



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

P. J. J.
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CUSTOMS MEMORANDUM ORDER (CMO)
NO. 17 - 2018

**SUBJECT: Nationwide Implementation of the 1-Assessment System
(Formerly Known as Enhanced Goods Declaration Verification
System or EGDVS)**

INTRODUCTION. This Order implements Section 109 and other relevant provisions of Republic Act (R.A.) No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), in relation to R.A. No. 11032, otherwise known as the Ease of Doing Business and Service Delivery Act of 2018. This Order also supplements the provisions of CMO 10-2018¹ and supersedes CMO No. 31-2017.²

Section 1. Objectives.

- 1.1 To prevent corruption by institutionalizing the "Zero Contact Policy" (Section 7 of R.A. No. 11032) and suppress the "suki system" in the cargo clearance process through the random assignment of examiners and appraisers to a given goods declaration;
- 1.2 To enable brokers and importers to obtain real-time information on the status of their goods declaration lodged with the Bureau of Customs (BOC); and
- 1.3 To define the liability and strengthen accountability of licensed customs brokers and customs personnel involved in the cargo clearance process.

Section 2. Scope.

- 2.1 The 1-Assessment System shall apply only to import consumption entries cleared under the formal entry process in all ports of entry, subject to the exceptions provided herein.

¹ Implementation of Enhanced Goods Declaration Verification System (EGDVS), dated July 12, 2018 (initial implementation in the Ports of Clark, Subic and Batangas)

² Implementation of Goods Declaration Verification System (GDVS), dated December 6, 2017

Section 3. Definition of Terms – For purposes of this Order, the following terms are defined accordingly:

- 3.1 **1-Assessment System** – refers to a web-based queue management software/application that provides bias-free assessment by randomly assigning Appraisers and Examiners to goods declaration filed.
- 3.2 **Bill of Lading** – refers to a transport document issued by shipping lines, carriers and international freight forwarders or non-vessel operating common carrier for water-borne freight. The holder or consignee of the bill has the right to claim delivery of the goods at the port of destination. It is a contract of carriage between the carrier and the shipper, which defines the liabilities of each party. In addition, it contains transport instructions to shipping lines and carriers, a description of the goods, and applicable transportation charges. It may refer to a Master Bill of Lading or a House Bill of Lading.
- 3.3 **Commercial Invoice** –refers to a legal document between the supplier and the customer that clearly describes the sold goods, and the amount due on the customer. The commercial invoice is one of the main documents used by customs in determining customs duties.
- 3.4 **Country of Origin Certificate** –refers to a mandatory documentary requirement to be filed together with the Import Entry and Internal Revenue Declaration (IEIRD) for the release of shipments from the BOC.
- 3.5 **Customs Broker** - refers to any person who is a *bona fide* holder of a valid Certificate of Registration/Professional Identification Card issued by the Professional Regulatory Board and Professional Regulation Commission pursuant to Republic Act No. 9280, as amended, otherwise known as the "Customs Brokers Act of 2004"
- 3.6 **Customs Client Number** – refers to a stakeholder's unique identifier in the CPRS for every role that the stakeholder acquires in the CPRS registration. It is issued by way of a Certificate of Registration (CoR).
- 3.7 **Declarant**– refers to any person who makes goods declaration or in whose name a goods declaration is made. In the processing of goods declaration under the formal entry process, the declarant must be registered in the BOC's existing Client Profile Registration System (CPRS) and recognized to electronically lodge the goods declaration.
- 3.8 **Discharge Port Survey Report** – refers to a report issued by an Accredited Cargo Surveying Company (ACSC) for the survey of imported cargoes at the Port of Discharge and submitted to the BOC. The report shall be submitted to the BOC directly from the ACSC in a secured electronic format.

