



Republic of the Philippines  
Department of Finance  
**BUREAU OF CUSTOMS**

Manila 1099

March 28, 2007

**CUSTOMS ADMINISTRATIVE ORDER**  
NO. 4-2007

**GUIDELINES FOR THE COLLECTION OF THE CONTAINER SECURITY  
FEE UNDER EXECUTIVE ORDER NO. 592 s. 2006**

**I. OBJECTIVE**

To ensure that the proper Container Security Fees (CSF) are collected as mandated by Executive Order No. 592 series of 2006, and pending the inter-phasing thereof into the present payment of duties and taxes through authorized agent banks, the following guidelines are hereby issued for the collection thereof.

**2. SCOPE**

This Order shall cover all imported containerized shipments, including those for domestic transshipments, landed or stored in piers, container yards, warehouses and other areas under the jurisdiction of the Bureau of Customs.

**3. ADMINISTRATIVE PROVISIONS**

- 3.1 Pending the inter-phase of the collection system for the CSF with the present system of payment through authorized agent banks (AABs), payment of the mandatory Container Security Fees shall be *made through the authorized collection officers of the different ports.*
- 3.2 Collection of the Container Security Fee provided for in this Order shall be handled as with other collections being made through collecting officers of the Bureau.
- 3.3 Collection of fees for export products shall be held in abeyance pending reconciliation of the provisions of Executive Order No. 554, series of 2006 (Directing all Departments, Bureaus, Commissions, Agencies, Office and Instrumentalities of the Government, including Government-owned and/or Controlled corporations, to improve the competitiveness of the country's export sector by eliminating the fees and charges imposed on export clearances, inspections,

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permits, certificates, and other documentations requirements), and Executive Order 592, series of 2006.

4. OPERATIONAL PROVISIONS

- 4.1 After lodgment of the entry at the Entry Encoding Center or its equivalent unit, whether for consumption or warehousing, or prior to the processing of the Transshipment Permit in case of transshipments bound for duty free shops/outlets, trading houses catering to duty free shops/outlets, special economic zones or export processing zones, the importer/broker shall present the accomplished IEIRD or the Transshipment Permit, as the case may be and the supporting documents to the designated Collecting Officer at the Cash Division or its equivalent unit for payment of the Container Security Fee (CSF). Unless amended, the CSF shall be the peso equivalent of US\$50.00 for every 40-footer container van and US\$25 for every 20-footer or 20 equivalent units, computed at the prevailing rate of exchange for the week.
- 4.2 The Collecting Officer shall collect the fee and shall issue two Official Receipts. BCOR Form BC-38A shall cover the 75% of the CSF particularly the peso equivalent of US\$37.50 for every 40-footer container or the peso equivalent of US\$18.75 for every 20-footer container. Another Official Receipt (Accountable Form No. 51) shall cover the 25% of the CSF particularly the peso equivalent of US\$12.50 for every 40-footer container of US\$6.25 for every 20-footer container. Both of these shall be remitted to the National Treasury under the General Fund and Trust Fund, respectively.
- 4.3 The Collecting Officer then forwards the IEIRD or the Transshipment Permit to the Entry Processing Unit concerned, attaching the BCOR evidencing payment of the CSFs collected on the shipment.
- 4.4 The receiving clerk of the Entry Processing Unit prior to processing of the documents shall make a verification as to whether or not the CSF have been paid. In no case shall he/she accept the IEIRD for processing without prior payment of the CSF.
- 4.5 In the case of shipments which are for transshipment or bound for duty free shops/outlets as well as for trading warehouses catering to duty free shops/outlets, special economic zones or export processing zones, it shall be the responsibility of the Office of the Deputy Collector for Operations to ensure that the CSF have been paid prior to the lifting of the duty stop. The District Collector/Collector of Customs at the Port of Discharge shall be responsible for the proper collection of the Container Security Fee subject of this Order.

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5. COLLECTION REPORTING SYSTEM

The authorized Collecting Officer for the CSF shall prepare a daily collection report of the amount of CSF collected or integrated in his daily abstract of collection, separately reporting the 75% of the amount of CSFs collected which is to be submitted to the Revenue Accounting Division of the Financial Service and the collection of the 25% of the CSF as Trust Fund which is to be submitted to the Accounting Division of the Bureau's Financial Management Office.

