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Date MAY 19 2021

## CUSTOMS MEMORANDUM ORDER (CMO)

No. 18-2021

### SUBJECT: REVISED RULES AND REGULATIONS ON THE OPENING AND UTILIZATION OF PREPAYMENT ACCOUNTS

**Section 1. Objective.** This Order is issued to provide an alternative mode of payment of duties, taxes and other charges for all goods declarations lodged through the E2M.

**Section 2. Coverage.** The following goods declaration shall be covered by this Order:

- 2.1. Consumption (Formal);
- 2.2. Transit;
- 2.3. Warehousing;
- 2.4. Export;
- 2.5. Informal Entry; and
- 2.6. Transshipment.

### **Section 3. General Provisions.**

**3.1.** Any accredited importer or exporter is given an option to open prepayment accounts from which payments of duties, taxes and other charges may be made as an alternative to the PASS5 system required to be used by all E2M users.

**3.2.** Importer or exporter may open and maintain one or more prepayment accounts in any Collection District from which he/she will specify where payment should be made on a per-transaction basis.

The prepayment account can be used to make payments in any Collection District regardless of where it was opened.

**3.3.** The following stakeholders can open prepayment accounts for their respective goods declaration:

Type of Entry	Stakeholders
Consumption (Formal)	Accredited Importer
Transit (including shipments from local ports to free zones)	Accredited Importer
Warehousing	Accredited Importer
Export	Accredited Exporter

Type of Entry	Stakeholders
Informal Entry	Small Value Importer and Air Express Cargo Operators

**Section 4. Procedure for Opening a Prepayment Account.**

- 4.1.** An accredited importer or exporter shall download and fill out a Prepayment Registration Form (PRF) (Annex A).
- 4.2.** A ticket shall be opened in the Customer Care Portal System (CCPS) where the electronic Portable Document Format (PDF) of the PRF shall be submitted to the following:
  - 4.2.1.** Chief, Collection Division - if in the main port of a collection district; or
  - 4.2.2.** Cashier - if in a sub-port.
- 4.3.** The scanned copy of the PRF may be submitted online or through Flash Drive (USB). Only PDF file type shall be accepted and each document should be submitted as a separate file. The resolution of the electronic documents shall be at least 600dpi. The file name format shall be as follows:
  - a.** PREPAYMENT.PREPAYMENT REGISTRATION FORM
  - b.** PREPAYMENT.CERTIFICATE OF REGISTRATION IN THE CPRS AS IMPORTER/EXPORTER/DECLARANT

The same template shall be applied in case there are other documents to be submitted.
- 4.4.** Upon receipt of the filled out PRF, the chief of the Collection Division or cashier, as the case may be, shall:
  - 4.4.1.** Download and print a copy of the PRF;
  - 4.4.2.** Assign a prepayment account reference number;
  - 4.4.3.** Create the prepayment account in the E2M Customs Prepayment System;
  - 4.4.4.** Sign the filled out PRF, with the Account Reference Number filled out; and
  - 4.4.5.** Upload the signed PRF in the CCPS.
- 4.5.** The accredited importer or exporter shall download the signed PRF. He/she shall present the same to the inhouse bank (Landbank) and make a deposit of any amount into the prepayment account.

- 4.6. Upon deposit, the inhouse bank (Landbank) shall issue a Bureau of Customs Official Receipt (BCOR) evidencing deposit into the prepayment account.

**Section 5. Utilization of Prepayment Account.**

- 5.1. Upon lodgement of goods declaration, the declarant shall fill out the prepayment account number in SAD Box 48 to indicate the utilization of prepayment account as a mode of payment. The Bank Reference Number in SAD Box 28 shall not be filled out.
- 5.2. In case where the amount deposited in the prepayment account is insufficient to pay duties, taxes and other charges, the assessment of the goods declaration cannot be completed in the E2M System. Thus, the Customs Operations Officer V (principal appraiser) shall forward the notice of assessment through the CCPS in accordance with the template provided under Annex B.
- 5.3. Once the account has been replenished, the declarant shall notify the principal appraiser through the CCPS after which the processing of the goods declaration in the E2M shall continue.

