



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

23 August 2010

CUSTOMS MEMORANDUM ORDER

No. 32-2010

To : All Deputy Commissioners
Service Chiefs
District Collectors
Deputy Collectors for Operations
Division Chiefs
Authority of the Freeport Area of Bataan (AFAB) Officials
Freeport Area of Bataan (FAB) Locator Enterprises
Customs Brokers, Attorneys-in-Fact
All Others Concerned

Subject: **Enhanced Automated Cargo Transfer System (E-ACTS) for Transit Goods Consigned to Freeport Area of Bataan Locator Enterprises Discharged at Ports and Airports with Operating ACOS and with the Freeport Area of Bataan as Final Destination.**

I. Objectives

To define and clarify details of the provisions of JMO No.03-2010 pertaining to the processing of the Enhanced Automated Cargo Transfer System (E-ACTS) in the ports of discharge for shipments destined for the Freeport Area of Bataan (FAB).

II. Scope

This Order shall apply to transit cargoes consigned to FAB locator enterprises discharged at the Port of Manila (POM), Manila International Container Port (MICP), Ninoy Aquino International Airport (NAIA) Subic International Airport (SIA) and Port of Subic (POS), and the Diosdado Macapagal International Airport (DMIA) as provided under BOC-AFAB Joint Memorandum Order No. 03-2010 dated 14 July 2010.

III. General Provisions

The electronic Transit Admission Permit lodged and approved through AFAB's Electronic Transit Admission Permit System (eTAPS) is the one and only document to be accepted by the Bureau of Customs as proof of AFAB's authorization of the importation of a FAB locator enterprise.

1. Transit Cargo Transfer Documentary Requirements

1.1 Transit-Single Administrative Documents (Transit-SAD)

In lieu of the Warehousing Entry lodged at the FAB,

Transshipment Permit (BOC Form 199), Transit Cargo Manifest, Boat Note and other documents required under other Customs Orders and issuances, the Single Administrative Document (SAD) with Model of Declaration 8-8, supported by the Bill of Lading/Airway Bill, Invoice, Packing List and printed AFAB electronic Transit Admission Permits (e-TAPs) shall be the documents to be submitted to the Customs Freeport Zone/Area Office (CFZO/CFAO) in the port of discharge, together with any license, authorization, clearance or permit issued by the designated government regulatory office for any regulated or controlled commodity included in an import shipment, following established procedures. The documents required herein must be presented to the Customs Freeport Zone/Area Office (CFZO/CFAO) as provided in Section 3.

The Transit-SAD printout shall replace the Import Entry and Internal Revenue Declaration (IEIRD) as the entry form and shall be submitted in two copies.

1.2 General Transportation Surety Bond (GTSB)

1.2.1 The District Collector of a port of discharge shall have the authority to require an increase in the amount of the GTSB posted by a FAB locator enterprise where the values of current transit-cargoes discharged at the port have significantly increased beyond the level during the last three (3) months of the current year, which level was used as the basis for the determination of the amount of the existing GSTB posted by the FAB locator enterprise.

1.2.2 In the event that duties and taxes of a particular shipment exceed the face value of the GSTB, the FAB enterprise shall be given two options: (a) increase the face value of the GTSB, or (b) arrange for Customs under-guarding of the shipment instead of upgrading the face value of the GTSB, so as not to delay the transfer of the cargo to FAB.

1.3 Payment of the Cargo Transfer Fee

1.3.1 FAB locators shall open and maintain pre-payment accounts at the Cash Division of the port of discharge following existing procedures. Customs brokers shall also be allowed to open and maintain pre-payment accounts at the Cash Division of the port of Discharge, following the same procedure employed by client-locators, which will be used to pay Cargo Transfer Fees on transit cargoes of their client-locators.

2. Required Electronic Submissions

2.1 AFAB-accredited VASPs shall provide CFZO/CFAOs access to the e-TAPS and barcode scanning capability to enable CFZO/CFAO officials to authenticate (hard copies of) e-TAPs submitted with the transit-SAD.

2.2 CFZO/CFAO shall not honor nor process the manual transshipment form except in cases where a FAB locator is not

registered in ACOS.

CMD 32-2010 3

3. Establishment of a Customs Freeport Zone/Area Office (CFZO/CFAO)
 - 3.1 In ports of discharge where the staff of the Office of the Deputy Collector for Operations is currently processing cargo transfer to the Subic Freeport and the Clark Freeport, such personnel may be considered as forming the CFZO/CFAO, until a Customs Personnel Order establishing the CFZO/CFAO and assigning personnel therein has been issued by the District Collector.
 - 3.2 CFAOs shall be responsible for the following: processing of the Transit-SADs, issuing release instructions to the temporary storage facility, and monitoring the direct and faithful transfer of the cargo to FAB.
 - 3.2.1 The Deputy Collector for Operations shall designate a staff and an alternate to perform the functions of a COO III in the processing of the Transit-SAD, namely, updating the SAD in ACOS after a review of the Transit-SAD and its supporting documents
 - 3.2.2 The Deputy Collector for Operations shall designate a staff and an alternate to perform the functions of a COO V in the processing of the Transit-SAD, namely, re-routing and assessment of the selected Transit-SAD
 - 3.3 Deputy Collectors for Operations in the ports of discharge shall designate alternate officers and personnel in CFZO/CFAOs to ensure uninterrupted processing of transit documents and release of transit cargoes of FAB locator enterprises.
- 4 Physical examination may be undertaken on transit-cargo when there is derogatory information received from competent authorities, in which case an authority to undertake physical examination must be obtained from BOC officers authorized to issue Hold and Alerts under current regulation/s. Existing regulations for x-ray of containerized transit cargo shall prevail.

