shall be examined. In case a cargo is determined to be processed through the "GREEN" channel, the COO V accepts all declarations in the Entry by signing on Box 67 of the IEIRD, after which the Entry shall be forwarded to the Releasing Clerk for transmittal to the Customs operating bonded warehouse division.

On the other hand, when a cargo is determined to be processed through the "RED" channel, the COO V assigns its Entry to a COO III who shall conduct a document and physical examination of the cargo, afterwards submitting his findings to the COO V for review. If found in order, the COO V signs on Box 67 of the IEIRD and forwards the Entry to the Releasing Clerk for transmittal to the Collection Division; otherwise, the matter shall be elevated to the appropriate customs authority for resolution.

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2.2. The Releasing Clerk shall record the entry number and other required particulars in a logbook kept for the purpose, after which he shall transmit the same to the concerned Customs operating bonded warehouse division.

3. At the Operating Division (GTMBWD/MMBWD/PPBWD)

3.1. The Receiving Clerk receives the Entry, records the entry number and other required particulars in a logbook kept for the purpose, and forwards the Entry to the assigned Document Examiner.

3.2. The Document Examiner checks the correctness of the consignee's import license, if applicable, and enters all essential import information into the Operator's logbook kept for the purpose; accomplishes Box 56 in the IEIRD and forwards the Entry to the Releasing Clerk. He shall also submit regular reports on unliquidated/liquidated raw materials and/or on due and demandable accounts, and a list of overstaying cargoes, if required.

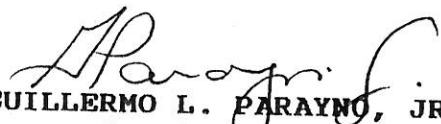
3.3. The Releasing Clerk records the entry number and other required particulars in a logbook kept for the purpose, segregates the Customs Gatekeeper, Delivery, and WDRD copies of the IEIRD and transmits the same to the PID gatekeeper, the arrastre operator, and the WDRD.

IV. REPEALING CLAUSE -

All other memoranda or orders inconsistent herewith are hereby deemed superseded.

