



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

15 September 2015

CUSTOMS MEMORANDUM ORDER

No. 30-2015

Subject: Rules and Regulations for the Establishment, Supervision and Control of Wharves, Container Yards, Container Freight Stations, Warehouses, Examination Areas and other facilities within the Customs Zone, otherwise known as Authorized Customs Facility (ACF)

The rules and regulations governing Wharves, Container Yards (CY), Container Freight Stations (CFS), Warehouses, Examination Areas and other facilities within the Customs Zone are hereby promulgated.

1. Objectives

1.1 This Order is issued for the following purposes:

- To implement the Authorized Economic Operator (AEO) program established under the World Customs Organization (WCO) Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) and the WTO Trade Facilitation Agreement (WTO-TFA) by ensuring the integrity and security of cargo in cross-border trade from the supply source to customs clearance to final distribution at the point of destination;
- To provide the minimum supply chain security standards and best practices for AEOs;
- To harmonize the electronic cargo information requirements on inbound, outbound and transit shipments for use in a risk management approach to address security threats and ensure customs compliance;
- To institute guidelines governing the establishment and supervision of Wharves, Container Yards, Container Freight Stations, Warehouses, Examination Areas and other facilities located in customs zones and/or in airports and seaports, and used for the temporary handling and storage of imported goods; and
- To promote the utilization of these facilities for the promotion of security in the supply chain, the proper collection of duties and taxes, the prevention of

the entry of drugs and other anti-social goods, and the facilitation of the clearance process for imported goods.

2. Coverage

- 2.1. This Order shall cover all Wharves, Container Yards, Container Freight Stations, Warehouse, Examination Areas and other facilities located in customs zones and/or in airports and seaports, and used for the temporary handling and storage of imported goods immediately discharged from the carrying airplanes, vessels and other means of international transport. Existing facilities accredited as Customs Bonded Warehouses (CBWs) will be subject to review and re-accreditation as an Authorized Customs Facility (ACF).
- 2.2 This Order shall not apply to warehouses and facilities with existing licenses as Container Yard and/or Container Freight Station Outside Customs Zone (CY/CFS-OCZ) and other Off-Dock Customs Facilities (OCF) outside of the Customs Zones which are subject of a separate set of rules and regulations.

3. General Provisions

- 3.1 All Wharves, Container Yards, Container Freight Stations, Warehouses, Examination Areas and similar facilities as defined in Section 2 shall be considered as part of the customs zone and shall be subject to the supervision and control of the Bureau of Customs (BOC) as an Authorized Customs Facility (ACF).
- 3.2 In addition to those prescribed in this Order, these facilities shall be subject to such requirements, rules and conditions which may be imposed by the Commissioner of Customs and shall be made accessible to all authorized Customs officials or representatives upon proper demand for ocular inspection.
- 3.3 Inventory and other management records of imported cargoes handled and stored by authorized operators shall be maintained and kept at all times in their places of business and shall be accessible and available online to authorized BOC officers. Such records shall also be subject to inspection by authorized customs officials or representatives and, upon proper demand, shall immediately be produced and submitted to such officials or representatives.
- 3.4 Only ACF operators shall be allowed to handle and store imported goods that are immediately discharged from the arriving airplane, vessel and other means of international transport.

4. Operational Provisions

4.1 Application to Establish and Operate an Authorized Customs Facility (ACF)

a. *Documentary, Security and Other Requirements.* Any person or firm desiring to establish and operate an ACF shall apply in writing to the Collection District where the proposed ACF facilities are to be located and shall submit the following documents:

- Application Letter
- SEC Articles of Incorporation, BIR Certificate of Registration and Mayor's Permit (if not yet filed under the Client Profile Registration System – CPRS)
- Location and layout of facility, including machinery, equipment and x-ray facility, as applicable (including lease contract or title to the property)
- Audited Financial Statement for the last two (2) years immediately preceding the date of application
- Web-based inventory management system
- Customs facility for use of customs complement (or proposed facility)

An ACF must have written and verifiable procedures on the following:

- Security procedures for service providers and vendors
- Container security integrity and breach detection measures (e.g. container storage and seals)
- Physical access controls (e.g. security personnel, employee ID system, searches, visitor/vendor verification)
- Personnel security (e.g. pre-employment verification, background checks)
- Procedural Security (e.g. cargo control, shipping and receiving, container opening and release)
- Security Training and Awareness
- Physical Security (e.g. fences, gates, parking, building structures, locks and keys, lighting, alarm systems and video surveillance cameras)
- IT Security (e.g. password, accountability)

b. The ACF management shall cause the mandatory and periodic training of a sufficient number of its personnel for the handling/storage/management of dangerous goods.

c. Upon receipt of the above documents, the District Collector, through the Deputy Collector for Operations, shall immediately direct an inspection of the proposed ACF and an evaluation on the merit of the application. The inspection report and evaluation together with the recommendation/s from the concerned customs officers shall be submitted to the District Collector within fifteen (15) working days upon receipt of the directive.

