



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

February 05, 2018

CUSTOMS MEMORANDUM CIRCULAR
NO. 35-2018

To: All Customs Officials and Employees Concerned

Subject: MOA BETWEEN BOC AND SBMA

Attached is the Memorandum of Agreement entered into by this Bureau and the Subic Bay Metropolitan Authority (SBMA) regarding the maintenance of customs offices within the secured area of the zone.

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.


ISIDRO S LAPEÑA, PhD, CSEE
Commissioner



FEB 12 2018

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (MOA) is entered into by and between:

SUBIC BAY METROPOLITAN AUTHORITY, a government agency organized and established under Republic Act No. 7227 (RA 7227), with office address at Building 229 Waterfront Road, Subic Bay Freeport Zone, Philippines, represented herein by its Chairman & Administrator, **ATTY. WILMA T. EISMA**, hereinafter referred to as the "**SBMA**";

-and-

[DEPARTMENT OF FINANCE, through the] BUREAU OF CUSTOMS, with [district] office address at Gate 3, South Harbor, Port Area, Manila, Philippines, represented herein by its Commissioner, **ISIDRO S. LAPENA, PhD, CSEE**, hereinafter referred to as the "**BOC**".

WITNESSETH

WHEREAS, under RA 7227 and its Implementing Rules and Regulations, it is a declared policy of the SBMA to operate and manage the Subic Bay Freeport (SBF) as a separate customs territory ensuring free flow or movement of goods and capital within, into and exported out of the SBF, as well as provide incentives such as tax and duty free importation of raw materials, capital and equipment;

WHEREAS, under Customs Administrative Order No. 4-93, the BOC, in coordination with SBMA, shall be responsible for establishing and maintaining offices within the Secured Area of the Zone whenever necessary to efficiently conduct customs operations;

WHEREAS, SBMA acknowledge the existence of the BOC in the Freeport Zone and is willing to extend assistance in order to carry out its administrative functions;

NOW, THEREFORE, for and in accordance of the foregoing premises and of the mutual covenants hereunder stipulated, the parties hereby agree as follows:

I. Obligations of SBMA

1. Unless transferred or changed upon agreement by both parties, SBMA shall provide the Port of Subic District Customs Office, Bureau of Customs, office spaces at Building 303, 306 and 307, subject to the BOC's payment of unpaid power, labor and other charges for services rendered by SBMA to BOC, upon verification/confirmation of such charges.
2. Subject to the provisions of National Budget Circular No. 456, the SBMA shall assign one (1) housing unit to the BOC located at 31E Lanete Street, Bayani Village, Subic Bay Freeport Zone, subject to the BOC's payment of unpaid garbage and other services rendered by SBMA to previous BOC-occupied housing units, upon verification/confirmation of such charges, and subject further to the following terms and conditions:

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MARILOU A. CABIGON
Chief Accountant
Accounting Division, FMO

presentable and habitable condition at all times;

- b. The BOC undertake the necessary major and minor repairs and rehabilitation of the assigned/designated housing unit, provided that the BOC shall not make any structural changes, alterations, additions or improvements on the assigned housing unit without the prior written approval of SBMA. Any alteration or improvement made or introduced by the BOC on the housing unit shall, upon termination of this Agreement, automatically be owned by SBMA without any obligation on the part of SBMA to pay or refund its value or cost to the BOC;
- c. The BOC shall register any and all furniture and appliances to be brought into the SBF for the assigned/designated housing unit which will facilitate their pull-out upon the termination of this Agreement or whenever the need to pull-out any of these furniture and/or appliances arises;
- d. The BOC shall allow SBMA or its authorized representatives to undertake regular inspection of the assigned/designated housing unit, upon prior notice at least 24 hours from the intended date/hour of inspection;
- e. The BOC shall obtain and turn-over to the SBMA, insurance coverage over the housing unit inclusive of all permanent improvements introduced therein against all insurable risks from the Government Service Insurance System with the SBMA as beneficiary;
- f. The BOC shall not rent-out or lease the assigned/designated housing unit;
- g. The BOC shall observe all laws, rules and regulations enforced by the SBMA at SBFZ;
- h. The BOC's right to use and occupy the assigned/designated housing unit shall be for a period of five (5) years which shall commence upon signing of this Agreement. As such, the BOC acknowledges that the housing unit is not available for long-term lease;
- i. The BOC recognizes the rights of SBMA to extra judicially terminate and take-over the assigned/designated housing unit subject of this Agreement in case of any violation of this Agreement;
- j. The use and occupancy of the assigned/designated housing unit by BOC shall be subject to the Rules and Regulations Governing the Use of SBMA Facilities by Government Agencies for Training and Other Purposes; and
- k. The BOC shall remit to SBMA as rent [the amount equivalent to thirty percent (30%) of the appraised value of SBMA on the subject] for the housing unit the amount of One Hundred Seventy Five and 50/100 United States Dollars (USD175.50), or its equivalent in peso per month payable on or before the 28th of every month.

