



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

7 July 2005

**CUSTOMS MEMORANDUM ORDER**  
NO. *29-2005*

**To: ALL SEAPORT DISTRICT COLLECTORS**

**Subject: *PROCEDURE/RULES & REGULATION ON THE  
TRANSFER OF IMPORT SHIPMENTS FROM  
SEAPORTS OF DISCHARGE TO PEZA-  
REGISTERED ECONOMIC ZONE LOCATOR  
ENTERPRISES UNDER BOC-PEZA JOINT  
MEMORANDUM ORDER 02-2005***

**1. Objectives**

- 1.1 To establish ownership of all import shipments attributed to PEZA-registered economic zone locator enterprises discharged at seaports and to be released without payment of taxes and duties;
- 1.2 To facilitate and simplify procedures and requirements in the filing, processing and releasing of import shipments of PEZA-registered enterprises;
- 1.3 To confirm delivery of import shipments of PEZA-registered enterprises released at the seaports to their respective economic zone locations;

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**2. Scope**

This Order shall apply to tax- and duty-free import shipments of PEZA-registered economic zone locator enterprises arriving at and discharged from seaports for delivery to economic zone locations.

**3. General and Administrative Provisions**

3.1. A Customs-PEZA Clearance Office (CPCO) shall be established in each of the seaports where this Order shall be implemented.

3.1.1. The CPCO shall be responsible for processing Transit-Import Entries and Internal Revenue Declarations (Transit-IEIRDs). It shall approve the release and transfer of import shipments to the economic zone locations of the importing PEZA-registered enterprises, as prescribed in JMO No. 1-2001.

3.1.2. The CPCO shall be manned by BOC and PEZA officials and personnel.

3.1.3. The CPCO shall be under the direct supervision and control of the BOC Deputy Collector for Operations, who shall be responsible for the efficient and effective monitoring and accounting of all import shipments processed, released and transferred from the port of discharge to the economic zone locations of PEZA-registered enterprises.

3.1.4. The CPCO shall be equipped with ACOS workstations, electronic broadcasting facility and an automated system that will confirm actual delivery of import shipments received at the economic zone locations of the importing PEZA-registered enterprises.

3.1.5. The locator/importer shall utilize an Auto-Debit, mobile and/or similar cashless payment system for the payment of customs fees, as enumerated in Item 3.1.6 below.

3.1.6. For every import shipment processed and released from the port of discharge, the BOC shall collect a total of P 1,015.00, as follows:



P 710.00	Cargo Transfer Fee (CTF)
40.00	Cost of Transit-IEIRD Form
265.00	Cost of Documentary Stamps
<b>P 1,015.00</b>	<b>Total</b>

- 3.1.6.1. For transit-IEIRD encoded at the EEC, the fee collected shall be P710 per transaction, the cost of the IEIRD (P40) Form and the Documentary Stamps (P265) having been previously collected by the BOC Cashier issuing the forms.
- 3.1.6.2. DTI-lodged transshipments shall be assessed P1,015, which amount already includes the cost of the IEIRD and the documentary stamps.

#### 4. Operational Provisions

- 4.1. Transfer of import shipments from the port of discharge to the economic zone locations of PEZA-registered enterprises shall be covered by the Transit-IEIRDs instead of the Transshipment Permit. Transit-IEIRDs shall conform with the requirements for a full declaration and coded as Transit for PEZA procedure which shall render the following documents unnecessary.
- 4.1.1. Customs EPZA Warehousing Entry (CEWE);
  - 4.1.2. Transshipment Permit;
  - 4.1.3. Transit Cargo Manifest;
  - 4.1.4. Boatnote;
  - 4.1.5. Mission Order; and
  - 4.1.6. Telegram.
- 4.2. PEZA-registered enterprises shall lodge their Transit-IEIRDs at the Entry Encoding Center (EEC) or through a Direct Trader Input (DTI) remote lodgement facility.
- 4.2.1. The IEIRD-Transit shall be accomplished pursuant to CMO 20 - 2004 dated June 30, 2004. 4



4.2.2. PEZA-registered economic zone enterprises shall furnish the particular Import Permit reference number in Box # 44 of the IEIRD or SAD form.

4.2.2.1. The Model of Declaration to be used are: "8 DT8" for those filing through remote lodgement facility and "8 8" for those filing through the EEC.