- d. Upon receipt of the evaluation and inspection report, the District Collector shall endorse the same to the Director, Port Operations Service (POS) for review. The Director shall submit its final evaluation report within fifteen (15) working days from receipt of the report to the Deputy Commissioner, Assessment and Operations Coordinating Group, (AOCG).
- e. The Deputy Commissioner, AOCG shall endorse to the Commissioner the report/recommendation for final approval of the application to operate an ACF, through the issuance of a Certificate of Authority, which shall be valid for the period granted by the Commissioner.
- f. Upon issuance of the Certificate of Authority to Operate, the ACF shall comply with the following:
 - E2M Connectivity. Request from Management Information System and Technology Group (MISTG) to provide them with connectivity to e2m/OLRS upon presentation by the operator of the original authority to operate duly approved by the Commissioner of Customs.
 - CPRS Registration. Having been provided with e2m/OLRS, the Commissioner through the Deputy Commissioner for AOCG shall approve its CPRS registration.
 - Interest Bearing Account / Treasury Bond / Insurance from any government financial institution to cover for duties and taxes due on lost or damaged goods transferred to the ACF in the amount provided in the Certificate of Authority.
 - Payment of an Annual Supervision Fee in an amount as follows:
 - Small - TwoHundred Thousand Pesos (PhP200,000) per annum
 - Medium – Three Hundred Fifty Thousand Pesos (PhP350,000) per annum
 - Large – Five Hundred Thousand Pesos (PhP500,000) per annum

4.2 Application for Renewal of Certificate of Authority

- a. The license to operate an ACF shall be valid for the period granted in the Certificate of Authority which shall not be less than 3 years.
- b. The application for renewal shall be filed with District Collector concerned, through the Deputy Collector for Operations, not later than six (6) months before the expiration of the authority to operate an ACF. Failure to file an application for renewal six (6) months prior to its expiration shall

automatically be subject to a penalty in the amount of One Hundred Thousand Pesos only (Php100,000)

- c. The Director, Port Operations Service (POS) shall give proper and timely notice of expiration to the ACF operator to afford the applicant sufficient time to file its application for renewal.
- d. The application shall be submitted together with the updated documentary and other requirements. The procedures provided in paragraph 4.1 above, as applicable, shall apply in processing of the renewal application.

4.3 Voluntary Closure of ACF

- a. Upon written request of the ACF operator to the District Collector concerned, citing reasons therefor, an ACF may be closed voluntarily. The District Collector shall require all cargoes remaining with the ACF to be released to its consignee(s) upon payment of all customs duties, taxes and other charges due thereon and after compliance with applicable laws and regulations.
- b. Any overstaying cargoes still remaining with the ACF shall be inventoried and transferred to BOC Warehouse at the expense of ACF.

4.4 Suspension and Revocation of ACF Certificate of Authority to Operate

- a. The ACF shall be suspended or revoked on any of the following grounds:
 - When the facility is used in storing smuggled goods;
 - If involved in pilferage;
 - Cargoes cannot be accounted for;
 - Overcharging of fees;
 - Violation of customs laws, rules and regulations; and
 - Other violations of laws of the Philippines.
- b. In case of a customs initiated revocation or cancellation, the District Collector concerned shall order its Deputy Collector for Operations to conduct an investigation, allowing the ACF operator to submit evidence to the contrary.
- c. The administrative proceeding should be summary in nature and should be terminated within thirty (30) working days from receipt of the order to conduct hearing.
- d. After termination of the investigation, the District Collector shall prepare its recommendation and submit the same to the Deputy Commissioner, AOCCG.

- e. The procedures provided in paragraph 4.1 above, as applicable, shall apply in processing of the suspension or revocation of ACF.

4.5 Application for Relocation / Expansion / Additional Facilities

- a. In case of relocation, expansion or provision of additional facilities, the ACF operator shall secure approval from BOC.
- b. The procedures provided in paragraph 4.1 above, as applicable, shall apply in processing of the application for relocation or expansion, or for additional facilities.

4.6 Application to Operate additional facilities outside of the Collection District

- a. Additional facilities outside the Collection District where the ACF acquired its authority to operate may be permitted upon application to the District Collector concerned subject to the approval of the Commissioner, which shall be considered as a new and original application. Hence, a separate accreditation to operate is necessary on new applications to establish and operate an ACF as provided in this Code shall apply.

5. REPEALING CLAUSE

All Orders, Memoranda, Circulars or parts thereof, which are inconsistent with this Memorandum, are hereby deemed repealed and/or modified accordingly.

6. SEPARABILITY CLAUSE

If any part or provisions of this Order is later on declared invalid or illegal, the remaining portion shall remain valid and unaffected.

7. EFFECTIVITY

This Order shall take effect immediately.


ALBERTO D. LINA
Commissioner
Bureau of Customs
ALBERTO D. LINA
Commissioner

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