



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

RA-8792

31 July 2001

CUSTOMS MEMORANDUM ORDER
NO. 16-2001

TO : *Deputy Commissioners*
The District Collector, NAI
Deputy Collector for Operations, NAI
All Division Chiefs under Assessment and Operations, NAI
All Others Concerned

SUBJECT : PROCEDURES IN THE RELEASE OF
AIR EXPRESS CARGO AT
THE NAI CUSTOMSHOUSE

1. OBJECTIVES

- 1.1 To establish a simplified operational procedure for the expeditious release of express air cargo.
- 1.2 To facilitate the processing of air express cargo, pursuant to R.A. 8792 using electronic data interchange system (EDI).
- 1.3 To establish a centralized and specialized facility for the exclusive use of air express cargo for security purposes.
- 1.4 To ensure the collection of lawful governmental revenues as well as proper compliance with all other laws and regulations administered and enforced by the Bureau of Customs.

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2. SCOPE

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This procedure shall govern all air express cargo supervised by the Port of NATA initially under formal consumption entry using regular or Super Green Lane (SGL) processing.

3. DEFINITION OF TERMS

Express Cargo - any item accepted and classified as such by the commercial air carrier, granting it priority in loading at origin and discharging at destination, and charged the higher freight rates than that applicable to the regular cargo. It covers articles which are critically and immediately needed by the consignee/importer such as, but not limited to, material inputs to production, equipment spare parts, human organs for transplant, medicines, and may vary in terms of quantity, volume, size, weight or value, as may be authorized by the Bureau of Customs for processing thru the ECCF.

Express Cargo Clearance Facility (ECCF) - the secured warehouse facility and premise with defined cargo flow and automated system for the release and delivery of express cargo to the consignee.

ECCF Operator - which is the duly registered company authorized by the Bureau of Customs to operate the ECCF.

Express Cargo Carrier - an airline or air cargo carrier duly registered with the ECCF Operator and compliant with this CMO.

Express Cargo Importer - a duly registered company or individual authorized by Bureau of Customs and duly endorsed by the ECCF Operator to import goods.

Express Cargo Customs Broker - duly registered Customs broker nominated by the Express Cargo Importer authorized by the Bureau of Customs and duly endorsed by the ECCF operator.

Express Cargo Examination Area - refers to examination area of express cargo using the x ray equipment. For suspect cargo, a physical examination shall be conducted in this area in the presence of a Customs examiner, representatives of the consignee and the ECCF Operator.

4. GENERAL PROVISIONS

4.1 Bureau of Customs

- 4.1.1 It may suspend or cancel the accreditation of the ECCF operator, any Express Cargo Importer, or any Express Cargo Carrier if it fails to comply with any provisions of this CMO, notwithstanding the suspension of subscription as may be initiated by the ECCF Operator.
- 4.1.2 All "express cargo" unclaimed by the consignee or his representative after 6 hours upon receipt and acceptance by the ECCF Operator shall be moved to the Collector's corral for regular clearance and release procedures.
- 4.1.3 The District Collector of NATA shall assign sufficient number of Customs personnel to supervise the operations of the ECCF.
- 4.1.4 Customs personnel assigned at the ECCF shall strictly observe regular working hours and may be assigned to report for work on rotation basis and to render overtime services, whenever necessary.
- 4.1.5 Altered express cargo shall be identified, tagged appropriately and moved to Collector's corral preparatory to physical examination.

4.2 ECCF Operator

- 4.2.1 It shall provide for the necessary IT infrastructure and maintain the said infrastructure for the operation of the facility.
- 4.2.2 It shall not release prohibited imports such as dangerous goods, hazardous substances, explosives, etc.
- 4.2.3 It shall maintain a special bank account with a minimum daily balance sufficient to guarantee payment of duties and taxes to the Bureau of Customs.

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- 4.2.4 It shall provide the Bureau of Customs with x-ray equipment and Field test Kit (for verification of narcotics and dangerous drugs) in order to prevent illegal goods.
- 4.2.5 It shall provide a training program for the Bureau personnel in the automated procedures, cargo flow and x-ray operations before live implementation.
- 4.2.6 It shall provide the Bureau with door keys of the storage area and Collector's coral.
- 4.2.7 It shall provide for the back-up system facility and contingency plan for its operations.
- 4.2.8 It shall provide a leased line facility for file transfer protocol and access to the Express Cargo Website for authorized Customs official and personnel.
- 4.2.9 It shall provide adequate security measures to ensure data integrity and preventing unauthorized access.
- 4.2.10 It may hold the delivery of "express cargo" for non-payment of fees and charges due the importer.
- 4.2.11 It shall prepare and submit to the District Collector, NAIA the Property Irregularity Report in case of discharge of unmanifested, short landed or damaged cargo duly noted by the AOD guard and warehouseman.