3. The SBMA shall allow the BOC real time viewing access of footage from CCTV cameras installed at the vital entry and exit points of the SBF.

II. Obligations of BOC

- 1. Supervise customs operations on matters involving the admission of goods to the secured area of the Zone, the removal of goods from the secured area of the Zone, and other customs operations as determined by the Commissioner of Customs in coordination with the Chairman & Administrator of the SBMA.
- 2. Ensure proper usage of the office spaces and housing unit provided by the SBMA and only by its qualified officials and personnel.

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Marioula Cabigon
MARILOUA CABIGON
 Chief Accountant
 Accounting Division, FMO

J. Cabigon

[Signature]

[Signature]

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shall remain in good, clean, presentable and habitable condition at all times.

- 4. Undertake necessary repairs and rehabilitation of the assigned office spaces and housing unit at the expense of the BOC.
- 5. The grant of use of the aforementioned office spaces and housing unit under this Agreement shall be exclusive of the expenses for power, water, telephone, cable television, sanitation, solid waste management, sewerage and other public utility services. The installations of the necessary utilities shall be for the account of the BOC. The phrase "solid waste management" as used herein shall include garbage collection fees, which shall be paid by the BOC based on the schedules provided under the SBMA's Solid Waste Management Guidelines.

III. Proposed BOC Complex

It is the goal of both SBMA and the BOC, in the interest of making the Port of Subic as the premier international port of the Philippines, and to further enhance the ease of doing business with the Port of Subic, to jointly establish and develop a BOC Complex that shall include the BOC Offices, a Customs Academy with dormitory facilities, and a Customs Clearance Area. SBMA shall contribute the land while BOC shall shoulder the cost of infrastructure. For this purpose, a Technical Working Group (TWG) shall be formed consisting of SBMA and BOC personnel that shall recommend the proposed site selected and the conceptual plan for the BOC Complex. Based on the recommendation of the TWG, the SBMA and the BOC may enter into a new agreement for the establishment of the BOC Complex.

IV. Term

This MOA shall be effective for a period of five (5) years, renewable for another five (5) years at the option of both parties, unless sooner terminated by agreement of both parties.

V. Amendment

This Agreement may be reviewed by both parties, as may be appropriate, to serve the best interest of the Freeport and shall only be amended by the written agreement of the parties.

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MariLou A. Cabigon
MARILOU A. CABIGON
Chief Accountant
Accounting Division, FMO

WHEREFORE, PREMISES CONSIDERED, the parties hereunto affix their signatures this ____ day of JAN 25 2018 20__ at the Subic Bay Freeport Zone.

**SUBIC BAY METROPOLITAN
AUTHORITY**

BUREAU OF CUSTOMS

By: *W. Eisma*
ATTY. WILMA T. EISMA
Chairman and Administrator

By: *Isidro S. Lapena*
ISIDRO S. LAPENA, PhD, CSEE
Customs Commissioner

Signed in the Presence of:

W. Eisma
Isidro S. Lapena

Isidro S. Lapena

W. Eisma

REPUBLIC OF THE PHILIPPINES)
City Of Olongapo) S.S.

BEFORE ME, a Notary public for and in the City of Olongapo, Province of Zambales,
this ~~_____~~ JAN 26 2018 personally appeared the following persons:


<u>NAME</u>	<u>I.D NO.</u>	<u>DATE/PLACE ISSUED</u>
ATTY. WILMA T. EISMA In her capacity as Chairman and Administrator of SBMA	P39891478A	AUG. 10, 2017 / DFA MANILA
ISIDRO S. LAPEÑA, PhD, CSEE Customs Commissioner	L02-74-015625	LTD

all known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged before me that the same is their free act and voluntary deed as well as the free act and voluntary deed of the agency/entity herein represented.

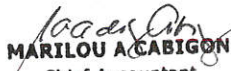
WITNESS MY HAND AND SEAL on the date and place first above written.

NOTARY PUBLIC

DOC. NO: 440
PAGE NO: 89
BOOK NO: VII
SERIES OF 2.018


VIVIAN T. PLOTENA
NOTARY PUBLIC
FOR THE PROVINCE OF ZAMBALES AND OLONGAPO CITY
NOTARIAL COMMISSION No. 03-D-2017/UNTIL 12-31-2018
PTR No. 7892418/1-8-18/OLONGAPO CITY
IBI LIFE TIME OR No. 874439/02-14-2012
ROLL OF ATTORNEYS No. 57893/04-30-2011
MCLE No. V-0012626/UNTIL 04-14-2019
#22 MABSAYSAY DRIVE, OLONGAPO CITY
CONTACT No. (047) 222-5394

CERTIFIED TRUE COPY


MARILOU A. CABIGON
Chief Accountant
Accounting Division, FMO

