



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
Manila
1099

JUL 23 2002

CUSTOMS MEMORANDUM ORDER
No. 28-2002

To: All Deputy Commissioners
The District Collectors
The Deputy Collectors for Assessment
The Deputy Collectors for Operations
The Chief, Collection Division
All Other Division Chiefs under Assessment and
Operations Groups
Authorized Agent Banks
All Others Concerned

Subject : Guidelines in the implementation of the E-Payment System (EPS).

1. OBJECTIVES

- 1.1. To comply with the Republic Act 8792 Section 27 otherwise known as the Electronic Commerce Act;
- 1.2. To provide a more secure and time-bound collection of duties and taxes; and
- 1.3. To provide a better reconciliation system for the payments made to the Authorized Agent Banks and remittances to the National Treasury after the prescribed holding period.

2. COVERAGE

This Order shall be initially applicable to Electronic Data Interchange (EDI) or Internet declarations filed and processed at the Port of Manila and shall be extended to the other ports upon the issuance of an implementing memorandum by Deputy Commissioner of MISTG.

3. GENERAL PROVISIONS

- 3.1. This system shall be governed by the operational provisions of CMO 22-99 in the processing of EDI entries at the port. The Authorized Agent Bank (AAB) capable of e-payment shall issue an acknowledgement/electronic receipt.
- 3.2. The ACOS generated entry number shall be captured by the AABs Data Entry System and shall be used as the reference key in the reconciliation system.
- 3.3. The Bank Branch in box 28 shall use the code "EPS" indicating the electronic payment to the head office of the accredited bank.
- 3.4. In case of the illegal use of the password, the same shall be the responsibility of the person whose password was used.

4. OPERATIONAL PROVISIONS

- 4.1. The importer/broker shall lodge the entry using the facility of the Value Added Network (VAN) as provided in CMO 22-99 or such other facilities as certified by the Deputy Commissioner of MISTG.
- 4.2. Processing of the payment of duties and taxes made by the importer/consignee shall be through the E-payment Portals of the AABs:
 - 4.2.1. Upon receipt of the debiting instruction from ACOS, the importer/consignee shall log in to the E-Payment Portal of the AAB and shall generate a unique reference number that can be accessed by the client, which will serve as the acknowledgement or e-receipt. The client shall be deemed to be the person who is the holder of the I.D. number and the password.
 - 4.2.2. The E-Payment Portal of the AAB shall generate a Payment Abstract Secure System (PASS4) file format prescribed in CAO 2-95 that shall be transmitted to the Philippine Clearing House Corporation (PCHC).
 - 4.2.3. PCHC shall acknowledge and confirm the PASS4 file to the AAB.
- 4.3. The PASS4 file at the PCHC shall be transmitted to the Bureau of Customs-Revenue Accounting Division (BOC-RAD), Bureau of the Treasury, the port concerned and the VAN.
- 4.4. The matching process shall be as prescribed in CAO 2-95.
 - 4.4.1. If found unmatched, the importer/consignee shall accomplish a post-entry form (paper or electronic) indicating the cause thereof, the same to be approved by the Chief, Collection Division. The following are some

instances when the data as transmitted by the bank do not match those indicated in the IEIRD:

- 4.4.1.1. wrong encoding of the entry number;
- 4.4.1.2. wrong encoding of the bank reference number;
- 4.4.1.3. two or more IED used;
- 4.4.1.4. insufficiency of the amount processed by the AAB; and
- 4.4.1.5. garbled message transmitted by the AAB.

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5. REPEALING CLAUSE

All other memoranda, orders, or other customs issuances contrary to the provisions of this Order are hereby deemed repealed and/or modified accordingly.

6. EFFECTIVITY

This Order shall take effect immediately.


ANTONIO M. BERNARDO
Commissioner