4.2.3. In the case of a (DTI) lodgement, no separate printed Transit-IEIRD shall be required. Instead, the Single Administrative Document (SAD) generated, signed by the duly designated official of the PEZA-registered enterprise or its representative, shall serve as the Transit-IEIRD.

4.3. Import shipments of PEZA-registered economic zone enterprises shall be covered by Import Permits (IPs) issued by PEZA through its Electronic Import Permit System (EIPS).

4.3.1. Customs shall verify on-line the contents of the PEZA-Import Permit vis-à-vis the Transit IEIRD. Customs shall scan the bar-coded Import Permit to authenticate the document and verify on-line the contents of the Import Permit in one action.

4.3.2. The Electronic Import Permit shall be compatible with the Transit-IEIRD regarding its information content.

4.3.3. Import shipments of PEZA-registered economic zone enterprises without a verifiable Electronic Import Permit shall be subject for physical inspection by a Customs officer.

4.3.3.1 Verification of the presented Import Permit shall utilize all other means to establish the authenticity of the Import Permit, to include phone verification, manual text messaging, fax, document verification and others.

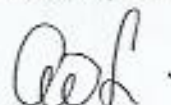
4.4. BOC shall develop and implement an Electronic to Mobile Broadcast (e2m-Broadcasting) facility to verify ownership of import shipments attributed to PEZA-registered enterprises.

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Basically, using the facility, BOC will inform registered enterprises of all import shipments attributed to them, as well as the status of each including the moment the shipment is cleared for release.

- 4.4.1. The filing of the Transit-IEIRD at the CPCO will trigger the sending of e-mail and/or SMS message to enrolled e-mail addresses and/or cellular phone numbers to the PEZA-registered enterprise to which ownership of the import shipment is attributed.
- 4.4.2. Upon receipt of e-mail and/or SMS message from the BOC, PEZA-registered enterprises shall acknowledge or confirm ownership of the import shipments attributed to them by using pre-formatted text e-mails/ SMS messages.
- 4.4.3. Denial of ownership of the import shipment by the PEZA-registered enterprise shall cause such shipments to be the subject to an immediate Hold and Alert Order.
- 4.4.4. Failure of PEZA-registered enterprises to acknowledge/ confirm ownership of import shipments attributed to them shall cause such shipments to be held and released only after ownership of the import shipments shall have been established.
- 4.4.5. Failure of PEZA-registered enterprises to acknowledge/ confirm ownership of import shipments attributed to them within **12 hours** shall cause the import shipment to be subject to an appropriate Hold and Alert Order.
- 4.4.6. PEZA-registered enterprises shall enroll with BOC and PEZA the authorized e-mail addresses and cellular phone numbers as the recipient of the e2m-Broadcasting messages.
- 4.4.7. A subsequent CMO shall be issued to govern the implementation of the e2m broadcasting.
- 4.4.8. During the period that the e-broadcasting facility has not been set-up, the CPCO shall employ all other means to verify the ownership of the shipment, to include phone verification, ~~\_\_\_\_\_~~ 0



manual text messaging, fax, document verification and others.

4.5. PEZA-registered enterprises shall post **General Transportation Bonds (GTBs)** to cover all taxes and duties of import shipments while in transit through the customs territory, from the port of discharge to their economic zone locations.

4.5.1. The GTB shall be an annual bond equivalent to twice the amount of taxes and duties due on an average import shipment discharged and released at the seaport based on the following formula:

<b>Amount of GTB = 2 x</b>	<b>Total taxes and duties due on all import shipments made via the seaport during the preceding year</b>
	<b>Total No. of Import shipments during the preceding year</b>

4.5.2. The outstanding GTB shall not be less than the total duties and taxes for the import shipment being filed.

4.5.3. PEZA-registered enterprises shall register the GTBs at the BOC Bonds Division in the respective ports where their import shipments are discharged and released.

4.5.3.1. The Bonds Division of that particular port shall provide the CPCO a copy of the list of authorized PEZA-registered enterprises with sufficient bonds.

4.5.3.2. The BOC shall provide the CPCO with electronic GTB data as soon as the Automated Bonds Management System is operational.

4.5.4. Only GTB's issued by surety companies duly accredited by the BOC at the time of filing of the Transit-IEIRD (pursuant to CMO No. 22-2003) shall be honored.