IV. Administrative Provisions

1. Customs under-guarding of an enterprise locator's transit cargoes shall be discontinued under two conditions:
 - 1.1 Full operation of real-time scanning of the barcode of the electronic Admissions Permit at the FAB.
 - 1.2 The FAB locator enterprise has posted the required GTSB and registered the bond with the Bonds Division or equivalent office in the port of discharge
2. In the event that duties and taxes of a particular shipment exceed the face value of the GTSB, the FAB enterprise may opt for Customs under-guarding of the shipment instead of upgrading the face value of the GSTB, so as not to delay the transfer of the cargo to FAB.

V. Operational Provisions

1. Lodgement and Printing of Transit-SADs with the corresponding Assessment Notices

FAB locator enterprises or their authorized representatives shall electronically lodge Transit-SADs through BOC-accredited VASPs and print two copies of the registered Transit-SAD with the corresponding Assessment Notices bearing the system-generated Customs Reference Number.

A FAB locator enterprise and/or its authorized representative shall then submit to the CFZO/CFAO two (2) printed copies of the Transit-SAD and the Assessment Notice bearing the Customs Reference Number, together with the Bill of Lading/Airway Bill, Invoice, Packing List, printed copy of the barcoded e-TAPs and other clearances/permits of other regulatory government agencies, where required, as supporting documents.

2. Processing of Transit-SADs, e-Transit Admission Permits (e-TAPs) and other Required Supporting Documents.

Upon presentation by a FAB locator enterprise or its authorized representative of a Transit-SAD and the required supporting documents, among which is the AFAB-issued e-TAP bearing the required Barcode, the CFZO/CFAO shall undertake the following:

- 2.1 Receive and check completeness of the approved e-TAP, Transit-SAD and all required supporting documents submitted;
- 2.2 Validate the printed copy of the Admission Permit presented by accessing the AFAB e-TAPS (system) and scanning the Barcode on the printed copy and comparing the particulars of the retrieved electronic copy with that of the submitted printed copy.
- 2.3 Validate the Transit-SAD in the ACOS system by using the Customs Reference Number of the Transit-SAD to retrieve the electronic Transit-SAD and comparing this to the hard copy of the Transit-SAD.
 - 2.3.1 If the Transit-SAD is selected, the designated "COO III" staff shall update the Transit-SAD with any findings, and endorsed the same to the designated "COO V" who shall re-route the Transit-SAD to green and perform assessment.
 - 2.3.2 In ports of discharge where the Electronic Manifest Clearance is in place, the manifest is written off at the time of assessment. In ports of discharge where the Electronic Manifest Clearance is not yet in operation, the manifest shall be written off post-clearance.
 - 2.3.3 CFZO/CFAO shall make all notes and markings on the printed copy of the Transit-SAD
- 2.4 Check for any Alert or Hold Order issued against the transit-

cargo, pursuant to CMO 104-92. In the existence of one, notify the issuing office in order that appropriate action can be undertaken.

- 2.5 Present the Transit-SAD to the Head of the CFZO/CFAO for issuance of the release instruction to the temporary storage facility, if no Hold or Alert Order has been applied on the shipments. In ports of discharge where the ACOS On-Line Release System is not operational, the release instruction shall be a copy of the Transit-SAD marked "For Release" and countersigned by the authorized signatory.
- 2.6 Forward the signed Transit-SAD to the Customs Bonded Warehouse/Arrastre Operator for release of the transit-cargo.

3. Release of Transit Cargoes

- 3.1 The Customs Warehouseman or Wharfinger shall mark the original copy of the Transit-SAD "Released" and affix his signature to it and return the copy to the authorized representative of the FAB locator enterprise. The Customs Warehouseman or Wharfinger shall retain the other copy of the Transit SAD.

VI Transitory Provision

This Order shall allow for the dual processing of the Transit documents such that FAB locators who are still in the process of complying with the requirements of Enhanced Automated Cargo Transfer System (E-ACTS) shall be allowed to clear the shipments through the existing manual transshipment procedures and forms, while locators who are ready and compliant with E-ACTS shall use the electronic system starting from the effectivity date of this Customs Memorandum Order.

The sole use of E-ACTS shall be mandatory thirty (30) days after the signing of this Order.

All concerned BOC offices are hereby ordered to give priority to the processing and/or granting of requirements FAB locator enterprises need to have or comply with to become qualified for mandatory E-ACTS implementation on the above-stated date.

VII. Repealing Clause

All provisions of JMO No. 03-2010 not expressly clarified or defined in this Order shall be deemed part of this Order. All rules and regulations prior to JMO No. 03-2010 inconsistent with this Order are hereby deemed repealed, suspended or modified accordingly.

VIII. Effectivity

This Order shall take effect immediately.


ANGELITO A. ALVAREZ
 Commissioner
