



September 27, 1996

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA

**CUSTOMS MEMORANDUM ORDER**

NO. 32-96

**Subject:** *Triggering of Selectivity System at EEC.*

**1.0 Objectives**

- 1.1 To align and harmonized the Bureau's Cargo Clearance Process with International Best Practices.
- 1.2 To further facilitate the clearance process of legitimate shipments.

**2.0 Scope**

- 2.1 This order shall be applicable to all ports with an ACOS system already operational and with Designated Examination Area in place.
- 2.2 This memorandum order covers all containerized and non-containerized shipments.

**3.0 General Provisions**

- 3.1 Considering the need to facilitate legitimate trade and enhance current Customs Import Clearance Process, the Selectivity mechanism will be triggered at Entry Encoding Center (EEC).
- 3.2 It shall be the responsibility of Brokers/Importer representatives to see to it that the data as appearing in the Import Entry are true and correct before these (data) are inputted in the computer.
- 3.3 If there is no discrepancy between the declared and computed amount payable or that the former is greater, the EEC encoder concerned shall immediately call the Assessment Module which in turn trigger Selectivity. At this point in time the entry becomes official and binding on the importer. A difference in amount less than or equal to ₱10 does not constitute a discrepancy as defined in this section and section 3.4.
- 3.4 Should there be a discrepancy between the declared duties and taxes payable and amount assessed by ACOS, the EEC encoder concerned has the duty to inform the Broker/representative the amount of duty/taxes to be paid based on the ACOS computation and to ask them their agreement or disagreement with it. If the importer/Broker agrees with the ACOS computation the electronic

entry will now be official and binding and the EEC encoder shall proceed as in 3.3.

If they disagree, procedure for Yellow lane shall be followed so as to consult with FED staff for resolution of the problem.

- 3.5 Green lane shipments are to be determined solely by the ACOS Selectivity System. Green lane shall not be extended to any shipment if the CRF, the published value, or the ACOS computation for whatever reason is being questioned or protested.

#### 4.0 Operational Provisions

Operational provision of this memorandum order focuses on the Green lane procedure. Yellow/Red lane shall follow the current procedure in place unless otherwise revised.

#### Green lane clearance process

##### 4.1 Entry Encoding Center (EEC)

- 4.1.1 Receives and encodes required data in the ACOS System.
- 4.1.2 Advises the Broker/Representative on the results of ACOS computation of duties and taxes after conducting a "Check" and ask him to pay additional duties and taxes (if any).
- 4.1.2.1 If the Broker/Importer representative disagrees and there is a need for FED 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 Temporary Assessment Notice (TAN). 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 "Selected" on entries that are selected by the system.
- 4.1.6 Distributes the different copies of the IEIRD.
- 4.1.6.1 EEC gives a copy of the TAN and the blue copy of the IEIRD to the Broker/Importer representative for payment of Arrastre charges.
- 4.1.6.2 The sends the working, gatepass, and delivery copies as well as the necessary import documents to Collection Division.
- 4.1.6.3 Sends all other copies to Entry Processing Unit (EPU) for segregation and distribution.

##### 4.2 Collection Division (CD)

- 4.2.1 Matches declaration/additional payments made at the bank and then sends the entry documents to the Pre-manifesting clerk.

- 4.2.2 Performs pre-manifesting check on the entry and sends the entry documents to the OLRs clerk.
  - 4.2.2.1 If the shipment is found in the manifest, CD writes-off the shipment in the manifest.
  - 4.2.2.2 If the shipment is not found, makes the appropriate report and submits it to the CD Chief for proper disposition and lifting of the duty stop is then held in abeyance.
- 4.2.3 The OLRs clerk lifts the duty stop based on the information available on the entry.
- 4.2.4 CD then marks the entry "GL - for Post Audit" and sends the entry to the appropriate FED section for post audit purposes.

**4.3. Formal Entry Division (FED)**

- 4.3.1 FED Post Audit (PA) staff retrieves the electronic entry in the ACOS system.
- 4.3.2 PA then performs a post audit check based on entry documents.
  - 4.3.2.1 If a discrepancy is detected that warrants immediate verification or holding of the shipment (if applicable), information on the results of the Post Audit shall be immediately sent to Chief of FED for proper disposition.
  - 4.3.2.2 For entries with discrepancies; Liquidation and Billing will issue billing to concerned Client (CIIS shall serve the billing and Collection Division shall collect the amount payable to the Bureau):
- 4.3.3 PA staff submits periodically the results of post audit to the Chief FED and any unit of the Bureau deemed appropriate.

**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