



Date: _____

CUSTOMS MEMORANDUM ORDER (CMO)

NO. _____

SUBJECT: IMPLEMENTATION OF THE ELECTRONIC TRACKING OF CONTAINERIZED CARGO (E-TRACC) SYSTEM IN ALL AIRPORTS OF ENTRY

Introduction. This Order supplements Customs Memorandum Order No. 4-2020 and further implements Customs Administrative Order (CAO) No. 15-2019 in relation to Sections 109, 601 and 1418 to 1421 of Republic Act (R.A.) No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), as well as other relevant laws, rules and regulations.

Section 1. Scope. This Order shall cover the inland movements of goods shipped through air using an Information and Communications Technology (ICT)-enabled system to protect the revenue due the government.

Section 2. Objectives.

- 2.1. To provide procedure in the use of GPS enabled tracking devices for purposes of monitoring in real time the movement and location of transit goods for import/export.
- 2.2. To protect the revenue due the government through the prevention and detection of fraudulent practices in the transport of cargo.

Section 3. Definition of Terms.

- 3.1. **Air Express Cargo Operator (AECO)** — shall refer to a company which provides and arranges fast and rapid transport and delivery of express shipments, by order and in the interest of shippers or consignors, either as a direct common carrier or an indirect air carrier, and as such issues its own air waybill to shippers or consignors of shipments under its solicitation.¹
- 3.2. **Air Waybill (AWB)** — shall refer to a transport document for airfreight used by airlines and international freight forwarders which specify the holder or consignee of the bill

¹ CAO No. 5-2020, Section 3.2.

who has the right to claim delivery of the goods when they arrive at the port of destination. It is a contract of carriage that includes carrier conditions, such as limits of liability and claims procedures. In addition, it contains transport instructions to airlines and carriers, a description of the goods, and applicable transportation charges.²

3.3. Authority to Load (ATL) — shall refer to the permission given by the authorized customs personnel at the Office of Destination to load the Goods for Outright Exportation.³

3.4. Customs Bonded Warehouse (CBW) — shall refer to a warehouse facility licensed by the Bureau to import, receive, and store, without payment of duties and taxes and under bond, goods, raw materials, accessories and packing materials either for manufacture into finished products for export or storage for the account of authorized end users or clients.⁴

3.5. Customs Facilities and Warehouses (CFW) — shall refer to facilities for temporary storage of goods established and authorized by the Bureau pursuant to Title VIII, Chapter 2 of the CMTA. These include container yards, container freight stations, seaport temporary storage warehouses, airport temporary storage warehouses and other premises, for customs purposes.⁵

3.6. Customs Territory — shall refer to areas in the Philippines where customs and tariff laws may be enforced.⁶

3.7. Customs Transit — shall refer to the customs procedure under which Goods are transported under customs control from one customs office to another.⁷

3.8. Customs Transit Operation — shall refer to the transport of Goods from an Office of Departure to an Office of Destination under Customs Transit.⁸

² CMTA, Title I, Chapter 2, Section 102(d).

³ CAO No. 15-2019, Section 3.2.

⁴ CAO No. 15-2019, Section 3.9.

⁵ CAO No. 9-2019, Section 3.6.

⁶ CAO No. 13-2019, Section 3.11.

⁷ CAO No. 15-2019, Section 3.8.

⁸ CAO No. 15-2019, Section 3.9.

- 3.9. Electronic Customs Seal** — shall refer to a GPS-enabled sealing device that is capable of physically securing a cargo and providing real time location information.⁹
- 3.10. E-TRACC System Service Provider** — shall refer to a BOC-accredited private entity that provides the necessary hardware and software, including the GPS-enabled sealing device, to effectively seal, monitor and track transit cargoes.¹⁰
- 3.11. E-TRACC System Software Platform** — shall refer to a secure and interactive web-based system that allows the Bureau to track, monitor, and audit the location and condition of transit cargoes, as well as obtain real time alarms on, among others, diversion and tampering of, transit cargoes. ¹¹
- 3.12. Free Zones** — shall refer to special economic zones registered with the Philippine Economic Zone Authority (PEZA) under Republic Act No. 7916, as amended, duly chartered or legislated special economic zones and freeports such as Clark Freeport Zone; Poro Point Freeport Zone; John Hay Special Economic Zone and Subic Bay Freeport Zone under Republic Act No. 7227, as amended by Republic Act No. 9400; the Aurora Special Economic Zone under Republic Act No. 9490, as amended; the Cagayan Special Economic Zone and Freeport under Republic Act No. 7922; the Zamboanga City Special Economic Zone under Republic Act No. 7903; the Freeport Area of Bataan under Republic Act No. 9728; and such other freeports as established or may be created by law.¹²
- 3.13. Global Positioning System (GPS)** — shall refer to a system of satellites, computers, and receivers that can calculate the location of a certain object on a digital map.
- 3.14. Parcel** — shall refer to a package bearing the name and address of the recipient in order to be routed through the services of a postal service or by express package delivery service to the recipient.
- 3.15. Port of Discharge** — shall refer to port of unloading, which is a place where a vessel or aircraft unloads its