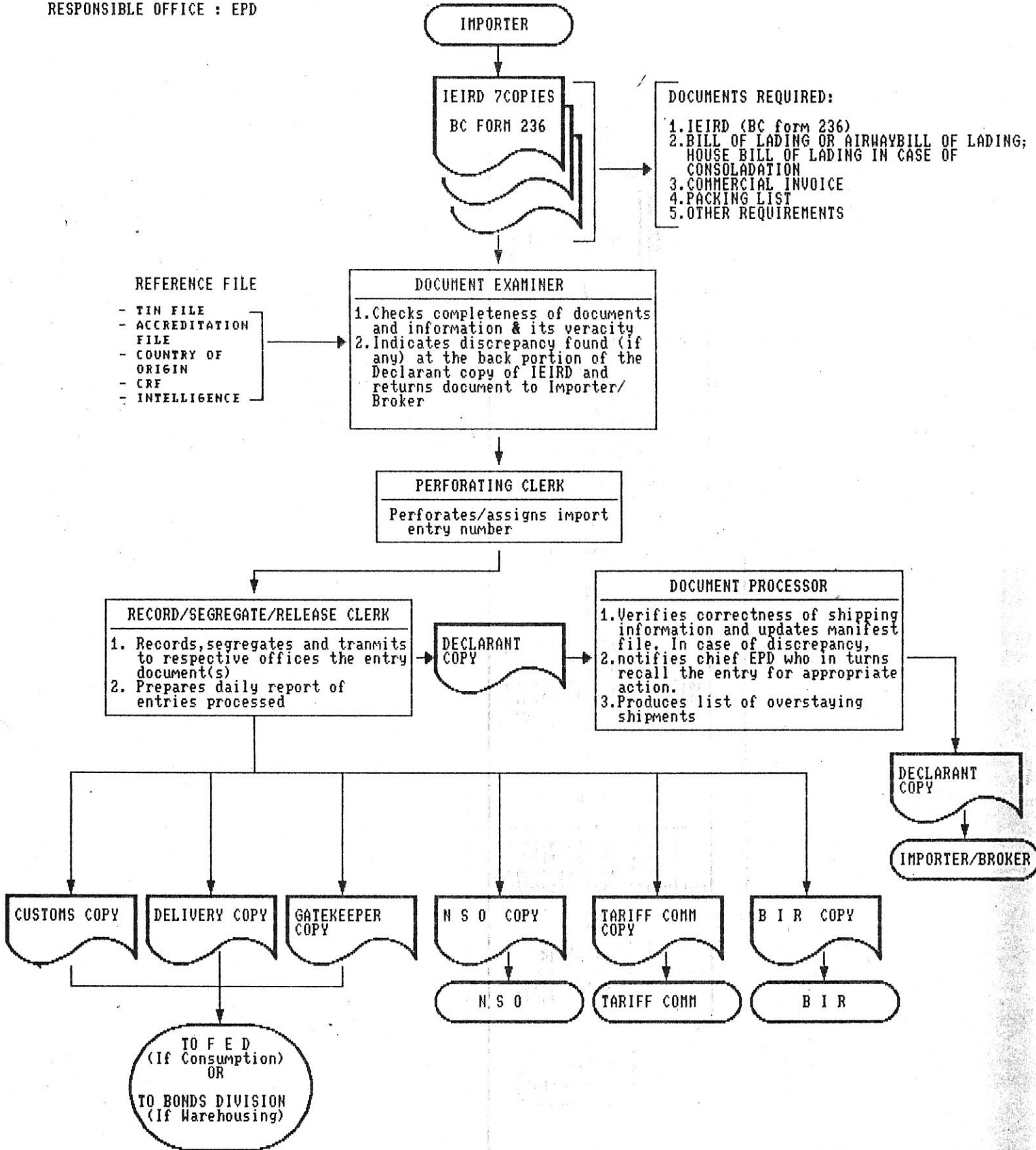
V. EFFECTIVITY

This Order shall take effect upon approval.


GUILLERMO L. PARAYNO, JR.
Commissioner

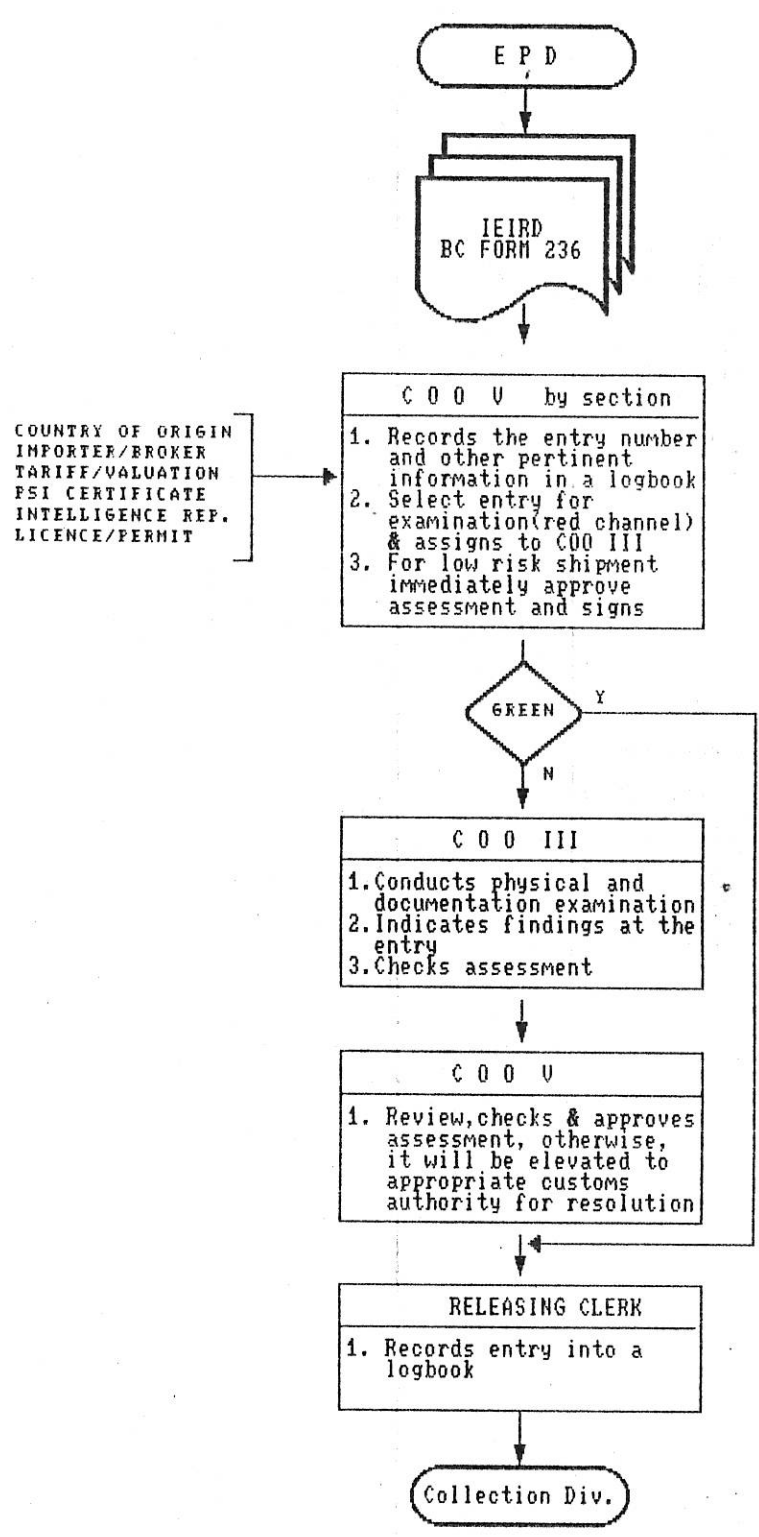
DOCUMENT VERIFICATION PROCEDURE (For Consumption/Warehousing Entry)

