

**BUREAU OF CUSTOMS**

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY

3 May 2021

**CUSTOMS MEMORANDUM CIRCULAR
NO. 103 - 2021**

To: All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
All Others Concerned

**Subject: IMPLEMENTING GUIDELINES IN THE ADMISSION, MOVEMENT
AND WITHDRAWAL OF GOODS IN THE NEW CLARK CITY (NCC)**

Attached is the Joint Memorandum Order (JMO) No. 01-2021 providing the procedure in the admission, movement and withdrawal of goods in the New Clark City consistent with Customs Administrative Order (CAO) No. 11-2019 on Free Zones and CAO No. 15-2019 on Transit in relation to Section 814 to 817, Chapter 3, Title VIII; Section 1003 (c) and other related provisions of Republic Act (R.A.) No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), and other relevant laws, rules and regulations.

For your information and guidance.

For records purposes, please confirm the dissemination of this Circular throughout your offices within fifteen (15) days from receipt thereof.


REY LEONARDO B. GUERRERO
Commissioner

MAY 11 2021



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CMC No. 103-2021

**BCDA**
Bases Conversion and
Development Authority**BUREAU OF CUSTOMS (BOC)
BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)****JOINT MEMORANDUM ORDER (JMO)**NO. 01-2021**SUBJECT: IMPLEMENTING GUIDELINES IN THE ADMISSION, MOVEMENT
AND WITHDRAWAL OF GOODS IN THE NEW CLARK CITY (NCC)**

Introduction. This set of implementing guidelines provides for the procedure in the admission, movement and withdrawal of goods in the New Clark City consistent with Customs Administrative Order (CAO) No. 11-2019 on Free Zones and CAO No. 15-2019 on Transit in relation to Section 814 to 817, Chapter 3, Title VIII; Section 1003 (c) and other related provisions of Republic Act (R.A.) No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), and other relevant laws, rules and regulations.

Section 1. Scope. This JMO shall be applicable to Goods admitted into the NCC, withdrawn from NCC into Customs Territory and Goods transferred from NCC to another Free Zone and *vice versa*.

Section 2. Objectives.

- 2.1.** To provide the guidelines and institute safeguard measures to control and monitor the admission, withdrawal and movement of Goods by NCC Locators.
- 2.2.** To adopt clear and transparent customs rules, regulations, policies and procedures at the NCC, consistent with international standards and Customs best practices.¹
- 2.3.** To generate timely and accurate information on admitted Goods into the NCC through the full use of Information and Communications Technology (ICT) enabled system.

¹ cf. CMTA, Title I, Chapter 2, Section 101 (b).

CMC NO. 103 - 2021

- 2.4. To ensure proper collection of duties and taxes on withdrawal of Goods for consumption in the Customs Territory.

Section 3. Definition of Terms. For purposes of this JMO, the following terms shall be defined as follows:

- 3.1. **Admission** — shall refer to the act of bringing imported goods directly or through Transit into the NCC.²
- 3.2. **Bureau / BOC** — shall refer to the Bureau of Customs.
- 3.3. **Customs Territory** — shall refer to areas in the Philippines where customs and tariff laws may be enforced.³
- 3.4. **Entry** — shall refer to the act, documentation and process of bringing imported Goods into the Customs Territory, including Goods coming from the NCC.⁴
- 3.5. **Free Zones** — shall refer to special economic zones registered with the Philippine Economic Zone Authority (PEZA) under Republic Act No. 7916, as amended, duly chartered or legislated special economic zones and freeports such as Clark Freeport Zone; Poro Point Freeport Zone; John Hay Special Economic Zone and Subic Bay Freeport Zone under Republic Act No. 7227, as amended by Republic Act No. 9400; the Aurora Special Economic Zone under Republic Act No. 9490, as amended; the Cagayan Special Economic Zone and Freeport under Republic Act No. 7922; the Zamboanga City Special Economic Zone under Republic Act No. 7903; the Freeport Area of Bataan under Republic Act No. 9728; and such other freeports as established or may be created by law.⁵
- 3.6. **Goods** — shall refer to articles, wares, merchandise and any other items which are subject of Importation or Exportation.⁶
- 3.7. **Goods Declaration** — shall refer to a statement made in the manner prescribed by the Bureau and other appropriate agencies, by which the persons concerned indicate the procedure to be observed in the application for the Entry or Admission of imported

² CAO No. 15-2019, Section 3.1.