⁹ CMO No. 4-2020, Section 3.10.

¹⁰ CMO No. 4-2020, Section 3.12.

¹¹ CMO No. 4-2020, Section 3.13.

¹² CAO No. 15-2019, Section 3.13.

shipments, from where they will be dispatched to their respective consignees.¹³

3.16. Port of Entry — shall refer to a domestic port open to both domestic and international trade, including principal ports of entry and sub ports of entry. A principal Port of Entry is the chief Port of Entry of the Customs District wherein it is situated and is the permanent station of the District Collector of such port. Sub ports of Entry are under the administrative jurisdiction of the District Collector of the principal Port of Entry of the Customs District. Port of Entry shall include airport of entry.¹⁴

3.17. Port of Loading — shall refer to a place where shipments are loaded and secured aboard the aircraft.¹⁵

3.18. Transit — shall refer to customs procedure under which Goods, in its original form, are transported under customs control from one customs office to another, or to a Free Zone.¹⁶

3.19. Transit Cargo — shall refer to a cargo that is the subject of a customs transit operation.

3.20. Transfer Note — shall refer to a document that accompanies the transfer of cargo to a CBW and serves as proof of delivery or receipt of the article at its intended destination duly acknowledged on its face by the customs official stationed thereat. It is also commonly referred to as a "Boat Note".¹⁷

Section 4. General Provisions.

4.1. Except as otherwise provided under this Order, the provisions of CMO No. 4-2020 shall govern the implementation of the E-TRACC System in airports of entry.

4.2. Electronic Customs Seal shall be required for the following movement of bonded goods to be affixed to the delivery van:

¹³ CAO No. 15-2019, Section 3.25.

¹⁴ CAO No. 15-2019, Section 3.26.

¹⁵ CAO No. 15-2019, Section 3.27.

¹⁶ CAO No. 15-2019, Section 3.29.

¹⁷ CAO No. 15-2019, Section 3.28.

- 4.2.1.** Transit from the airport of discharge to Free Zones or CBWs;
- 4.2.2.** Transit from the airport of discharge to another Collection District;
- 4.2.3.** Transit from Free Zones or CBWs to the airport as Port of Loading for exportation.
- 4.2.4.** Cargo movement to and from one CFW to another CFW, provided that, movement within five (5) kilometers radius to and from the airport (ex. CFW to Cargohaus, Inc., TMW or to CFW for express shipment) shall be subject to continuous customs underguarding until received; and
- 4.2.5.** Transit by land from domestic airport to CBW or Free Zone and vice versa.

The Electronic Customs Seal shall only be required for transfers of goods under Sections 4.2.1. and 4.2.3. covered by more than one AWB and with multiple destinations once the E-TRACC system is already capable to accept multiple destination points in one booking.

However, transfers under Section 4.2.1. and 4.2.3. where logistics or delivery services are provided by a single transport for several enterprises, the Electronic Customs Seal shall be attached only to the carrier regardless if the place of delivery is to one or more free zones.

4.3. The following cargo movement shall be subjected to continuous customs underguarding until received:

- 4.3.1.** Aircraft to Customs Facility Warehouse (CFW) within the airport perimeter and vice versa (ex: PairCargo, PSI, DHL);
- 4.3.2.** Aircraft to CMEC and vice versa, unless falling under Section 4.2.2;
- 4.3.3.** Aircraft to registered CBW as In Flight Catering Center and vice versa (ex: PAL In flight Catering Center, Macro Asia Catering);
- 4.3.4.** Aircraft to airport baggage carousel; or
- 4.3.5.** CFW to Aircraft for Domestic Transfer and vice versa.

Transfer of cargo subject to customs underguarding shall be covered by a Transfer Note.