RESPONSIBLE OFFICE : EPD



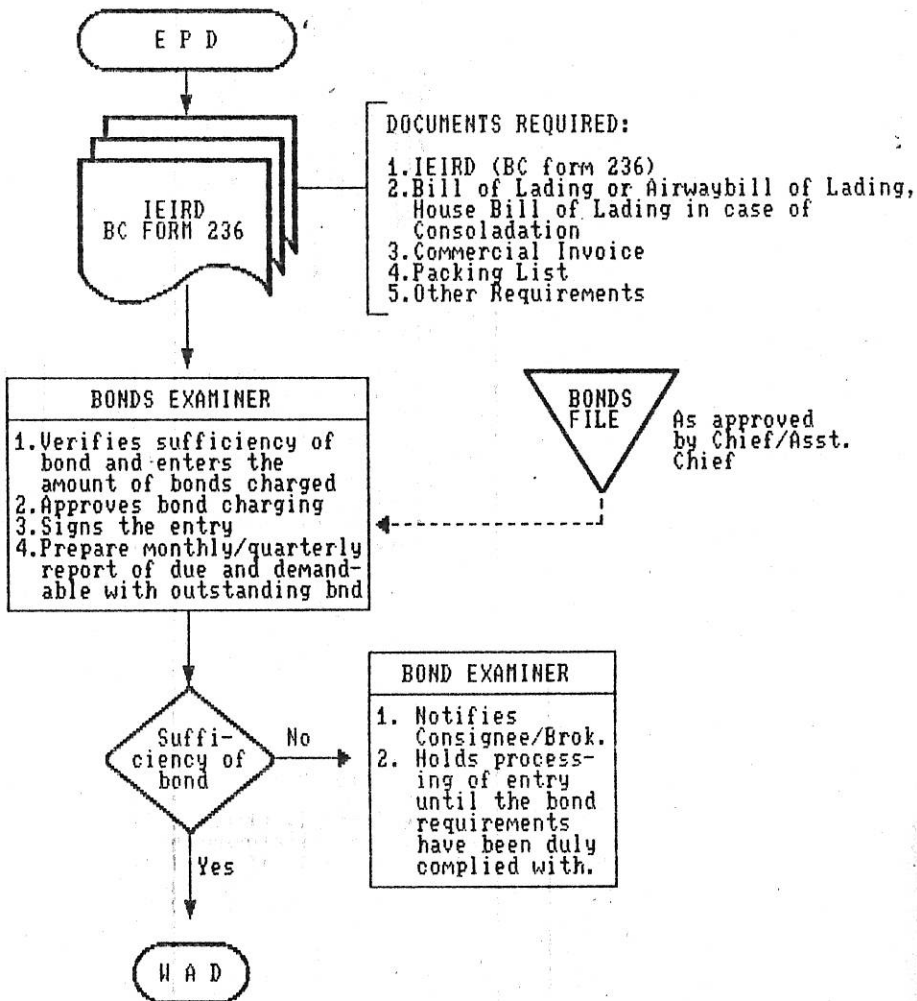
ASSESSMENT OF DUTIES AND TAXES (For Shipment Entered under Consumption Entry)

