



CUSTOMS ADMINISTRATIVE ORDER
NO. 7-2028

RE: ACCREDITATION OF INFORMATION VALIDATION SERVICE PROVIDER (IVSP) FOR INTEGRATION INTO BOC'S CLIENT PROFILE REGISTRATION SYSTEM (CPRS)

By authority of Section 608 of the Tariff and Customs Code of the Philippines, as amended, in relation to Section 602 thereof defining the general duties, powers and jurisdictions of the Bureau of Customs and in line with the e-Customs Project, the following rules and regulations are hereby promulgated:

1. OBJECTIVES

- 1.1 To provide efficient and reliable service to the trading community through Customs-Business Partnership (CBP) by engaging the services of an IVSP to validate and organize information disclosed by applicants in support of the following needs of BOC:
 - a. More accurate and reliable information;
 - b. Stronger accountability of stakeholders to disclose correct information to BOC; and
 - c. Improved capability to assess compliance risk.
- 1.2 To ensure that information disclosed and documents submitted to BOC by applicants are validated and BOC's stakeholders are properly identified.
- 1.3 To enable BOC to use and manage data necessary for input compliance, risk management and accreditation of stakeholders; and
- 1.4 To support the enhancement of accreditation procedures for BOC stakeholders.

2. SCOPE OF SERVICES

The Commissioner of Customs shall prepare the Terms of Reference defining the scope of services to be outsourced to the accredited IVSP which shall include the following:

- 2.1. Design and implement an Information Validation System (IVS) which includes the development of an Information Validation Report (IVR);
- 2.2. Develop and implement procedures for the validation of client profile information;
- 2.3. Develop a Client Risk Assessment System (CRAS)

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- 2.4. Develop a database to be used by BOC in periodic risk assessments on subject importers/clients/stakeholders;
 - 2.5. Perform such other services required by the BOC.

3. ADMINISTRATIVE PROVISIONS

3.1. Accreditation of IVSP

3.1.1. IVSP Accreditation Committee (IAC)

The IVSP Accreditation Committee (IAC) created by the BOC shall perform the following:

- a. Facilitate and fast-track the accreditation process to minimize the impact of the outsourcing activity.
- b. Recommend relevant policies, responsibilities and liabilities of IVSP, rules and processes related to all issues surrounding the accreditation of IVSP.
- c. Recommend evaluation criteria and business model for accreditation of IVSP for approval of the Commissioner of Customs.

3.1.2. Accreditation Criteria

The IAC shall observe the published accreditation criteria and shall recommend any amendments thereto to the Commissioner for approval.

3.1.3. Accreditation Process

- a. Through the IAC, BOC shall publish an invitation for accreditation from IVSP companies. This invitation includes the Eligibility Requirements.
- b. A non-refundable processing fee in the amount of Fifty Thousand Pesos (P50,000.00) shall be imposed.
- c. Pre-qualified IVSPs shall submit their technical and financial proposals.
- d. BOC shall organize a Quality Assurance Team, composed of technical experts from MISTG who will determine the compliance of the candidate company to the system requirements. The testing

shall also include, among others, checks for user-friendliness of the system.

- e. After the conduct of test and site visits, BOC shall identify not more than three (3) pre-qualified to be accredited IVSP.
- f. The IAC shall review and evaluate the documents submitted by the candidate companies that pass the eligibility requirements and qualified to proceed to the next stage of the process.
- g. BOC shall pre-qualify IVSP Candidates.
- h. BOC shall release to pre-qualified IVSPs the Terms of Reference (TOR) and the Non Disclosure Understanding which will be signed by their authorized officials.
- i. BOC shall select and accredit not more than three (3) IVSPs.

3.1.4. Conditions for Accreditation

a. SLU and NDU

The selected IVSP shall sign a Service Level Undertaking (SLU) and a Non-Disclosure Undertaking (NDU).

b. Performance bonds

The accredited IVSP shall post a Performance Bond, issued by a BOC-accredited surety company, amounting to Ten Million Pesos (PhP 10M), which shall be forfeited in favor of BOC in the event it is established that the accredited IVSP is in default of any of its obligations

c. Probationary period

The accredited IVSP shall undergo a six (6)-month probationary period (technical evaluation) after which the BOC shall decide whether or not it will grant full accreditation status to the IVSP.

d. Technical Acceptance Tests

The accredited IVSP must successfully pass the technical acceptance tests (including systems integration, data security and integrity, communications, and performance) that will be conducted by the Management Information Systems

and Technology Group of the BOC for the initial, the post probationary and the yearly technical evaluation and validation, to qualify for continuous accreditation.

e. Period and renewal of Accreditation

The selected IVSP shall be given accreditation status for a period of three (3) consecutive years, inclusive of the probationary period, and will be renewable yearly thereafter subject to the evaluation of the quality of their performance as measured by the Service Level Undertaking (SLU), and compliance to Eligibility requirements.

f. Accreditation and Renewal Fees

A one time accreditation fee of PhP 300,000.00 good for three (3) years and a yearly renewal fee of PhP 100,000.00 thereafter, shall be imposed.

g. Further Accreditation Process

BOC may carry out further accreditation processes after three (3) years of operation of the initially accredited IVSP.

h. Schedule of Fees Payable to IVSP by the transacting public

The IVSP will determine its respective fee structures based on several factors such as market conditions and systems sustainability requirements, among others, which shall be submitted in the financial proposal. The schedule of fees as proposed shall be one of the bases for accreditation and shall not be increased without the prior approval by the BOC and the Department of Finance. The BOC shall not collect those fees in behalf of the IVSP.

i. Pre-termination

BOC may pre-terminate its Agreement with the accredited IVSP for any of the following:

- Violation of the provisions of this Order and related rules and regulations, including SLU and NDU.
- Violation of the Tariff and Customs Code of the Philippines, e-Commerce Act and other related laws.