4.4. Except when circumstances warrant under this Order, full completion of customs cargo clearance is a mandatory

requirement for all shipments to be loaded in the carrier (aluminum van, delivery van etc.) before said carrier will be sealed with a GPS-enabled sealing device, i.e., import cargo must have electronic Transit Single Administrative Document (T-SAD) lodgments and corresponding On-Line Release System (OLRS) while export cargo must have the corresponding Export SAD and Authority to Load.¹⁸

- 4.5.** The **Aircraft Operations Division (AOD)**, or equivalent office at each port of entry or destination, shall remotely monitor the sealing and/or unsealing operations, authorize start and end trip of the vehicle loaded with transit import/export cargo, and monitor for alarms.
- 4.6.** Transfer/transit cargo covered under Section 4.2 of this Order which has not been affixed with Electronic Customs Seal shall not be allowed to be opened by any customs officer without the approval of the District/Sub-Port Collector at the port of delivery in coordination with the District/Sub-Port Collector of the port where the cargo was approved for transfer/transit. The District/Sub-Port Collector at the port of delivery shall immediately notify and direct the ESS District Commander to investigate and submit findings to the Commissioner, through the Deputy Commissioner, Enforcement Group and District Collector/s concerned.
- 4.7.** The affixing of the Electronic Customs Seal shall be done by the authorized personnel of the accredited Service Provider under the supervision of authorized Bureau personnel. Sealing shall be undertaken at designated areas that will not disrupt the operations of the CFW, CBW or Free Zone.
- 4.8.** The District Collectors of the port of discharge or inland customs office and port of destination shall ensure that the responsibilities of their respective customs officers, and the personnel assigned by the Service Provider pursuant to this Order are fully complied with.

Section 5. Operational Provisions.

5.1. Booking a Trip.

¹⁸ CAO No. 11-2020, Section 3.10.

5.1.1. The importer/exporter or its authorized representative shall book the Trip prior to the processing by the Customs Officer of the import/export SAD.

In case of deliveries with multiple destinations, the forwarder or customs broker may book the required Trip for the account of importer/exporter.

5.1.2. The booking should contain the following information:

a. For single destination and single Air Waybill:

- i.** Origin (Starting point or port of discharge);
- ii.** Destination (Destination port, CFW, CBW or Registered-Free Zone Enterprise);
- iii.** Name of Importer/Exporter
- iv.** AWB Number
- v.** Document Reference Number to include the following:
 - 1.** TSAD Entry/Reference No. or WSAD Entry/Reference No., as the case may be;
 - 2.** Transfer Note (Boatnote) Reference No.; or
 - 3.** PEZA Forms 8105 and 8106 Reference Nos.
- vi.** E-TRACC Seal Number (affixed to the door of the van/vehicle/ULD/container van)
- vii.** Name of Driver
- viii.** Contact Number of Driver
- ix.** Closed Van/Vehicle Plate Number

b. For single destination and multiple Air Waybills/locators/transit:

- i.** Origin
Starting point or port of discharge
- ii.** Destination
Destination port, CFW, CBW, Free Zone (destined to registered locators), or registered Free Zone locator)
- iii.** Importer/Exporter/Forwarder
In case of multiple locators/importers/exporters with single

destination, input designated code no. then attach electronic copy of the consolidated listing of locators/importers/exporters (PDF).

iv. Air Waybill

Input designated code no. for multiple AWBs, then attach electronic copy of the consolidated listing of Air Waybill Numbers (PDF).

In case no AWB is available, input designated code no. for airline booking type of transaction, i.e. transit for export

v. Goods Declaration/Zone to Zone Transfer Reference Nos.

1. For import, input designated code no. for multiple TSADs, WSAD, transfer note (boatnote), then attach electronic copy of the consolidated listing of Reference Numbers of these documents (PDF).

2. For transit shipment bound for CBW or outright exportation, input transfer note (boatnote) reference number.

3. For multiple PEZA Forms 8106, as the case may be, input designated code no. then attach electronic copy of the consolidated listing of Reference Numbers of these documents (PDF).

