



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

February 28, 2001

CUSTOMS MEMORANDUM ORDER
No. 4-2001

To: All Deputy Commissioners
The District Collector - POM
The Deputy Collector for Operations
The Deputy Collector for Assessment
The Chief, Bonds Division - POM
All Other Division Chiefs under Assessment and
Operations Groups - POM
Concerned Arrastre/Warehouse Operators
Surety Companies/Importers/Brokers
All Others Concerned

Subject: Guidelines in the implementation of the Automated
Bond Management System (ABMS)

1. OBJECTIVE

To implement a streamlined computer based system of processing, accounting and monitoring of bonds.

ABMS shall:

- 1.1 Provide an updated report or status of bonds utilization and remaining balances;
- 1.1 Provide a facility for automatic generation of due and demandable notices;
- 1.2 Maintain a database of bonds filed, charged and cancelled;
- 1.3 Provide timely management reports on bonds transactions;
- 1.4 Enable application of risk management in bonds processing system.

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2. SCOPE

The ABMS project shall be implemented in three (3) phases.

This order shall prescribe the guidelines in the implementation of Phase I of the project, which shall govern processing of bonds at the Port of Manila covering shipments entered under-bond entries, including procedures in releasing those shipments under the OLRs system.

The interface of ABMS with MWLS and the roll-out of the system to MICP and NAIA shall be undertaken in Phase II of the project.

Electronic linkages with accredited surety companies and the Insurance Commission shall be undertaken in Phase III of the project.

Separate customs memorandum orders shall be issued to implement phases II and III of ABMS.

3. GENERAL PROVISIONS

3.1 Glossary of Terms

ABMS	- Automated Bonds Management System
ACOS	- Automated Customs Operations System
IEIRD	- Import Entry and Internal Revenue Declaration
IPF	- Import Processing Fee
MWLS	- Manufacturing Warehouse and Liquidation System
CBWOD	- Customs Bonded and Warehousing Operating Division
LBD	- Liquidation and Billing Division
MICP	- Manila International Container Port
NAIA	- Ninoy Aquino International Airport
OLRS	- On Line Release System
POM	- Port of Manila
SAD	- Single Administrative Document
TIN	- Taxpayer Identification Number

3.2 Changes in the SAD, for warehousing entries only;

3.2.1. Box 9 of the SAD in ACOS

The field shall be used for encoding bond control number. The bond control number shall be the assigned number of the accredited surety company;

3.2.2. The account number in box 48 of the SAD will still hold the IPF pre-payment account number;

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- 3.3. The system shall provide an automated transmission of release messages to the arrastre/warehouse operators via OLRs system.
- 3.4. The Bonds Division, shall designate an ABMS Bonds Administrator responsible for the filing of the bonds, charging of bonds and the cancellation of bonds.
- 3.5. The CBWOD, shall designate an OLRs officer for the lifting of "duty stop".

4. OPERATIONAL PROVISIONS

4.1 Application of New Bond

- 4.1.1 The Importer shall apply for a new bond to an accredited surety company. Upon issuance of the bond policy, the importer shall file the same at the Bonds Division.
- 4.1.2 Upon receipt, the Bonds Examiner shall process and sign the bonds policy and forward the same to the Chief, Bonds Division for approval.
- 4.1.3 After approval, the bond policy shall be forwarded to the ABMS Bonds Administrator for encoding in the ABMS the following information:
 - Bond number
 - Type of bond
 - TIN of the Consignee
 - TIN of the surety company
 - Amount of bond
- 4.1.4 After encoding the new bond, the ABMS system shall generate a confirmation slip which shall be signed by the ABMS Bond Administrator and the Chief of the Bonds Division.
- 4.1.5 After signing of the confirmation slip, the bond policy shall be forwarded to the Bonds Custodian for safekeeping.

4.2 Charging of Bonds

- 4.2.1 The Importer/Broker shall lodge an entry declaration to ACOS thru EEC/EDI/DTI facility.
- 4.2.2 Upon assessment of the entry in ACOS at FED/WAD, the IEIRD/SAD shall be forwarded to the Bonds Division for the bonds charging purposes:
- 4.2.3 The concerned Bonds Examiner shall encode in ABMS system the following information:
 - Bond Control no.
 - Type of bond
 - Entry Number
 - TIN of the Importer



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- TIN of the Surety
 - Kind of Bond
 - Amount of bond
- 4.2.4 ABMS shall automatically debit the amount of bond and generate two (2) copies of charge slip. The charge slips shall be signed by the Bonds Examiner and forwarded to the ABMS Bond Administrator for tagging the transaction in the ABMS for matching purposes with the assessed duties and taxes in ACOS.
- 4.2.5 The copies of the processed charge slip shall be distributed as follows:
Copy 1- attached to the IEIRD/SAD
Copy 2 - Bonds Examiner file
- 4.2.6 The IEIRD/SAD shall be forwarded to the concerned Customs Bonded Warehouse Operating Division.