RESPONSIBLE OFFICE : FED



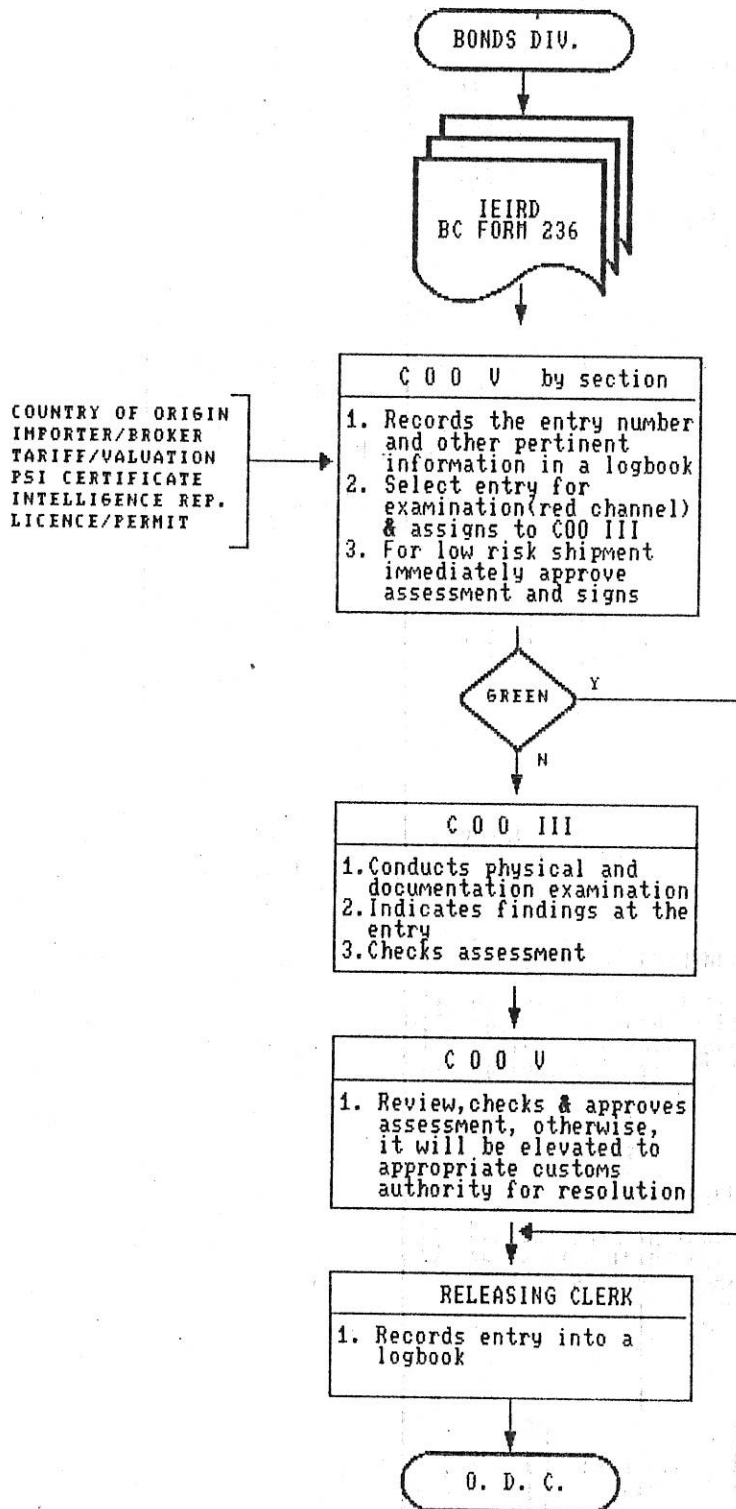
BONDS PROCESSING (APPLICATION) PROCEDURE (For Shipment Entered under Warehousing Entry)

RESPONSIBLE OFFICE : BONDS DIV.