³ CAO No. 13-2019, Section 3.11.

⁴ CAO No. 15-2019, Section 3.10.

⁵ CAO No. 15-2019, Section 3.13.

⁶ CAO No. 15-2019, Section 3.15.

CMC No. 103-2021

Goods and the particulars of which the customs administration shall require.⁷

- 3.8. Importation** — shall refer to the act of bringing Goods from a foreign territory into Philippine territory, whether for consumption, warehousing or Admission as defined in this JMO.⁸
- 3.9. Lodgement** — shall refer to the electronic registration of a Goods Declaration with the NCC and the Bureau.
- 3.10. Multi-Purpose Declaration** — shall refer to a customs single administrative document (SAD) accomplished by the importer, or his authorized representative, under oath and submitted to the Bureau for purposes of declaring and identifying among others the nature of the Goods being imported, its value, volume, weight, and any relevant description thereof, whether entered for consumption, Warehousing or by admission which will assist the Bureau in determining the true description of the Goods, the correct classification and the assessment of the duties and taxes due to the imported Goods, if any.⁹
- 3.11. New Clark City (NCC)** — shall refer to the 9,450-ha. area of masterplanned, smart city development project of BCDA. Located in Tarlac, the area is divided into sub-zones housing various locators according to industry and land uses such as residential, innovation hub/education zone, infrastructure zone, light-industrial area, recreational zones, mixed-used development area, commercial area, and national government administrative center. Managed by BCDA, NCC is declared as a special economic zone.
- 3.12. NCC Estate Manager (EM)** — shall refer to the entity that will perform the following functions in New Clark City: a) implement policies, rules, and regulations that BCDA will formulate to cover New Clark City; b) process business permits and clearances as prescribed by laws, rules, and regulations, including those that will be adopted by BCDA for New Clark City; c) facilitate the application of locators to avail the fiscal and non-fiscal incentives; d) collect revenues and fees and remit them to BCDA; e) secure the peace and order in New Clark City, as well as its territorial integrity, in coordination with the local police; f) coordinate with BOC for matters relating to customs activities; and g) perform other duties

⁷ CAO No. 15-2019, Section 3.16.

⁸ CAO No. 15-2019, Section 3.17.

⁹ cf. CAO No. 1-2009.

CMC No. 103-2021

and responsibilities that BCDA may assign in relation to the management and administration of New Clark City.

- 3.13. NCC Locator** — shall refer to a sole proprietorship, partnership, corporation or entity duly registered with the NCC and issued a Certificate of Registration and/or Tax Exemption that is not expired or has not been revoked, suspended or cancelled.
- 3.14. Port User** — shall refer to a sole proprietorship, partnership, corporation or entity who uses the facility of NCC for customs clearance on their importation, such as the conduct of non-intrusive or physical inspection.
- 3.15. Single Administrative Document (SAD)** — shall refer to an internationally accepted form as customs declaration or Goods Declaration, designed to standardize customs documents, harmonize codification and simplify procedures in international trade exchanges.
- 3.16. Transit** — shall refer to the customs procedure under which Goods, in its original form, are transported under customs control from one customs office to another, or to the NCC.¹⁰
- 3.17. Transit / Transfer Permit** — shall refer to a document authorizing the transfer of Goods from the NCC into another Free Zone, and *vice versa*, in such form and guidelines as prescribed by the Bureau and the NCC.

Section 4. Exemption from Duty and Tax of Goods in NCC. Unless otherwise provided by law and in accordance with the laws, rules and regulations of the Free Zone authority, Goods admitted into the NCC for locators registered with PEZA and other incentives granting bodies shall not be subject to duty and tax.¹¹

Section 5. Secured Area for NCC Locators. The Estate Manager (EM) shall ensure that registered locators shall be situated in a secured area where dedicated ingress and/or egress are provided. No goods are allowed entry or removed therefrom without prior coordination with the Bureau.

