



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

August 7, 1996

CUSTOMS MEMORANDUM ORDER
NO. 18B-96

Subject : Responsibilities for the conduct of Examination of Shipments In Ports with SELECTIVITY SYSTEMS and DESIGNATED EXAMINATION AREAS.

1.0 Objective

To facilitate the clearance process by delineating responsibilities in the conduct of examinations of shipments.

2.0 General Description

Considering that the Designated Examination Areas (DEA's) established for the Port of Manila and the Manila International Container Terminal can only handle containerized shipments and pending the establishment of DEAs for breakbulk cargo, only containerized shipment shall be mandatorily examined at the DEA's until further orders, breakbulk cargoes shall be examined where they are stored.

Examination of containerized shipments selected for examination under the automated SELECTIVITY whether or not they are subject to mandatory examination under existing orders shall be the responsibility of those assigned to the DEA at that time.

Examination of breakbulk cargo shall be the responsibility of those not assigned to the DEA.

The Chief, Formal Entry Division should assign as many officers as are necessary at the DEA to insure immediate examination of shipments transferred thereat for examination.

3.0 Scope

This order shall be applicable to all ports with an ASYCUDA ++ system already operational and with Designated Examination Areas in place.

3.1 Shipments Mandatorily to be Examined at the Designated Examination Area (DEA). - All containerized shipments selected RED by the ACOS selectivity module whether or not subject to mandatory examination as provided

under existing orders shall only be examined at the DEA by those FED personnel assigned at that time at the DEA.

3.2. Break bulk shipments selected RED by the ACOS selectivity whether or not mandatorily requiring examination shall continue to be examined where they are stored until the arrastre operator can provide a DEA for such cargo. The regular examiner at the Formal Entry Division shall be responsible for the examination.

3.3. The determination of the number of containers per entry for examination at the DEA shall be on the basis of the square root rule as shown in Annex "A".

3.4. The Chief, FED shall assigned as many personnel at the DEA on a rotation basis as are necessary for the efficient operation of the DEA.

4.0 Operational Provisions

FORMAL ENTRY DIVISION

A. CONTAINERIZED SHIPMENTS

4.1. The COO V triggers selectivity after a documentary check has been made on the declaration and the necessary amendments, if any, have been made on the computer record of the entry.

4.2. The COO V processing a containerized shipment shall mark the entry "RED-DEA" at the designated space in the working copy of the entry. The COO V then re-routes, assesses, prints out a final assessment notice and forwards the working copy of the entry to the Collection Division (CD).

B. BREAK BULK SHIPMENTS

4.3. The COO V triggers selectivity after a documentary check has been made on the declaration and the necessary amendments, if any, have been made on the computer record of the entry.

4.4. The COO V processing a break bulk shipment and at the same time selected RED by the ACOS shall mark the entry "RED-FED" at the designated space in the working copy of the entry. The COO V then re-routes, assesses, print out a final assessment notice and forwards the working copy of the entry to the Collection Division (CD).

COLLECTION DIVISION

4.5. At the Cash Division, the entries will be matched with payments made at the bank and additional payments made at the designated branch at the port.

4.6. The OLRs clerk then shall check the working copy for the presence of RED marks. If the copy is marked "RED-DEA" or "RED-FED", the clerk lifts the duty stop and raises the examination flag.

YR

4.7. If the entry is not marked with either "RED-DEA" nor "RED-FED", the clerk just lifts the duty stop.

4.8. Until such time that an electronic copy of the entry can be made available at the DEA, The Chief, Collection Division gathers all entries marked "RED-DEA" and transmits the entries officially to DEA for examination. Entries marked "RED-FED" will be returned to the FED section concerned for the examination.

EXAMINATION

4.9. Provisions 4.4 up to 4.7.4.4. of CMO 18-96A apply to examination of entries marked "RED-DEA" (Containerized). Entries marked "RED-FED" will be examined by the FED COO III where the shipment is stored.

4.10. If there are no discrepancies, the Supervisor, DEA shall lower the examination flag thru the computer terminal provided at the DEA. For break bulk shipments, the FED-COO III will forward the entry to the office of the Chief, FED for the lowering of the examination flag. The entry should be returned to Collection Division afterwards.

For shipments subject to additional payment, the COO III and the COO V shall prepare the assessment notice and attaches this to the working copy of the original entry. The entry is then forwarded to the Collection Division for collection of additional assessment payable. The Chief, Collection Division will officially transmit the entry to the FED Chief for lowering of the examination flag. The entry is then brought back to Cash Division thru the same messenger for pre-liquidation.


4.11. Shipments the level of discrepancy of which requires seizure will immediately be forwarded to the Collector of Customs for the institution of seizure proceeding.

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. PARAYNO, JR.
Commissioner

CMD-18B-96

Annex "A"

Formulas in determining the number of containers to be examined at the DEA using the square root rule :

FORMULA I. All out of sequence seal numbers and/or container numbers.

FORMULA II. Odd/even scheme using as basis the last number of the containers indicated in the CRF/BL;

No. Of Containers Designated for examination	No. Of Containers to be actually examined	Scheme
1 - 3	1	1st Odd
4 - 8	2	1st Odd- 1st Even
9 - 15	3	1st 2 Odd last Even
16 - 24	4	1st 2 Odd last 2 Even
25 and up	5	1st 5 Odd

FORMULA III. Random Selection

Formula I is mandatory. All other formulas to be applied according to sequence as above laid out unless otherwise directed by higher authorities.