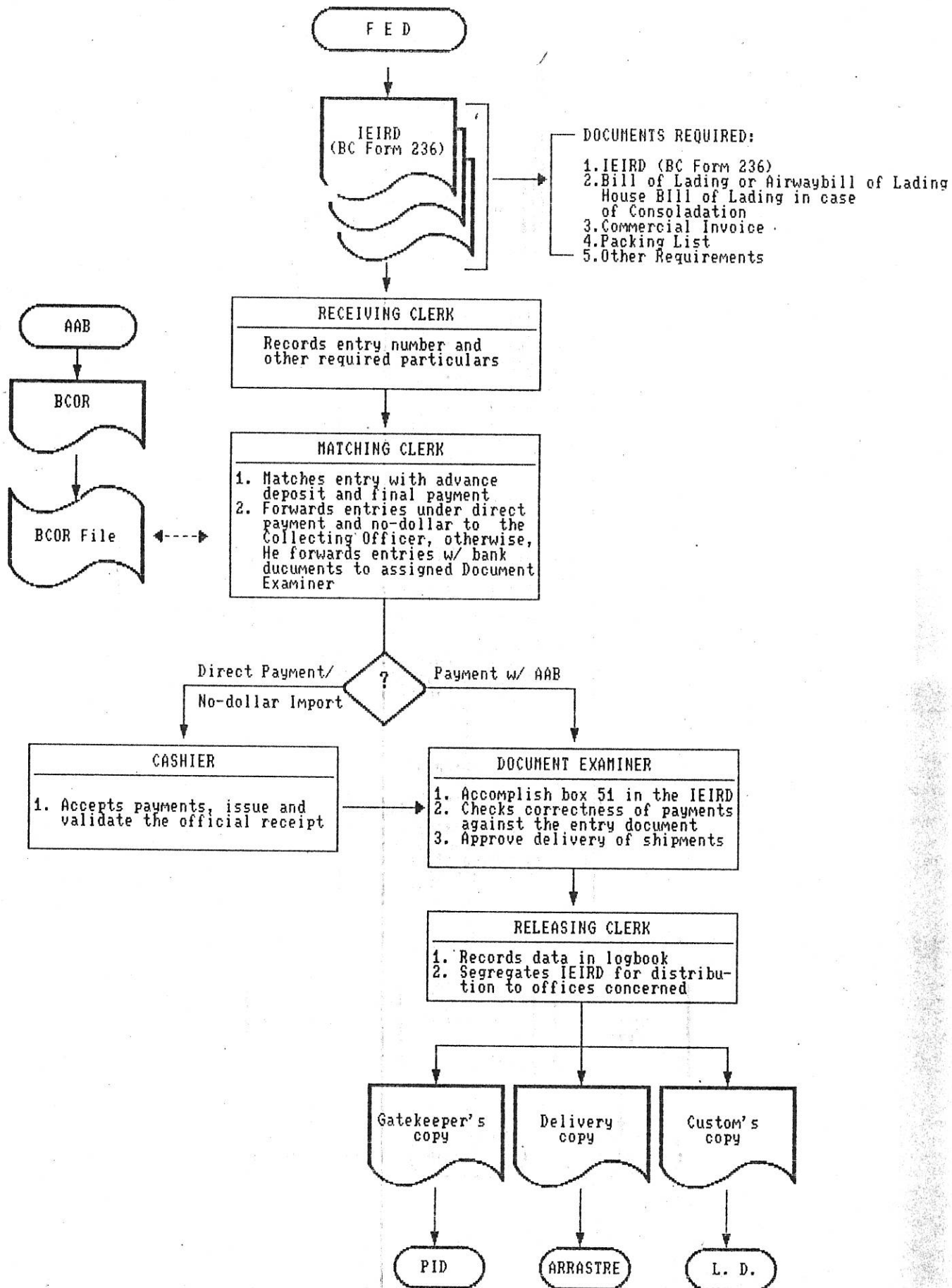
ASSESSMENT OF DUTIES AND TAXES (For Shipment Entered under Warehousing Entry)

RESPONSIBLE OFFICE : WAD



COLLECTION OF DUTIES & TAXES (For Shipment Entered under Consumption Entry)

RESPONSIBLE OFFICE : COLLECTION DIV.