- 3.9 **Goods Declaration** – refers to a statement made in the manner prescribed by the BOC and other appropriate agencies, by which the persons concerned indicate the procedure to be observed in the application for the entry or admission of imported goods and the particulars of which the customs administration shall require.
- 3.10 **Load Port Survey (LPS) Report** – refers to a report issued by an ACSC for bulk or break-bulk cargo to be imported into the Philippines. The report shall be submitted to the BOC directly from the ACSC in a secured electronic format.
- 3.11 **Packing List** – refers to an itemized list of articles usually included in each shipping package, giving the quantity, description, and weight of the contents.
- 3.12 **Port of Entry** – refers to the first Philippine port of call of a foreign carrier. These shall be the ports designated as such by applicable laws or by the President in the exercise of his authority to open or close any port.
- 3.13 **Post-Entry Modification/ SAD Cancellation** – refers to the process used when it is necessary to revise the data in the SAD in cases where the shipment is already assessed but not yet released. The procedure and conditions are provided under CMO 27-2009, CMO 53-2010 and CMO 27-2017.
- 3.14 **Single Administrative Document (SAD)** – refers to an internationally used form as customs declaration or goods declaration. It was designed to standardize customs documents, harmonize codification and simplify procedures in international trade exchanges.
- 3.15 **Security** - refers to any form of guaranty, such as a surety bond, cash bond, standby letter of credit or irrevocable letter of credit, which ensures the satisfaction of an obligation to the Bureau
- 3.16 **Tax Identification Number (TIN)**- refers to an identifying number issued by the Bureau of Internal Revenue (BIR) to individuals or juridical entities to track tax obligations and payments.
- 3.17 **Tentative Assessment** - refers to a case where the duties and taxes initially assessed are disputed by the importer. The assessment shall be completed upon final readjustment based on the tariff ruling in case of classification dispute, or the final resolution of the protest case involving valuation, rules of origin, and other customs issues. The District Collector may allow the release of the imported goods under tentative assessment upon the posting of sufficient security to cover the applicable duties and taxes equivalent to the amount that is disputed.

Section 4. General/Administrative Provisions

A. Assignment of Goods Declaration

- 4.1 Customs Examiners to be assigned in a goods declaration shall come from the Port of Entry where the imported goods are physically located.
- 4.2 Customs Examiners and Appraisers must log-in daily to the 1-Assessment System, not later than 9:00 AM, to get assignment of a goods declaration for the day.
- 4.3 Daily assignment of goods declaration may or may not be given by the Assessment Chief to the Customs Examiners and Appraisers who logged-in beyond 9:00 AM in the 1-Assessment System.
- 4.4 Once the Customs Examiners and Appraisers are logged-in to the 1-Assessment System, a dashboard shall appear in the screen prompting them to Start or Stop receiving queuing assignment. When Stop receiving of queuing assignment is selected, the Examiners or Appraisers shall indicate the reason in the Remarks box.
- 4.5 In case of Post-Entry Modification and SAD cancellation, the goods declaration shall be processed in the port where the goods are entered. The Assessment Chief shall designate a Customs Appraiser in the port to process the said goods declaration.

B. Others

- 4.6 The issuance of Certificate of Payment (CP) shall remain in the Port of Entry and shall be processed by the Assessment Chief.
- 4.7 BOC stakeholders may check the status online of their goods declaration using their mobile phones, personal computers, or designated kiosks using the url: 1-assessment-broker.customs.gov.ph/kiosk.

Section 5. Operational Provisions

- 5.1. Lodgment of Goods Declaration. The importer, licensed customs broker or declarant shall lodge the goods declaration through any of the Value-Added Service Providers/Accredited Information Providers (VASP/AIPs).
- 5.2. Transmittal to the 1-Assessment System. The VASP/AIP shall send the E2M-lodged goods declaration through web-service to the 1-Assessment System.

5.3 Submission of Supporting Documents.

5.3.1 Using the url: 1-assessment-broker.customs.gov.ph, the broker shall log-in to the 1-Assessment System using their TIN, Customs Client Number (CCN) and Password initially supplied by the system, retrieve the goods declaration from the 1-Assessment System by choosing the correct Port and Goods Declaration Number (Entry Numbers), then attach the high quality electronic (100-200) dpi images of the following mandatory original documents:

- a. Duly indorsed bill of lading;
- b. Commercial invoice;
- c. Packing list;
- d. Validated Country of Origin Certificate (CO) or Self-Certification;
- e. Proof of Payments (certified by the Bank);
- f. Sales contract signed by supplier and importer in the absence of proof of payment;
- g. Permits and licenses from other regulatory government agencies;
- h. Load Port Survey Report (LPSR) or Discharge Port Survey Report (DPSR) for bulk and break shipments;
- i. Charter Party Agreement for bulk/break bulk shipment with single consignee; and
- j. Other supporting documents that the BOC may require.

5.3.2 Only PDF, PNG or JPG files with a maximum size of 5MB can be attached per file.

5.3.3 The licensed customs broker must thereafter submit the (i) notarized printed copy of the SAD, (ii) notarized Supplemental Declaration on Valuation (SDV) and (iii) the original hard copies of the documents mentioned in the above-section to the Customs Officer assigned at the Entry Processing Unit (EPU) or equivalent office in the Port.

