



09 March 2010

Customs Memorandum Order

No. 12-2010

TO: District Collector of Customs, Port of Cebu
Collector of Customs, Mactan International Airport
Chiefs of Divisions and Offices
PEZA-Registered Economic Zone Locator-Importers
Customs Brokers
All Others Concerned

SUBJECT: Revised Guidelines and Procedures for Implementing Bureau of Customs (BOC)-Philippine Economic Zone Authority (PEZA) Joint Memorandum Order No. 03-2002 dated 27 July 2002 Cargo Transfer System for the Ports of Mactan and Cebu

1. OBJECTIVES

- 1.1 To prescribe the revised guidelines and procedures for implementing BOC-PEZA Joint Memorandum Order No. 03-2002.
- 1.2 To have more efficient and secure implementation of the Automated Cargo Transfer System (ACTS) at the Mactan-Cebu International Airport (MCIA) and the Cebu International Port (CIP) and in compliance with Customs Administrative Order (CAO) 2-2007 providing for the Accreditation, Establishment and Operation of e-Customs Value Added Service Providers (VASPs), Customs Memorandum Order (CMO) 19-2007 on the Lodgement of Entries thru VASPs and the Memorandum Order from the Deputy Commissioner MISTG setting the implementation of CMO 19-2007 on transshipment entries in Mactan and Cebu on November 15, 2008.

2. SCOPE

This Order shall cover the transfer/transshipment/transit of tax and duty-free shipments discharged at the MCIA destined for the Mactan and Cebu economic zones and those discharged at the CIP destined for Mactan economic zones only.

3. GENERAL PROVISIONS

- 3.1 Customs-PEZA Clearance Office (CPCO)
 - 3.1.1 The CPCO shall be located at the Mactan Export Processing Zone (MEPZ) 1 Head Office. The CPCO shall be electronically connected to the Port of Mactan network.
 - 3.1.2 PEZA has volunteered to establish and be responsible for maintaining the connectivity of the CPCO to the BOC Automated Customs Operations System (ACOS) network.

3.2 Electronic Lodgement

3.2.1 Economic zone enterprise/Customs broker shall lodge the Transit Declarations using the Single Administrative Document (SAD) of Phase 1 e2m Customs (PSAD) through BOC-accredited Value Added Service Providers (VASP) in compliance with CMO No. 19-2007. Manual submission of Transit Declarations shall no longer be allowed.

3.2.2 Only economic zone enterprises and customs brokers with active registration in ACOS can lodge the electronic Transit Declarations.

3.2.3 Manifest and bill of lading information are required to be existing in the Customs database before the Transit Declaration is submitted. The e2m Customs system shall reject the submission of a Transit Declaration if the referred registry number and bill of lading numbers can not be found in the ACOS database.

3.3 Submission of paper documents

3.3.1 The economic zone enterprise/customs brokers shall continue submitting to BOC the paper Import Entry and Internal Revenue Declaration (IEIRD) with the code "8 8" for the Transit Declaration.

3.3.2 A printout of the VASP SAD Assessment Notice shall accompany the paper IEIRD.

3.3.3 A copy of the PEZA Electronic Import Permit with a valid bar code is one of the supporting documents to be submitted with the paper IEIRD to the BOC section of the CPCO.

3.4 General Transport Surety Bond

3.4.1 Economic zone enterprise shall register with the Bonds Division or equivalent office at the Port of Mactan a Surety Bond issued by a surety company accredited by the BOC at the Port of Mactan, to serve as guarantee for the payment of taxes and duties. The Surety Bond will be in lieu of Customs underguarding of the transfer from the Port to the economic zone enterprise premises.

3.4.2 The value of the Surety Bond shall be equivalent to the average duties and taxes due on importations of the economic zone enterprise for a period of 3 days, based on the total duties and taxes due on its actual importations during the three-month period immediately prior to its posting of the Surety Bond.

3.4.3 The Surety Bond shall be accompanied by a Certification under Oath of the economic zone enterprise's Import/Export Manager or responsible official attesting to the accuracy of the computation for the basis of the surety bond. Likewise, another certification shall be submitted to the CPCO within a week of the end of a semester.

3.4.4 A copy of the registration or acceptance document by the Bonds Division or equivalent office shall be kept at the CPCO Customs Section for their reference during the processing of the Transit Declaration.

3.4.5 The BOC may require an economic zone enterprise to increase the value of its Surety Bond at the end of a semester, upon determination of a significant increase in the level of its actual importations (as against the level of past importations used in the determination of the amount of its surety bond), in order to ensure that its Surety Bond provides adequate coverage of taxes and duties due on its current importations.