Each NCC locator shall provide a dedicated loading and unloading bay/s with complete Closed Circuit Television (CCTV) system to facilitate the monitoring of the goods for importation or exportation.

¹⁰ cf. CMTA, Title I, Chapter 2, Section 102 (rr).

¹¹ cf. CMTA, Title VIII, Chapter 3, Section 815.

Section 6. Admission of Goods into NCC.

- 6.1.** Imported Goods shall be admitted into the NCC when the Goods Declaration for Admission, together with all documents as may be required by existing laws and regulations, are electronically lodged simultaneously with the Bureau and NCC at the time of Admission.¹²
- 6.2.** The Bureau and the EM shall ensure that their respective ICT systems are capable of interfacing to allow the single Lodgement of Goods Declaration for Admission with the Bureau and the NCC.
- 6.3.** The Entry of Goods into the NCC through the Customs Territory shall be covered by the necessary Goods Declaration for Transit which shall be accepted by the Bureau and EM as Goods Declaration for Transit and Admission whenever appropriate.¹³

Section 7. Movement of Goods.

- 7.1. Within the NCC.** The EM shall have the responsibility to monitor the movement of Goods within each industrial zone where the Goods are admitted. The EM shall provide the Bureau copies of the report for the purpose of monitoring the location of the admitted Goods.

However, where the goods are removed from one industrial area to another by passing through the ingress or egress of the secured area, prior coordination from the Bureau shall be secured by the NCC Locator.

- 7.2. From the NCC to another Free Zone.** Transfer of Goods from the NCC into another Free Zone shall be covered by the necessary Transit Permit¹⁴ which shall be accepted by the Bureau and EM as Goods Declaration for Transit and Admission, whenever appropriate.
- 7.3. From Customs Territory to NCC.** Goods for transit to NCC shall undergo non-intrusive inspection at the Port of Discharge. In cases where the shipment is subject of derogatory information at the Port of Discharge, physical inspection shall be conducted at the NCC Clearance Area.

¹² cf. CMTA, Title VIII, Chapter 3, Section 814.

¹³ CMTA, Title VIII, Chapter 3, Section 816.

¹⁴ CMTA, Title VIII, Chapter 3, Section 816.

CMC NO - 103- 2021

Physical examination for consumption goods which require special or further handling such as agricultural products or reefer shipments may also be conducted at the NCC CCA or locator's premises provided that the Port of Discharge does not have adequate facility to conduct the examination without causing damage or deterioration of the goods, subject to existing rules and regulations.

Goods entered for consumption and destined for NCC which are subject of derogatory information, even if already cleared at the Port of Discharge shall be subject to physical examination at NCC clearing area before delivery to locator's premises.

- 7.4. Electronic Tracking of Containerized Cargo System (E-TRACC System).** Transfer of goods to NCC shall be subject to the provisions of CMO 4-2020 on the implementation of the electronic transfer of containerized cargoes.

Section 8. Customs Clearance Area (CCA). The conduct of non-intrusive inspection of the goods destined to NCC shall be done at the CCA prior to the transfer of the goods to the respective warehouses of the NCC Locators. No goods shall be allowed to enter the secured area for the NCC Locators without passing through the CCA for inspection.

In cases where the image analysis inspectors determine that further physical examination shall be conducted, the physical examination shall likewise be conducted at the CCA.

Where the goods are seized for violation of the CMTA and other rules and regulations implemented by the Bureau, the same shall be stored at the NCC warehouse. Subject however to the approval of the District Collector and considering the nature of the goods, the NCC Locator may request to temporarily store the goods in its warehouse under constructive customs custody and under conditions as may be imposed by the District Collector.

Section 9. Withdrawal of Goods from NCC for Consumption in the Customs Territory.