5.4 Documents Verification.

5.4.1 Upon receipt of the registered E2M goods declaration and its supporting documents, the assigned Customs Officer at the Entry Processing Unit or equivalent office shall log-in to the 1-Assessment System, verify if the goods declaration number under the TIN of the licensed customs broker is existing, then, retrieve the goods declaration filed in the 1-Assessment System.

5.4.2 The Customs Officer shall then make preliminary verification and comparison of the hardcopy of the documents submitted against the attached documents in the 1-Assessment System.

- 5.4.3 The Customs Officer must ensure that the original copies of the required documents are submitted. Once verified, the Customs Officer shall click the 'Submit' button, then forward the documents to the Chief of Assessment Division.
- 5.4.4 If there are discrepancies on the documents submitted by the licensed customs broker, the assigned Customs Officer shall fill up the 'Notes' box in the 1-Assessment System based on his findings and then click the 'Incomplete' button.
- 5.4.5 The 1-Assessment System shall inform the licensed customs broker of the lacking documents by checking the 'Notification' tab of his/her account then broker may upload the additional documents by clicking the 'Supporting Documents', and once done attaching the additional documents, click the 'Submit' button.
- 5.4.6 Upon receipt of the hard copies of the additional documents submitted by the licensed customs broker, the assigned Customs Officer shall verify the hard copy against the attached scanned copy.
- 5.4.7 If the Customs Officer is satisfied that the deficiencies has been complied with, he/she shall click the 'Submit' button, then forward the documents to the Chief of Assessment Division.
- 5.5. Documentary/Physical/Non-Intrusive Examination
- 5.5.1 The Customs Examiner shall check and acknowledge the assigned goods declaration in the 1-Assessment System by clicking the 'Get Queue' button and retrieve the documents from the Chief of Assessment Division. The assigned Customs Examiner shall verify the authenticity and completeness of the submitted hardcopy of the goods declaration.
- 5.5.2 After document verification and if selected yellow, the assigned Customs Examiner will process the goods declaration in the E2M and update the status of the declaration through the 1-Assessment System.
- 5.5.3 If the submitted documents and E2M goods declaration have been examined and there is no issue, the Customs Examiner shall process the goods declaration in the E2M System and then click the 'Submit' button of the 1-Assessment System.
- 5.5.4 If the Customs Examiner finds that the documents are incomplete, or deficiencies are noted, he/she shall click the 'Add Notification' button then indicate the needed documents.

For physical examination, he/she shall click the 'Add Notification' button to indicate the schedule when the examination shall take place.

- 5.5.5 For commodities under motor vehicles, motorcycles, and scooters, the Customs Appraiser or Examiner shall refer the goods declaration to the ESS Motor Vehicle Monitoring and Clearance Office (EMVMCO) for issuance of "Clearance of No Derogatory Information" by choosing the "EMVMCO/CAIDTF/EPU" in the Workflow Status dropdown menu then click the "Submit" button.
- 5.5.6 For goods declaration subject to non-intrusive examination, the Customs Examiner shall refer to the XIP Field Office concerned for attachment of X-Ray image by choosing "Non-Intrusive Examination" in the Workflow Status dropdown menu then click the "Submit" button.
- 5.5.7 For commodities covering importations of dangerous drugs and controlled chemicals, the Customs Examiner or Appraiser shall refer the goods declaration to the Customs Anti-Illegal Drugs Task Force (CAIDTF), Enforcement and Security Service (ESS) for appropriate clearance, by choosing "EMVMCO/CAIDTF/EPU" in the Workflow Status dropdown menu then click the "Submit" button.
- 5.5.8 For commodities covering importations of waste products, articles for recycling purposes, and other articles which could be hazardous that may affect the environment as well as activities of carriers of importations that may pollute the environment, the Customs Appraiser or Examiner shall refer the goods declaration to the Environmental Protection Unit (EPU) for appropriate clearance, by choosing "EMVMCO/CAIDTF/EPU" in the Workflow Status dropdown menu then click the "Submit" button.
- 5.5.9 If the broker has complied with the deficiencies and the documents are found to be complete, the assigned Customs Examiner shall process the goods declaration following the procedure in Section 5.5.3 above.
- 5.5.10 If the goods declaration has been selected "RED" for physical examination, the Examiner must conduct the required physical examination of the goods following existing rules and regulations and process the goods declaration in accordance with the E2M System and then click the 'Submit' button of the 1-Assessment System.
- 5.6 Assessment of Duties and Taxes
- 5.6.1 The assigned Customs Appraiser shall check and acknowledge the assigned goods declaration in the 1-Assessment System by clicking the 'Get Queue' button.