- 3.4.6 The initial Surety Bonds to be posted by economic zone enterprises shall be valid until 31 December 2010.
- 3.4.7 As clarified in the Memorandum of the Commissioner of Customs dated 16 October 2001, the Surety Bond shall operate as a One-Time-Bond, the filing and registration of which is deemed sufficient compliance with the provisions of JMO No. 1-2001 dated 24 August 2001.
- 3.5 Payment of Cargo Transfer Fees
 - 3.5.1 Economic zone enterprises shall pay the BOC Cargo Transfer Fee (composed of Transit Service Fee and Import Processing Fee) for their transit goods by automatic debit from Pre-Payment Accounts that they own and maintain.
 - 3.5.2 Prepayment accounts are created in ACOS by the designated Cash Division official. An economic zone enterprise may create as many accounts as needed in his name.
 - 3.5.3 Funding of the pre-payment account shall be done at a designated Bank branch located, preferably, in the same building as the CPCO. This requirement is established to facilitate the network connection of the Bank branch with the Customs network.
 - 3.5.4 The BOC shall be responsible for the ACOS network connection of the designated bank.
 - 3.5.5 The designated Bank shall be given access to the ACOS accounting module modacc through which the Bank can post the deposits made by the economic zone enterprise to his pre-payment account ledger.
 - 3.5.6 The deposit shall actually be credited into the BOC account in the designated Bank.

4. OPERATIONAL PROVISIONS

4.1. Pre-payment Accounts

4.1.1 Creation of the Pre-payment Account

4.1.1.1

The economic Zone Enterprise or his broker shall fill up the form "Account Registration for Transshipment Pre-payment of CTF" from the Cash Division for creation of the pre-payment account. Please see Annex A.

4.1.1.2

The filled-up form is submitted to the Cash Division for their approval and creation in ACOS. The information required in the form are locator TIN, name and address, contact persons and contact numbers and BOC office code where account shall be opened.

4.1.1.3

The Cash Division shall assign a unique account number for every pre-payment account and enter the pre-payment account information in ACOS. The form is then signed off by the responsible official in the Cash Division.

4.1.2 Funding of the Pre-payment Account

- 4.1.2.1 The economic zone enterprise shall fund the created pre-payment fund in the designated Bank of BOC. In the Port of

Mactan, this shall be the Land Bank branch at the MEPZ1 PEZA Head Office building ground floor.

- 4.1.2.2 Economic zone enterprises can request for a statement of account of his pre-payment account from the Bank.
- 4.1.3 Use of the Pre-Payment Account
 - 4.1.3.1 The Cargo Transfer Fee shall be automatically debited from the pre-payment account balance upon successful assessment of the transit declaration.
 - 4.1.3.2 If the remaining balance of the pre-payment account is less than the Cargo Transfer Fee assessed for the transit declaration, the assessment shall be rejected until the pre-payment account balance is topped up or replenished.
- 4.2 Lodgement of the Transit Declaration with the VASP
 - 4.2.1 The Transit Declaration shall be lodged in the VASP by the economic zone enterprise's designated broker using the model of declaration '8 8'. The fill-up of the other fields in the Transit SAD shall follow the guidelines for the warehousing SAD.
 - 4.2.2 The Pre-payment account number shall be indicated in Box 48 of the SAD titled "Prepaid Account Number".
 - 4.2.3 The Customs broker shall indicate the economic zone enterprise's default Warehouse code in Box 49. In Mactan, the default warehouse code is "PZ-Mactan." In Cebu, the default warehouse code is "PZ-Cebu". This is a mandatory field.
 - 4.2.4 The Customs broker shall print the Assessment Notice after the electronic submission receives a response from Customs.
 - 4.2.5 In addition to the processing steps enumerated in CMO 41-2002, the PEZA section shall scan the barcode of the paper Import Permit submitted by the Customs broker to determine its authenticity and to retrieve the Import Permit from the PEZA EIPs System.
 - 4.2.6 After successful retrieval, the PEZA staff reviews the paper Import Permit against its electronic form. If the paper IP and the electronic copy match each other, the electronic IP is tagged as "USED". The electronic IP can not be presented another time as supporting document to a transit declaration.
- 4.3 Tax and duty-exempt import shipments arriving by sea at the CIP
 - 4.3.1 The Transit Declaration shall be electronically lodged with the Port of Mactan through the VASP. Processing at the Mactan CPCO for such shipments shall be no different from processing of shipments discharged at CMIA.
 - 4.3.2 The duly authorized representative of the economic zone enterprise shall bring Copy No. 2 (Importer's Copy) and Copy No.7 (Delivery Permit) of the paper IEIRD Transit Declaration after completing processing at CPCO Mactan, to the Deputy Collector for Operations of CIP. The Deputy Collector of CIP shall check the authenticity of the documents using (ACOS) before giving the approval for release.

5. REPEALING PROVISIONS

CMO 41-2002 and other Customs Memorandum Orders and regulations that are inconsistent with this Order are hereby superseded or deemed repealed accordingly.

6. EFFECTIVITY

This Order shall take effect 24 March 2010.

NAPOLEON D. MORALES

Commissioner

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(10-01657)

ANNEX A

**Account Registration for Transshipment
Prepayment of CTF**



Account Registration for Development
Programme of CDF
Customs Office

CDF No.	
Warehouse Address :	
The No. :	
Company Name :	
Office Address :	
Tel. No. :	
Contact Person :	Position :
Submitted By :	Account No. : 093408
Signature Over Printed Name :	Chief Cash Officer : [Signature]



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