- 4.6. BOC shall implement an Auto-Debit Processing Fee Payment System and other cashless Electronic to Mobile Payment Systems (e2m-Payment) which will allow the automatic transfer of payments for processing fees, from accounts established by PEZA-registered enterprises, in favor of the corresponding BOC and PEZA accounts.

4.6.1 Implementation of the Auto-Debit Processing Fee Payment System shall adhere to the provisions of CMO 8-2005 – Guidelines on the implementation of the Automated Collection of Cargo Transfer Fees for PEZA Shipments under CMO 1-2000.

- 4.7. The BOC shall develop and implement an Electronic to Mobile Delivery Confirmation System (e2m-Delivery Confirmation) that will allow real-time monitoring of actual delivery of shipments releases to PEZA-registered enterprises at their economic zone locations.

## 5. Operational Procedures

### 5.1. Processing of Transit-IEIRDs

- 5.1.1. A PEZA enterprise shall file an application for a Transit-IEIRD to cover its import shipments, attaching the following, as supporting documents:

- 5.1.1.1 Bill of Lading.
- 5.1.1.2. Commercial Invoice
- 5.1.1.3. Packing List
- 5.1.1.4. Import Permit

- 5.1.2. After encoding the transit data into the ACOS, the electronic copy of the Transit-IEIRD shall be transmitted to the CPCO for document processing.

- 5.1.3. The system shall automatically broadcast appropriate shipment information to the authorized e-mail addresses and/or cellular phone of the PEZA-registered enterprise to which the shipment was attributed.



5.1.3.1. The BOC Officer shall wait for the response from the PEZA-registered enterprise regarding ownership of the subject shipment.

5.1.4. The receipt of the e2m-Broadcasting response from authorized PEZA-registered enterprise confirming ownership of the subject shipment and the receipt of e2m payment confirmation shall trigger the On-line Release System (OLRS) to process and issue a release message to the Arrastre operator.

**5.2. Transfer of Shipment**

5.2.1. The Customs Gatekeepers shall check or tally the information on the gate pass and the marks and numbers of the shipment. He shall also ensure that the transit shipment is being transferred by the accredited personnel of the PEZA enterprise.

**5.3. Receipt of Shipment**

5.3.1. Upon the arrival of the transit shipment at the PEZA zone, BOC and PEZA shall check that the container seals are intact and untampered. BOC and PEZA shall acknowledge receipt of the same by signing on the delivery copy of the IEIRD, which copy shall be returned within twenty-four (24) hours to the CPCO by the PEZA enterprise representative. Additionally, BOC and PEZA zone officers shall submit their reports of receipt of shipment to their respective agencies, via the e2m Delivery Confirmation System for confirmation of delivery.

5.3.1.1. The Office of the Deputy Collector for Operations of the particular Port of Discharge shall monitor information from the Delivery Confirmation System for confirmation of delivery as well as "pending shipments" (shipments that have been released from the Customs Port of Discharge but have not yet arrived at the destination PEZA zone as reflected in the system).





- 5.3.1.2. Shipments that have not yet arrived at the destined PEZA zone within a reasonable period shall cause the conduct of an immediate investigation to determine the cause of such failure by the Office of the District Collector as endorsed by the Office of the Deputy Collector for Operations.
- 5.3.1.3. Shipment with broken or tampered seals shall be subject to an immediate Hold Order.

#### 5.4. Reportorial Provisions

- 5.4.1. The CPCOs in the ports shall prepare and submit the following monthly reports to their respective Deputy Collector for Operations:
  - 5.4.1.1. List of Registered PEZA enterprises and their basic profile i.e. address, line of business, products;
  - 5.4.1.2. Copies of accreditation of PEZA enterprise representatives (together with their specimen signatures and company identification cards); and
  - 5.4.1.3. List of Accredited Truckers and their registered transport vehicles.
- 5.4.2. The CPCOs shall also prepare and submit the following daily reports to the Deputy Collector for Operations:
  - 5.4.2.1. Import Permits Issued and Processed
  - 5.4.2.2. List of Open Transshipment Processed

*[Handwritten signature]*

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**6. Repealing Clause**

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

**7. Effectivity**

This Order shall take effect immediately.

  
ALBERTO D. LINA  
Commissioner