4.3 Matching Process

- 4.3.1 Based on the bonds charging in 4.2 above, the ABMS shall automatically match the amount of bonds charged and the corresponding assessment data in ACOS. All matched transactions shall be available to the Bonds Division and the CBWODs for purposes of verification and subsequent lifting of duty stop.
- 4.3.2 If found unmatched, the ABMS Bond Administrator shall use the query facility of the ABMS system to determine the specific reason/s why the transactions are unmatched. Listed below are possible reasons:
- Wrong encoding of entry number in ABMS
 - Wrong encoding of Consignee TIN number in ABMS
 - Insufficiency of the amount of bond charged against the assessed duties and taxes.
 - Wrong encoding of type of bonds
 - Wrong encoding of TIN of surety company
 - Split Charging

The Bond Administrator shall inform the concerned Bond Examiner of the unmatched transactions/discrepancies.

The post entry procedure described in item 4.4. below shall be observed in correcting discrepancy/ies due to any of the above cited reason/s.

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4.4 Post-Entry Procedure

- 4.4.1 The concerned Bonds Examiner shall accomplish a Post-Entry form (Annex A) in two (2) copies and forward the same to the ABMS Bond Administrator.
- 4.4.2 The ABMS Bond Administrator shall make the necessary correction using the "Post-Entry Modification" module of ABMS system.

In cases of discrepancy in the amount of bond charged, the Bond Administrator shall effect the adjustment that may require additional amount of bonds shall be debited against the remaining balance available or require filing of a new bond;

- 4.4.3 The ABMS shall generate another set of charge slip in two (2) copies reflecting the changes made based on the post-entry form. The ABMS Bonds Administrator shall affix his/her signature to all copies of the charge slip.
- 4.4.4 The copies of the charge slip and the Post-Entry form shall be distributed as follows:
 - Copy 1 - attached to the IEIRD/SAD.
 - Copy 2 - Bonds Examiner file

4.5 Lifting of Duty Stop by the Customs Bonded Warehouse Operating Division

The CBWOD shall only be allowed access for purposes of lifting of "duty stop."

- 4.5.1 Upon receipt of the IEIRD/SAD from the Bonds Division, the concerned CBWOD shall process the entry and verify if the same has been matched in ABMS thru the "Lifting of Duty Stop" module. If matched, the designated OLRS officer shall tag the corresponding record in ABMS and trigger the lifting of the duty stop.
- 4.5.2 The ABMS system shall automatically log the process indicating the user, time and date of lifting.
- 4.5.3 Upon lifting of the duty stop, the ABMS system shall automatically generate release messages for transmission to the arrastre operator every 10 minutes. A log file shall be generated by the ABMS system indicating the date and time of the transmission of the release messages.
- 4.5.4 Upon receipt of the release messages, the concerned arrastre operator shall transmit an acknowledgement receipt in the form of a feedback message to the ABMS system.



The ABMS system shall tag the corresponding entries as "released";

4.6 Cancellation of Bonds

- 4.6.1 Upon receipt of the Notice of Liquidation from the LBD/CBWOD, the concerned Bonds Examiner shall prepare the Notice of Cancellation of Bond for approval by the Chief, Bonds Division;
- 4.6.2 Based on the approve Notice of Cancellation of Bonds, the concerned Bonds Examiner shall encode in ABMS thru the "Cancellation" module the following information:
- bond control number
 - the type of bond
 - entry number
 - TIN of the consignee
 - TIN of the surety company
 - amount of bonds to be cancelled.

Cancellation of bonds shall be on a per import entry declaration basis. The amount of bonds cancelled shall be automatically credited to the bonds balance by the system.

If an error was committed during the cancellation of bonds, the concerned Bonds Examiner/Bonds Administrator shall correct the error/s through the post-entry procedure described in item 4.4 above.

- 4.6.3 The ABMS shall generate (4) four copies of cancellation slip to be signed by the concerned Bonds Examiner and the Chief, Bonds Division.
- 4.6.4 The copies of the cancellation slip shall be distributed as follows:
- Copy 1 – Bonds Examiner file
 - Copy 2 – importer/broker
 - Copy 3 – CBWOD/LBD
 - Copy 4 - Chief, Bonds Division file

4.7 Management Reports

The following management reports shall be generated by the system;

- 4.10.1.2 List of Bonds Filed
- 4.10.1.3 List of Bonds Charged
- 4.10.1.4 List of Bonds Cancelled
- 4.10.1.5 List of Matured Bonds
- 4.10.1.6 Demand Letters for Surety Company/

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- 4.10.1.7 Importers
List of Outstanding Bonds per Surety
Company/Importer
- 4.10.1.8 List of Transshipment Permits Without
Entry Declaration Filing (after 5 days)

5 **REPEALING CLAUSE**

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

6 **EFFECTIVITY**

This order shall take effect immediately.


RUFUS B. VILLANUEVA
Commissioner