



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

03 May 2016

CUSTOMS MEMORANDUM ORDER  
NO. 9-2016

TO : ALL DEPUTY COMMISSIONERS  
ALL DISTRICT COLLECTORS  
ALL OTHERS CONCERNED

SUBJECT : AMENDMENT TO CMO NO. 40-2015

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In connection with the implementation of CMO No. 40-2015 dated 28 October 2015, on the Transfer of Goods from the Ecozone Logistics Service Enterprise (ELSE) to its Partner Ecozone Locator; the provision under 4.1 is hereby amended as follows:

4.1 Filing and Approval of the GTSB

d. Approval of the GTSB Application by concerned Customs Officials must be based in the following:

Completeness of the Application Form (see Annex A)

Annex A - GTSB Application Form

Procedure for the computation of the GTSB Face Value:

3. Multiply the result of box 2 by 7

All other provisions remained unchanged.

Please confirm the dissemination of this Order within fifteen (15) days from receipt hereof.

For your information and guidance.

ALBERTO D. LINA  
Commissioner



MAY 03 2016

CMO-9-2016

Annex A

To: Head of Customs Office  
PEZA EAD, \_\_\_\_\_ Zone

From: Mr. ELSE Responsible Officer  
ELSE Company

Date: Date of Application for Approval of GTSB

Subject: GTSB Application for the Zone Transfer Document (ZTD)

Sir,

Pursuant to JMO 2-2015 and implemented by CMO \_\_\_\_\_, respectfully submitted is the attached GTSB issued by \_\_\_\_\_, a duly BOC-accredited Surety company in the amount of Php \_\_\_\_\_ computed as indicated below:

**Procedure for the computation of GTSB Face Value:**

Please write in the second column the instructions indicated in adjacent box of the first column:

1. Total FOB value of all transferred goods for the preceding three-month period.	
2. Divide the total of box 1 by 90	
3. Multiply the result of box 2 by 7	
4. Then multiple the result of box 3 by 14% FACE VALUE OF GTSB IS EQUAL TO	PHP _____

Please fill up the following information:

- Address of the Bonding Company: \_\_\_\_\_
- GTSB Bond No.: \_\_\_\_\_
- Port of Entry: \_\_\_\_\_
- Name of ELSE Company: \_\_\_\_\_
- Address of ELSE Company: \_\_\_\_\_
- Name of Principal (ELSE Company): \_\_\_\_\_
- Name of Bond Underwriter: \_\_\_\_\_

Approved By:

\_\_\_\_\_  
Customs Officer (Signature over Printed Name)

**Important Reminders:**

1. This application form is under oath and should be notarized when approved
2. It shall be the responsibility of the BOC Approving Officer to verify that the GTSB is duly issued by the Bonding by telephone or any other means.
3. BOC officer to make sure the GTSB Application Form contains all the important elements of a GTSB
4. A certified true copy of this GTSB application and a copy of the GTSB and OR should be with the BOC for safekeeping.



*CMO 9-2016*

28 October 2015

**CUSTOMS MEMORANDUM ORDER**  
NO. 40-2015

**SUBJECT: CUSTOMS RULES AND REGULATIONS IMPLEMENTING  
BOC-PEZA JMO 2-2015 ON THE TRANSFER OF GOODS  
FROM THE ECOZONE LOGISTICS SERVICE ENTERPRISE  
(ELSE) TO ITS PARTNER ECOZONE LOCATOR**

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**1. Background**

- 1.1 BOC-PEZA Joint Memorandum Order 2-2015 dated 24 July 2015 prescribed the rules and regulations for the transfer of goods by PEZA registered Enterprise to other PEZA Registered Enterprises, utilizing the computer system, Electronic Zone Transfer System (e-ZTS).
- 1.2 While JMO 2-2015 covers all transfer of goods to include among others; constructive exports, farm-out, farm-in, for sub-contracting, and permanent/temporary transfer of goods and equipment, the initial implementation of e-ZTS shall be for the transfer of goods entered/stored in an Ecozone Logistics Service Enterprise (ELSE) with a corresponding Electronic Letter of Authority for the goods to be transferred to a zone locator duly authorized to received such transfers.
- 1.3 The CMO defines the duties and responsibilities of concerned BOC-Officers/Officials in the conduct of ELSE Transfers. The separate duties and responsibilities of PEZA Officers/Officials for the transfer shall be contained in a separate PEZA Memorandum Order.