For outposts, the report on the collection of the CSF shall be on a weekly basis with Thursday as the cut-off date for reporting purposes.

The RAD and the Accounting Division shall likewise submit a weekly report to the Office of the Commissioner (Attention: X-Ray Scanning Committee) on all collections made by the different ports of the fees subject of this Order, for monitoring purposes.

6. REMITTANCE TO THE BUREAU OF TREASURY

Remittance of the collection of the CSF shall be done using the present system of remittance to the Bureau of Treasury. The 25% of the collection of the CSF shall be deposited in a separate fund purposely for the Trust Fund created under EO 592 s. 2006.

The Accounting Division of the Bureau is hereby directed to coordinate with the Bureau of Treasury on the opening and maintenance of the Trust Fund Account in compliance with existing regulations.

7. ADDITIONAL GUIDELINES

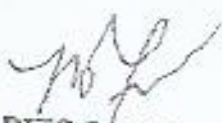
The Commissioner is hereby authorized to issue additional guidelines as may be deemed necessary in the effective implementation of Executive Order 592 and this Order.

EFFECTIVITY

This Order shall take effect immediately.

  
**NAPOLEON L. MORALES**  
Commissioner

APPROVED:

  
**MARGARITO B. TEVES**  
Secretary  
103597

WHEREAS, the loan agreement between the BOC thru the Department of Trade and the Export-Import Bank of China, the bank nominated by the Chinese Government for the loan processing, was signed, thus, the purchase agreement entered into by and between the BOC and Nucotech Co. Ltd. has come into force and effect;

WHEREAS, to ensure the sustainability of the NCIS Project, the importers and exporters, being the direct beneficiaries, shall be charged a container security fee (CSF), for every importation/exportation that passes through any customs house; and

WHEREAS, the CSF to be collected shall cover loan repayment, maintenance, operational costs and other related expenses.

NOW, THEREFORE, I GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby

Section 1. Scope. - This Executive Order shall apply to all import and export shipments, landed or stored in piers, airports, terminal facilities, including container yards and freight stations under the jurisdiction of the BOC.

Section 2. Container Security Fee. All shipments covered by this Executive Order shall be imposed the NEDA Board-approved mandatory container security fee in Philippine currency equivalent to US\$50 for every forty-footer container or US\$25 for every twenty-footer container or twenty equivalent units (TEUs), provided the Commissioner of Customs shall adjust the rates of the CSF in accordance with the schedule of fees as approved by the NEDA Board.

Section 3. Utilization of the CSF. The CSF shall be expended and utilized in the following manner:

- a. Seventy five percent (75%) shall be remitted to the National Treasury as part of the General Fund for the repayment of the concessional loan to China, including interest, fees and other charges attendant thereto.

After the completion of the concessional loan payment, the 75% allocation shall be deposited in a Trust Fund, hereinafter created, in addition to the 25% allocation.

- b. Twenty five percent (25%) shall be retained by the BOC and maintained as an administrative support system to be deposited in



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a Trust Fund for the sustainability of the HCIS Project including but not limited to the following purposes:

- b.1 Maintenance and improvement of the operation of the HCIS, including the upgrading thereof;
- b.2 Institutionalization of post audit procedures and processes;
- b.3 Fraud and fraud-related investigations and prosecution;
- b.4 Training and related programs to enhance the capability and competence of personnel tasked to operate and maintain the system;
- b.5 Other activities and programs to enhance the effectiveness and efficiency of the system as the BOC may deem to be appropriate.

Section 4. Creation of a Trust Fund. A HCISP Trust Fund is hereby created and established which shall be sourced from the twenty five percent (25%) portion of the CSF collected as stated in Section 3, paragraph b of this Executive Order. A permanent committee created under Section 45, Chapter 5, Book VI of Executive Order No. 292, otherwise known as the Administrative Code of 1987, shall monitor and evaluate the activities and the balances of the Trust Fund.

Section 5. Failure to follow the directives of this Executive Order shall subject concerned officials to administrative sanctions pursuant to existing laws, rules and regulations.

Section 6. This Executive Order shall take effect immediately upon its publication in a national newspaper of general circulation.

DONE in the City of Manila, this 15th day of December in the year of Our Lord, Two Thousand and Six.

*Glenn M. Rivera*



By the President:

*Edgardo B. Sison*  
EDGARDO B. SISON  
Executive Secretary