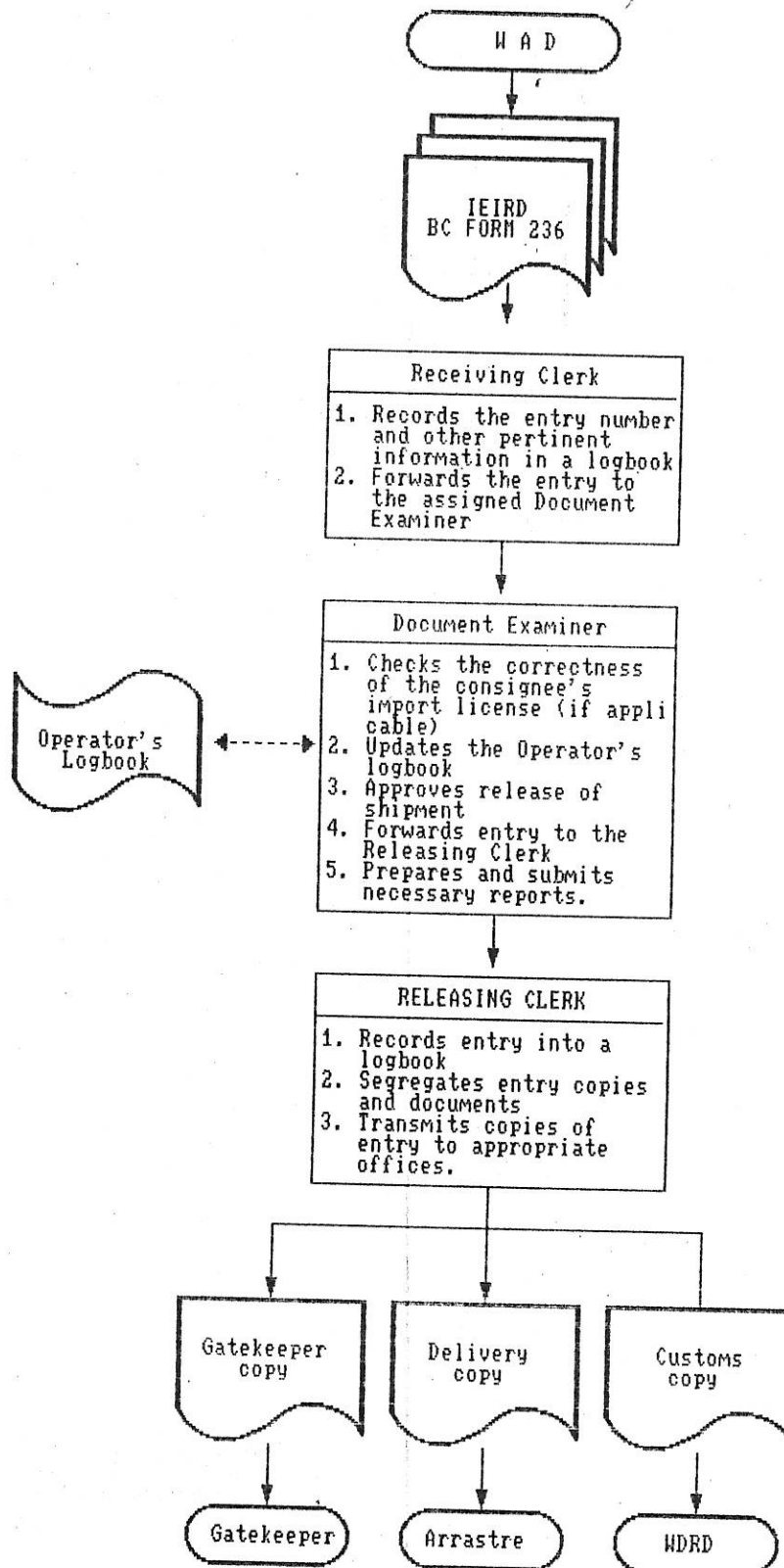


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ACCOUNTING AND MONITORING OF IMPORT SHIPMENT (For Shipment Entered under Warehousing Entry)

RESPONSIBLE OFFICES : Garments and Textile Mfg. Bonded Whse. Division (GIMBWD)
Miscellaneous Mfg. Bonded Whse. Division (MIMBWD)
Private/Public Bonded Whse. Division (PPBWD)

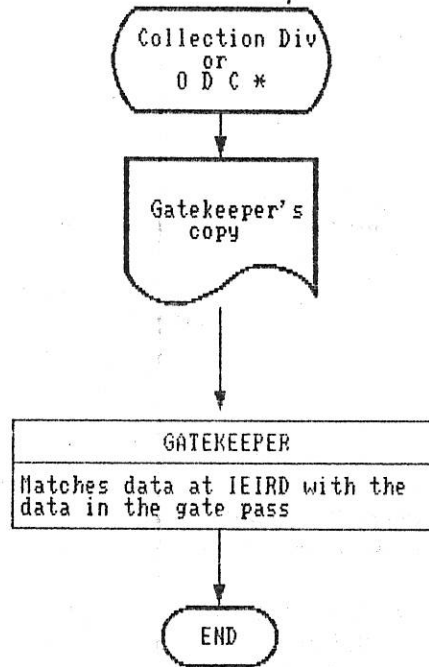


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RELEASE OF CLEARED SHIPMENT
(For Shipment Entered under Consumption/Warehousing Entry)

RESPONSIBLE OFFICE : PID (Gatekeeper)



* Garments & Textile Mfg. Bonded Whse. Division,
Miscellaneous Mfg. Bonded Whse. Division, or
Public/Private Bonded Whse. Division