**Section 6. Transferring Funds between Prepayment Accounts.** Funds in any prepayment account cannot be withdrawn. However, they can be transferred from one prepayment account to another prepayment account which is also under the same holder's name.

**Section 7. Checking Balance in a Prepayment Account.** Any importer or exporter can check the balance in his prepayment account by inquiring at the Management Information System and Technology Group (MISTG)-Site Team through the CCPS or any other secured BOC prepayment online query by providing the prepayment account number and transaction dates or period covered.

**Section 8. Monitoring System.** The MISTG shall create a Monitoring System indicating the real time collection and utilization of the prepayment account. The Monitoring System shall be accessible to the Ports concerned, which shall likewise bear the responsibility of ensuring the accurate recording of the prepayment transactions.


**Section 9. Payment Reconciliation.** For purposes of payment reconciliation, the Monitoring System shall likewise be accessible to the Revenue Accounting Division of the Bureau.

**Section 10. Repealing Clause.** CMO No. 27-2014 and all orders, memoranda, circulars and issuances inconsistent herewith are hereby repealed and/or deemed modified accordingly.

**Section 11. Separability Clause.** If any part of this Order is declared unconstitutional or contrary to existing law, the other parts not so declared shall remain in full force and effect.

**Section 12. Effectivity Clause.** This Order shall take effect on May 24, 2021.

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Order.

  
**REY LEONARDO B. GUERRERO**  
Commissioner



BOC-02-06323



**PRE-PAYMENT REGISTRATION FORM**



Port of \_\_\_\_\_

<b>Type of Account:</b> <input type="checkbox"/> Importer <input type="checkbox"/> Exporter	
<b>Tax Identification Number (TIN):</b>	<b>Account No:</b>
<b>Company Name:</b>	
<b>Office Address:</b>	
<b>Contact Person:</b>	<b>Position:</b>
<b>Email Address:</b>	<b>Tel No/ Mobile No.</b>
<b>Submitted by:</b>	<b>Account Registered by :</b>
<i>(Signature Over Printed Name)</i>	<i>(Chief, Collection Division)</i>



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PORT OF \_\_\_\_\_

**ANNEX B**

Date \_\_\_\_\_

Consignee Name  
Address

**Notice of Assessment with Insufficient Prepayment Account Balance**

This is to inform you that your goods declaration reference no. \_\_\_\_\_ for your shipment covered by BL No. \_\_\_\_\_ with a completed assessment of \_\_\_\_\_ could not be processed due to insufficient balance in your prepayment account. The computed duties, taxes and other charges are as follows:

	<b>Amount Assessed</b>
Customs Duty	
Value Added Tax	
Others (IPF+CSF+CDS+IRS)	
Special Duty	
Surcharge	
<b>TOTAL</b>	

We strongly advise you to replenish your prepayment account to proceed with the clearance of your shipment pursuant to Customs Memorandum Order No. \_\_\_\_\_.

Please be informed that failure to pay the assessed duties, taxes and other charges within fifteen (15) days from receipt hereof shall be a ground for instituting abandonment proceedings against your shipment without prejudice to the application of Section 104 and 1425 of the Customs Modernization and Tariff Act (CMTA).

\_\_\_\_\_  
Principal Appraiser

**From:** Office of the National Administrative Register Printing Section UP Diliman College of Law  
<onar\_law.upd@up.edu.ph>

**Sent:** Thursday, May 20, 2021 3:08 PM

**Subject:** Re:

This is to acknowledged receipt of the following BOC Customs Memorandum Orders on **May 20, 2021**.

1. **Customs Memorandum Order No. 17-2021** entitled Guidelines for the Implementation of the General Warehousing Bond (GWB) thru the Automated Bonds Management System (ABMS); and

2. **Customs Memorandum Order No. 18-2021** entitled Revised Rules and Regulations on the Opening and Utilization of Prepayment Accounts.

Please submit three certified copies of the said issuances in our office, Monday to Thursday, 8am to 3pm.

Please attach this acknowledgement receipt upon submission for easy reference.

Thank you.

Letty Palaña

Thank you for giving us the opportunity to serve you. God Bless.