**2. Objectives**

- 2.1 To further enhance the ease of doing business in the Ecozone through the Implementation of an Electronic System for composing, submitting and processing applications for the transfer of the goods between ELSE Facilities and Partner PEZA Locators.
- 2.2 To clearly define the duties and responsibilities of Customs Personnel in the transfer of goods from ELSE Facilities to Ecozone Locators.

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### **3. Scope**

- 3.1 The role of the customs officials in the Ecozone for the transfer of goods from an ELSE Facility to a partner Ecozone Locator shall be limited to the following activities:
- a. Approval of the General Transportation & Surety Bond (GTSB) to ensure that there is adequate security for the goods being transferred.
  - b. Selective examination of the goods covered by the electronic zone transfer document or e-ZTD, both prior to exit from ELSE and upon arrival of the transferred goods to the destination. Ecozone Locator to ensure only duty approved goods are withdrawn/transferred.
  - c. Selective examination of the goods covered by the electronic zone transfer document or e-ZTD, both prior to exit from ELSE and upon arrival of the transferred goods to the destination. Ecozone Locator to ensure only duty approved goods are withdrawn/transferred.
  - d. Support tracking transfer to identify transfer that may have diverted from the intended destination.
  - e. Support initiation at the earliest possible recovery operation for diverted transfer and certification of the GTSB.
  - f. Support the spot-checking of destination warehouse to check if intended transfer successfully delivered at the approved destination.

### **4. Operational Provisions**

#### **4.1 Filing and Approval of the GTSB**

- a. No ELSE can transfer goods to partner PEZA Locators without having posted a GTSB duly approved as provided for in JMO 2-2015 and in this order.
- b. The duly designated ELSE operator shall obtain the GTSB required under in the JMO from any of the Customs Accredited Surety Companies.
- c. The operator shall submit in 3 copies the GTSB to the Head of the Customs Office based in the zone for approval. The application must be notarized.



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- d. Approval of the GTSB Application by concerned customs official must be based on the following:
- Completeness of the Application Form
  - Correctness of the arithmetical computation (Declared F.O.B Value to be presumed correct subject to subsequent PEZA verification)
  - Verification thru telephone and other means of the GTSB with the issuing surety company
  - Compliance of the GTSB with the format and content of the GTSB Template (See Annex B)
- e. If in order, GTSB application shall be approved and distributed as follows:
- Original of the application and the GTSB on file with the BOC
  - Second Copy of GTSB application with PEZA EAD officer (delivered by ELSE to BOC)
  - Third copy file of the ELSE Company

A scan/photo copy of the original GTSB's application must be taken and attached to an email addressed to the PEZA EAD officer.

#### 4.2 Examination of Goods for Transfer

- a. The ELSE Operator must apply for transfer of goods from ELSE Facility to a partner locator using the Electronic Zone Transfer Document (eZTD) of the eZTS.
- b. The Goods for Transfer must be physically segregated or immediately located to the carrying truck where these may be examined by BOC.
- c. BOC Officers must monitor the eZTS video display unit for submitted eZTD and determined based on Risk Assessment whether or not to physically examine the goods.
- d. Thirty-Minute Window. BOC Officers have 30-minute within which to register in the eZTS whether or not they wish to examine the goods. Failure to indicate intent to examine will free the goods for transfer.

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- e. BOC must keep printed copy of the eZTD for spot-checking and other monitoring activities.

#### 4.3 Monitoring of Transfer

- a. BOC Officers shall have responsibility for checking that the goods transferred arrives safely at the partner-locator premises and duly received thereat. In general, above shall be performed by:
  - Checking status of the eZTD in the eZTS as Already Delivered/RECEIVED
  - Telephone call with the partner-locator and ELSE operator if transfer has been completed
  - On selection basis following Risk Management to actually proceed to the goods destination if goods arrived thereat
- b. BOC Officers shall ensure that "view only" access is provided in the eZTS by PEZA-accredited VASPs.

