



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA 1099

CUSTOMS MEMORANDUM ORDER  
NO. 17-2021

Subject: Amendments to CMO Nos. 16-96, 18-96A & 18-96B in The Conduct of Examination of Shipments in Ports with Selectivity System

I. Objectives:

- 1.1 To facilitate the Customs Clearance of legitimate imported goods.
- 1.2 To enhance the Bureau's capacity to detect shipments attendant with fraud.

II. Scope

This order shall apply to all ports of entry with an Automated Customs Operation System (ACOS) already operational

III. General Provisions:

- III.1 Truck Mounted Examination -- The physical examination of Selected "RED" cargo on-board the trucks (or TME) is hereby discontinued except for shipments of agricultural products (meat, poultry, fruits and vegetables) that require quarantine clearance prior to release
- III.2 Physical examination of PEZA bound shipments is hereby discontinued and instead shall go through mandatory X-ray inspection.
- III.3 High risk shipments will be tagged by the Selectivity System as either:
  1. Subject to X-ray inspection, or
  2. Selected Red and subject to physical examination
- III.4 Shipments found to be suspect or have image of the container/s subjected to x-ray inspection shall be directed for 100% physical examination in a facility to be provided by the arrastre operator.
- III.5 The hard copy of the x-ray inspection image of the container/s subjected to x-ray inspection shall form part of the working copy of corresponding entry documents.
- III.6 Physical examination of selected "RED" shipments is hereby prescribed as follows:
  - III.6.1 For shipments consisting of several containers, the square root rule shall apply. The selection of containers for examination shall be automatically generated by the system.
  - III.6.2 The COO IIs should see to it that the contents of the container are unloaded to create a passage (canal) that will enable him/her to verify the innermost part of the container.
- III.7 Shipments which have been subjected to 100% examination pursuant to this CMO shall no longer be subjected to x-ray examination unless there is derogatory information against them.

*R. (18-01870)*

III.8 Special services/examinations like 100% examination and stripping/stuffing required by the BOC for some shipments must be coordinated with the Port Operator for scheduling. Special services and examinations will be for the account of the importer or consignee.

#### IV. Administrative Provisions

IV.1 The following persons are authorized to witness the conduct of physical examination:

- a. the importer or his authorized representative
- b. one authorized GIS representative
- c. one authorized ESS representative
- d. representative of government agencies in case of regulated commodities
- e. Duly designated Import Commodity Experts per CMO 9 99
- f. Representative of the Alerting Office for alerted shipments
- g. Representative of the X-ray Inspection Project for shipments tagged as "suspect" or have image irregularities after x-ray inspection pursuant to III.4 of this CMO.

**Non-Organic Personnel are strictly barred from the Designated Examination Areas.**

IV.2 Should a discrepancy be noted after physical and/or X-ray examination, recommendation by x-ray personnel, GIS and ESS personnel for payment of additional duty, tax and/or other lawful charges and or submission of other legal requirements shall be officially indorsed to the District Collector of the Port concerned for his appropriate action. Verbal recommendations shall not be honored.

#### V. Repealing Clause

All rules and regulations inconsistent with this Order are hereby deemed repealed, superseded or modified accordingly.

#### VI. Effectivity

This Order shall take effect immediately.

NAPOLEON D. MORALES  
Commissioner