- 9.1.** Imported Goods admitted into the NCC then subsequently withdrawn for Entry into a Customs Territory shall be covered by a Goods Declaration for Consumption. This shall be lodged with the Bureau together with the copy of previously lodged Goods

CMC NO. 103-2021

Declaration for Admission and other required documents pursuant to existing laws and regulations.¹⁵

- 9.2.** Imported Goods, whether in their original or advanced form, shall be withdrawn from the NCC for Entry to the Customs Territory when the Goods Declaration for Consumption is lodged with the corresponding permit issued by the NCC.¹⁶
- 9.3.** In case of withdrawal of imported Goods from the NCC for introduction to the Customs Territory, the duty rate and exchange rate at the time of withdrawal shall be applicable on the Goods originally admitted, whether withdrawn in its original or advanced form.¹⁷
- 9.4.** Except in cases prescribed by existing laws, all applicable duties, taxes and other charges on Goods introduced into the Customs Territory from the NCC shall be paid to the Bureau before release from custody subject to the prior requirement of Authority to Release Imported Goods (ATRIG) for certain Goods.

In case of sale or auction of Goods by an NCC enterprise or locator to a buyer from the Customs Territory (i.e. domestic sales), all Value-Added Tax (VAT) due, if any, on Goods sold or auctioned shall be payable to the Bureau of Customs (i.e., VAT due and collected on the imported Goods paid by the locator plus the VAT due on the actual selling or winning bid price of the Goods sold or auctioned, respectively, less the input VAT, if any).¹⁸

Section 10. Requirement to Keep Importation Records.

- 10.1.** Locators of NCC are subject to the post-clearance audit function of the Bureau. For this purpose, they are required to keep the records of all its activities, including, in whole or in part, records on imported Goods withdrawn from the NCC into the Customs Territory for a period of three (3) years from the date of filing of the Goods Declaration.¹⁹ Failure to keep the required records shall constitute a waiver of the right to contest the results of the audit based on records kept by the Bureau.²⁰

¹⁵ cf. CMTA, Title VIII, Chapter 3, Section 814.

¹⁶ CAO No. 11-2019, Section 4.4.2.

¹⁷ CMTA, Title I, Chapter 2, Section 105, 1st par., 2nd sentence.

¹⁸ CAO No. 11-2019, Section 4.4.4.

¹⁹ cf. CMTA, Title IX, Section 1003 (c).

²⁰ cf. CMTA, Title IX, Section 1003, last par.

CMC NO. 103-2021

10.2. The rules and regulations on post clearance audit, including the imposition of penalties and fines, shall be applied supplementary to this Order.²¹

Section 11. Jurisdiction over the NCC by the Port of Clark. Customs operations at the NCC shall be under the jurisdiction of the Port of Clark. The District Collector shall assign and designate adequate manpower to effectively operationalize the NCC-CCA.

Section 12. Joint Operation. The Bureau and the EM shall jointly conduct any enforcement action inside the secured areas such as the implementation of Letter of Authority or seizure of the goods thereat. The EM shall likewise provide the necessary information, if so requested, in relation to the conduct of post clearance audit of an NCC Locator.

Section 13. Data Management and Sharing. The collection, recording, storage maintenance, processing, sharing of data and information and maintenance of data information shall be secured and consistent with the principles and policy under Republic Act 10173, also known as The Data Privacy Act.

The Bureau and EM shall share the records of transactions by NCC locators for the purposes of complying with relevant rules and regulations.

Section 14. Automated Inventory System. The NCC EM and the Bureau shall endeavor to develop an integrated automated inventory system to monitor the movement of goods into and out of the NCC, including intra-zone transfers.

Section 15. Periodic Review. To ensure compliance with customs laws and regulations, this Order shall be reviewed every three (3) years and be amended or revised, if necessary by the Bureau in coordination with the BCDA. In addition, this Order may be amended at any time upon approval in writing by both the Bureau and BCDA.

Section 16. Separability Clause. If any part of this JMO is declared by Courts as unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.


Section 17. Effectivity. This JMO shall take effect fifteen (15) calendar days after its publication at the Official Gazette or a newspaper of national circulation.

²¹ CAO No. 1-2019.

Cmc NO. 103-2021

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this JMO.


VIVENCIO B. DIZON
BCDA President & CEO


REY LEONARDO B. GUERRERO
Commissioner of Customs