- 5.6.2 Based on the report of examination as reflected in the Inspection Act done by the Customs Examiner in the E2M System, the assigned Customs Appraiser shall assess the duties and taxes due on the shipment.
- 5.6.3 If the goods declaration and attached documents in the 1-Assessment System and E2M have been assessed and verified accordingly, the assigned Customs Appraiser shall click the 'Submit' button. Otherwise, the assigned Customs Appraiser may click the 'Back to Examiner' button if there is a need to return the assigned goods declaration to the previous assigned Customs Examiner or click the 'Assign/Back to Broker' button if there is a need for the broker to submit additional documents.
- 5.6.4 If the value declared by the broker is not acceptable based on Method One (Transaction Value) of the Methods of Valuation, the Customs Examiner or Appraiser has an option to refer the goods declaration to the Imports and Assessment Service (IAS) for value reference by choosing the "IAS Clearance Certificate" in the Workflow Status dropdown menu.
- 5.6.5 The assigned IAS personnel shall check and acknowledge the request for value reference. The reply on the value reference request shall also be sent thru the system by attaching the IAS certificate then send it to the Customs Examiner or Appraiser who requested the value reference.
- 5.6.6 Disputes arising from the findings of either the Customs Examiner or Appraiser shall be governed by the rules on Dispute Settlement.

5.7. Tentative Assessment

- 5.7.1 Tentative assessment of duties, taxes and other charges may be allowed in case the importer or licensed customs broker disputes the amount assessed by the Customs Appraiser.
- 5.7.2. The District Collector may allow the release of the imported goods under tentative assessment upon posting of sufficient security to cover the applicable duties and taxes equivalent to the amount that is disputed, provided the goods are not classified as regulated commodity requiring import permit or clearance prior to its release.
- 5.8 Manual Assignment. If the 1-Assessment System is unavailable due to network interruption or other technical concerns, the MISTG Site Manager shall inform the MISTG Deputy Commissioner of the situation. Depending on the severity of the problem as assessed by the Technical Support Division (TSD), the Deputy Commissioner of MISTG may allow manual assignment of goods declaration within the affected port until the

problem is resolved as advised by the TSD and the MISTG Site Manager.

- 5.9. Reassignment of Goods Declaration. If a goods declaration has been assigned and remained unattended for two hours, the Assessment Chief shall click the "Re-assign" button and the system will re-assign it to another available Customs Examiner.

For goods declaration assigned to Customs Appraiser but remained unattended for two hours, the designated Appraiser Supervisor shall have the sole task to reassign such goods declaration by using the "Re-assign" button. The system shall randomly reassign it to another available appraiser.

Section 6. Exceptions. The 1-Assessment System shall not apply to the following goods declaration filed, even if cleared under the formal entry process:

- 6.1 Shipments under the Super Green Lane (SGL);
- 6.2 Articles withdrawn from Customs Bonded Warehoused for local consumption;
- 6.3 Wastages under the Bonded Warehouse Regime and jet operation losses.
- 6.4 Goods entered as temporary Imports for subsequent re-exportation (5A-5)
- 6.5 Deferred Payment of Government (DPG)

Section 7. Sanctions and Penalties. Any person or entity who obstructs, or attempts to obstruct, the implementation of this Order and its related rules and issuances, or who assists in the same, or allows himself/herself to be used in the commission of the same, shall be subject to the appropriate civil, criminal and/or administrative penalties.

In addition to the sanctions under the CMTA, and Civil Service laws, rules and regulations, any BOC official and/or employee found to have violated any of the provisions of this Order, or commit acts prejudicial to the effective implementation of this Order, shall be immediately relieved, transferred to another office, or assigned to a less sensitive position in the BOC.

The penalties as prescribed under Article 1430, 1431, 1432, and 1433 of the CMTA, as may be pertinent or applicable, shall be imposed for violations of this Order and its related rules and issuances, without prejudice to other penalties that may be imposed.

Section 8. Implementation Schedule. The Commissioner of Customs shall issue the corresponding Memoranda to the different District Collectors informing them of the schedule of the roll-out of the 1-Assessment in their respective ports.

Section 9. Repealing Clause. All orders, memoranda, circulars and issuances inconsistent herewith are hereby repealed and/or deemed modified accordingly.

Section 10. Separability Clause. If any part or provision of this Order is later on declared invalid of illegal, the remaining portion shall remain valid and unaffected.

Section 11. Effectivity Clause. This order shall take effect after fifteen (15) calendar days from publication in a newspaper of general circulation.

Isidro S Lapeña
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