#### 5. **Repealing Clause**

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

#### 6. **Effectivity**

This Order shall take effect immediately.

  
**ALBERTO D. LINA**  
Commissioner



CMO 9-2016

Annex A

To: Head of Customs Office  
PEZA EAD, \_\_\_\_\_ Zone

From: Mr. ELSE Responsible Officer  
ELSE Company

Date: Date of Application for Approval of GTSB

Subject: GTSB Application for the Zone Transfer Document (ZTD)

Sir,

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- GTSB Bond No.: \_\_\_\_\_
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- Name of ELSE Company: \_\_\_\_\_
- Address of ELSE Company: \_\_\_\_\_
- Name of Principal (ELSE Company): \_\_\_\_\_
- Name of Bond Underwriter: \_\_\_\_\_

Approved By:

\_\_\_\_\_  
Customs Officer (Signature over Printed Name)

**Important Reminders:**

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REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS

SURETY BOND

GTSB NO.

**Pursuant to BOC Joint Memorandum Order No. 2-2015**

KNOW ALL MEN BY THESE PRESENTS:

That I/We, \_\_\_\_\_  
Located at \_\_\_\_\_ as PRINCIPALS and \_\_\_\_\_  
(Bonding Company), a corporation  
duly organized and existing under and by virtue of the laws of the Republic of the Philippines,  
as SURETY are held and firmly bound unto the GOVERNMENT OF THE REPUBLIC OF THE  
PHILIPPINES, in the sum of \_\_\_\_\_  
\_\_\_\_\_ Philippine Currency, for the  
payment of which sum, we bind ourselves, our heirs, administrators, successors and assigns,  
jointly and severally, firmly by these presents.

Whereas the above bounden Principal is duly registered with the Philippine  
Economic Zone Authority (PEZA) and will, from time to time between the date hereof and \_\_\_\_\_  
import into the Philippines raw materials and articles for the account  
of its Partner Locator to be used by the Partner Locator in the Production, manufacture and or  
manipulation of products principally for export in connection with its registered activity;

Whereas, such raw materials, supplies and other articles may be cleared/ released  
at the \_\_\_\_\_, PEZA exempt from payment of customs, duties and  
internal revenue taxes pursuant to Republic Act No. 7961, as amended;

Whereas, there is a need to secure such raw materials, supplies and other articles  
that shall be transported and conveyed from the Principal's premises to its Partner Locator's  
premises without any police escort or guard from the PEZA Economic Zone concerned, the  
form of security is determined as a General Transport and Security Bond to protect against the  
possibility of loss, damage, theft, and/or diversion after clearance/release at the PEZA  
Enterprise Assistance Division of the above bounded Principal located at the PEZA Economic  
Zone in accordance with the regulations prescribed by the Bureau of Customs and/or the  
Philippine Economic Zone Authority, specially pursuant to the BOC-PEZA Joint Memorandum  
Order No. 2-2015 and its implementing regulations.

Whereas, to facilitate the transport, conveyance and delivery of above described  
importation, the General Transportation Bond is required to be posted with the Customs  
Collector at the Enterprise Assistance Division of the particular above-bounded Principal and  
to protect the interest and revenue of the government.

Now therefore, the conditions of its obligation are such that if the above-bounded  
Principal shall duly observe and faithfully comply with Joint Memorandum Order No. 2-2015 as  
amended and other regulations pertaining to the transport and prompt delivery intact of its  
imported raw materials, supplies and articles to the destination Ecozone and plantsite in the  
manner prescribed by the regulation, or in default thereof shall pay the Republic of the  
Philippines for the liquidated damages plus the customs duties, internal revenue taxes and  
other charges due on importation concerned together with all costs, charges and delivery for



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any cause or reason whatsoever and shall also protect and save harmless the Republic of the Philippines for any loss or damages resulting from fraud or negligence on the part of any official, agent, Principal, then this obligation shall be null and avoid, to remain the full force and effect.

WITNESS OUR HANDS AND SEAL, on this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_ at Quezon City, Philippines.

Principal

By: \_\_\_\_\_

By: \_\_\_\_\_

Approved: \_\_\_\_\_  
EAD Special Collector

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