REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

July 21, 1997

CUSTOMS MEMORANDUM ORDER
NO. 60-97

Subject: *GUIDELINES IN THE IMPLEMENTATION OF COMPUTERIZED PROCESSING OF WAREHOUSING ENTRIES*

1.0 Objectives

1.1 To automate processing of warehousing entries using ACOS.

1.2 To facilitate the Customs clearance of legitimate imported goods destined to Customs Bonded Warehouses (CBWs) with the use of the Selectivity System.

2.0 Scope

2.1 This order shall be applicable to all ports with an ACOS system already operational but shall be initially implemented at POM and subsequently rolled-out to other Customs ports.

2.2 This memorandum order covers all containerized and non-containerized regular warehousing shipments.

3.0 General Provisions

2.1 Warehousing entries will now be subjected to the Selectivity system patterned after the existing Formal Consumption Entry.

2.2 For entries described in this memorandum order, the Model of Declaration to be used is "7 7" and the Customs procedure shall be "7100".

2.3 Payment for IPF shall be done using a deposit that will be provided and set-up by the warehouse operators. In the meantime that this warehouse IPF deposit has not been set-up, payment of IPF for warehousing entries shall be done at the Entry Encoding Center. ROC Collection division shall provide for personnel and equipment for the above-mentioned purpose.

4.0 Operational Provisions

Operational provisions for warehousing entry processing shall generally follow existing procedures for formal entry as described in CMO 18-97 A to D and CMO 32-96. Details of the procedure are as follow (Please refer to "Annex A" for the graphical presentation of the general procedure):

4.1 Entry Encoding Center (EEC)

4.1.1 Receives and stamps "Warehousing" to distinguish it from the regular consumption entry.

4.1.2 Encodes required data in the ACOS System.

4.1.3 Advises the Broker/Representative on the results of ACOS computation of duties and taxes after conducting a "Check".

    4.1.3.1 If the Broker/Importer representative disagrees with the ACOS computation and there is a need for WAD staff to resolve the problem, the EEC encoder shall use the appropriate code for the entry to be assigned to Yellow lane.

4.1.4 The EEC encoder shall call the Assessment Module which in turn will trigger Selectivity and then prints two copies of the Assessment Notice (AN). Once the entry has been assessed in the computer or the Broker/Importer representative express agreement on the encoded data, the declaration entry shall now be official and binding on the Importer.

4.1.5 Stamps "Green Lane" or "Selected" on entries based on what was determined by the system.

4.1.6 Collection Division (CD) staff collects and the encodes the Import processing Fee (IPF) into the AMPP system.

4.1.7 EEC gives a copy of the AN and the blue copy of the IEIRD to the Broker/Importer representative.

4.1.8 Sends all other copies to Entry Processing Unit (EPU) for the next process.

4.2 Entry Processing Unit (EPU) of WAD

4.2.1 Checks documents.

4.2.2 Checks authenticity of CRF.

4.2.3 Writes-off manifest.

4.2.4 Segregates the different copies and based on the Selectivity color, sends the working copy and other pertinent documents to Bonds Division (greenlane entries) and to Warehouse Assessment Division (selected entries).

4.3. Warehouse Assessment Division (WAD)

4.3.1. The assigned COO3 Performs mandatory document appraisal, amendment, and registers the entry in ACOS.

4.3.2. Determines Selectivity color:

4.3.2.1 If the channel is Yellow, the assigned COO5 then checks the required documents and amends the entry in ACOS if applicable.

4.3.2.2 If the color is Red, the assigned COO3 then conducts physical examination of the shipment and later enters the results of examination in the working copy and ACOS.

4.3.3 The COO5 then performs final review, re-routing, and assessment.

4.3.4 Sends all other copies to Bonds Division for the next process.

4.4 Bonds Division (BD)

4.2.1 Receives and checks the documents.

4.2.2 Checks the Selectivity color of the entry by retrieving the electronic copy in ACOS.

4.2.3 Applies the bond against the shipment.

4.2.4 Sends the declaration entry and other necessary documents to Operations Division.

4.5 Operations Division (OD)

4.5.1 Posts the warehousing transaction.

4.5.2 Checks importables and accounts quota balances.

4.5.3 Coordinates shipment transfer requirements.

4.5.4 Lifts the duty stop.

4.5.5 Sends the declaration entry and other necessary documents to Warehouse Document and Records Division (WDRD) for document safekeeping.

5.0 Repealing Clause

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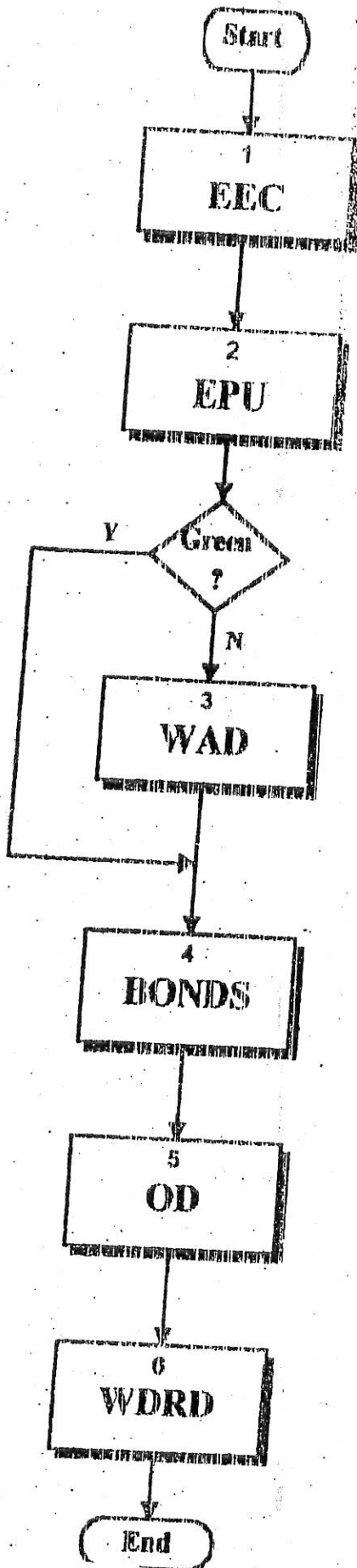
6.0 Effectivity

This Order shall take effect upon approval.

GUILLERMO L. PARAYNO, JR.
Commissioner

WAREHOUSE IMPORT CLEARANCE PROCESS
General Work Procedure

Annex A

Start

1 EEC

Entry Encoding Center
* Encoding of entry
* Triggering of Selectivity
* Printing of assessment notice
* Collection of Filing Fee

2 EPU

Entry Processing Unit
* Segregation & transmittal
* Document check
* Manifest write-off
* CRF check

Green ? Y / N

3 WAD

Warehouse Assessment Division
* Document appraisal, amendment, & registration
* Final appraisal, re-routing, and electronic assessment
* Physical examination
* Post Entry

4 BONDS

Bonds Division
* Checking of entry in ACOS
* Bond application
* Collection of additional charges

5 OD

Operations Division
* Posting of transactions
* Accounting of quota balances
* Checking of Importables
* Coordination of whse transfer requirements
* Lifting of duty stop

6 WDRD

Warehouse Document & Records Division
* Safekeeping of Warehouse entries

End

Note: * Procedure will change upon DEA implementation
* A marshalling area for all cargoes to be transferred or examined shall be implemented