4.3 Express Cargo Carrier

- 4.3.1 All duly authorized air transport companies for express cargo shall abide by the rules and regulations issued and promulgated by the Bureau of Customs. It shall properly identify as "express cargo" the shipment at origin to facilitate the sorting of shipment upon discharge from the aircraft. Also, it shall electronically submit the Express Cargo airway bill to the ECCF Portal Website containing the following information:
 - AWB number
 - Number of packages per express cargo AWB
 - HS Product Classification and corresponding Tariff code
 - Brief description of commodities

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2010-16-2001

- Gross Weight
- Marks and numbers
- Invoice number
- Invoice/transaction value of express cargo
- Freight cost
- Flight details: flight number, airline, date of arrival
- Airport of Origin
- Name, address of Shipper/Consignor
- Name, address, TIN of Importer/consignee
- Name, address, TIN of the Customs broker duly authorized by the Importer/Consignee

4.3.2 It shall deliver the express air cargo properly identified as "Express Cargo" to the ECCF as soon as it is unloaded from the carrier.

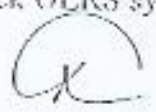
5. OPERATIONAL PROVISIONS

5.1 Processing of Entry Declaration

- 5.1.1 The Importer/Broker shall prepare import entry declaration based on pre-alert Express Cargo AWB/manifest;
- 5.1.2 The Importer/broker shall submit the import entry declaration as CUSDEC to the ACOS system via the BOC EDI Gateway using an accredited Value Added Network (VAN).
- 5.1.3 Upon receipt of the entries lodged, the ACOS system shall retrieve the ACOS Assessment Notice (CUSRES), generate a printed Assessment Notice reflecting the total amount of duties and taxes to be paid and assign a selectivity channel for the shipment/declaration.

For Green Lane Entry. Upon matching of the payment and assessed duties and taxes, a cargo release instruction shall be created by the OIRS system.

For Selected Entry. Upon matching of the payment and assessed duties and taxes, a cargo release instruction shall be created by the OIR-Dock OIRS system with an examination flag = 'Y'.



2000-16-2001

5.1.4 For entries hit by the Valuation criteria, the shipment shall be tentatively released upon posting of a guarantee in the form of cash or Manager's Check equivalent to the difference between duties and taxes assessed by Customs using an alternate method of valuation and the duties and taxes as declared.

5.2 Matching of Payment and Payable

The authorized Customs personnel shall be given an access to the ECCF Website to retrieve all Pre Alert Manifest/AWB and to print the necessary Boatnois or other documents necessary in identifying the Express Cargo upon discharge from the aircraft.

5.2.1. Upon issuance of the Assessment Notice and corresponding payment of the duties and taxes by the importer, the ECCF Customs Unit shall retrieve the payment advise issued by the bank and matched with the Assessment Notice pertinent to the specified declaration, and shall generate the matched record for payment made equal to the assessed amount to be paid.

5.2.2. The the matched record shall be uploaded to the OIRS system. A release instruction shall be generated by the OIRS system.

5.2.3. For unmatched payment, a post-entry procedure shall be effected prescribed under CMO 2.95.

5.3 Transmission of Release Instruction to the ECCF Operator

5.3.1 Upon generation of the release instruction, the OIRS system shall transmit the release instruction to the ECCF operator.

5.3.2 Only cargo release messages where examination flag = 'N' will be transmitted by the system to the ECCF operator.

5.3.3 Based on the OIRS release instruction, the ECCF Website shall generate the corresponding ECCF Gatepass which shall indicate the express cargo to be released and the OIRS generated system date and time.

The Gatepass shall be printed remotely by the importers or designated Customs broker and presented to the ECCF operation for the release and delivery of the express cargo.

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5.4 Release and Delivery of Express Cargo

- 5.4.1 The importer/broker shall go directly to the ECCF Operator for the release and delivery of the express cargo based on the prescribed procedure.
- 5.4.2 The importer/broker shall present the copy of the Import Entry (SAD) permit to the ECCF Operator, together with the supporting documents and ECCF Gatepass generated from the ECCF website, indicating the OIRS generated system date and time (msg_date field). A copy of which shall be forwarded to the ECCF operator's Wharfinger's Office. Under no circumstances shall ECCF operator release shipment without the cargo release instructions transmitted by the Bureau.
- 5.4.3 Upon presentation of the Importer's copy of the gatepass, the Wharfinger's office shall facilitate the release of the express cargo. The Wharfinger Information officer shall affix his signature on both the Importer's and Wharfinger's copy of gatepass.

5.5 Reporting and Recording of Release Transactions

5.5.1 The concerned Warehouseman shall maintain a logbook of all releases to reflect the following information lifted from the gatekeeper's copy of the Import Entry (SAD) permit obtained from the account officers;

- Entry Number
- Date of Entry / Date of Message instruction / Time of Message instruction
- Consignee
- Bill of Lading/Container Number
- Transfer Doc. No.
- Gate Pass Number, Date and time of gatepass issue
- Issuing Officer

5.5.2 An audit team of the Aircraft Operations Division (AOD) shall conduct a regular monthly audit of cargoes released from the operator.

5.5.3 The EOCF operator shall make a weekly reconciliation between the Delivery copy and operator's gatepass. All release that were effected without the corresponding Delivery copy shall be reported to the Deputy Collector for Operations within 48 hours from the time of retrieval of the said copy.

5.5.4 The AOD shall likewise make a reconciliation between the Gatekeeper's copy and the Wharfinger's gatepass.

6. EFFECTIVITY

This order shall take effect immediately and shall last until revoked, modified, or superseded.



JESUS E. VILECHUEVA
Commissioner