4. For export from Free Zone, input designated code no. for multiple AEDS, then attach electronic copy of the consolidated listing of multiple AEDS (PDF).

vi. E-TRACC Seal No. (affixed to the door of the closed van/vehicle/ULD/container van)

vii. Name of Driver

viii. Contact Number of Driver

ix. Closed Van/Vehicle/ULD/Container Van Plate Number

c. For multiple destinations and multiple Air Waybill

i. Origin

For inbound cargoes-airport of discharge
For outbound cargoes-CBW or Free Zone

ii. Destination

Input designated code no. for multiple destinations then indicate addresses of delivery point, e.g.:

Destination 1 (Free Zones or CBW)

Destination 2 (Free Zones or CBW)

iii. Importer/Exporter

Input designated code no. for multiple locators/ importers/exporters then attach electronic copy of the consolidated listing of locators/importers/exporters (PDF).

iv. Air Waybill Number

Input designated code no. for multiple locators/ importers/exporters then attach electronic copy of the consolidated listing of locators/importers/exporters (PDF).

In case no AWB is available, input designated code no. for airline booking type of transaction, i.e. transit for export

v. Goods Declaration/Zone to Zone Transfer Reference Nos.

1. For import, input designated code no. for multiple TSADs, WSAD, transfer notes (boatnote), then attach electronic copy of the consolidated listing of Reference Numbers of these documents (PDF).

2. For transit shipment bound for CBW or outright exportation, input transfer note (boatnote) reference number.

3. For multiple PEZA Forms 8106, as the case may be, input designated code no. then attach electronic copy of the consolidated listing of Reference Numbers of these documents (PDF).

- 4. For export from Free Zone, input designated code no. for multiple AEDS, then attach electronic copy of the consolidated listing of multiple AEDS (PDF).
- 5. For export from CBW, input transfer note (boatnote) reference no.

vi. E-TRACC Seal No. (affixed to the door of the closed van/vehicle/ULD/container van)

vii. Name of Consolidator/Forwarder

viii. Contact Number of Consolidator/Forwarder

ix. Name of Driver

x. Contact Number of Driver

xi. Closed Van/Vehicle/ULD/Container Van Plate Number

5.1.3. The service provider shall develop a system to allow multiple destinations or loading points in one booking.

5.1.4. The Customs Officer assigned to clear the goods for transit shall verify the booking data provided, including the AWB number, against a data source validated by the Bureau.

5.1.5. The importer/exporter or its authorized representative/forwarder/consolidator shall be able to check the status of each Trip booked and track the goods during the Trip.

5.2. Transfer of Cargo to a CFW within the same Collection District.

5.2.1. The AECO, deconsolidator or its authorized representative shall file a Permit to Transfer SAD (**P-SAD**) with the office of the Deputy Collector for Operations (DCO) and pay the corresponding fees (forms, documentary stamps, etc. as required) to the BOC Cashier.

The same requirement shall apply in the transfer of cargo to a depot located within the same Collection District.

5.2.2. The AECO, deconsolidator or its authorized representative shall make a trip booking in the E-TRACC System for the sealing of the door of the closed van covered by the said P-SAD;

5.2.3. The DCO, or any customs officer acting as such, shall login to the E-TRACC System to check the trip booking details, and upon checking the accuracy and completeness of the trip details, shall process the P-SAD. No trip booking in E-TRACC System shall mean no approval of P-SAD.

5.3. Transit of cargo from the airport of discharge to another Collection District.

5.3.1. The AECO, deconsolidator or its authorized representative shall lodge a Transit Single Administrative Document (**T-SAD**) in the customs system for all transit cargo and pay the prescribed Cargo Transfer Fee and Other Charges. The plate number of the transport vehicle shall be reflected on the box 31 of the TSAD.

5.3.2. The AECO, deconsolidator or its authorized representative shall book a trip in the E-TRACC System for the sealing of the door of the closed van covered by the said TSAD;

5.3.3. The AECO, deconsolidator or its authorized representative shall submit the required documents to the Office of the Deputy Collector for Operations (DCO) for processing by the assigned Customs Officer in accordance with existing customs laws and regulations.

5.3.4. If the assigned Customs Officer finds that the declaration is in order, the TSAD and supporting documents shall be forwarded to the immediate supervisor for review. The immediate supervisor shall login to the E-TRACC System to check the trip booking details, and upon checking the accuracy and completeness of the trip details, shall process the TSAD. TSAD shall not be final

assessed unless the shipment is booked in the E-TRACC System.

5.4. Transit of Cargo Bound to Free Zones or Depots.

5.4.1. The E-TRACC Service Provider shall use the Electronic Customs Seal for cargo loaded in a closed van. Small package to be hand carried by the declarant or authorized person by the importer can be sealed with an appropriate Customs Seal to ensure that the cargo is still intact upon arrival to its destination.

5.4.2. The importer/exporter shall lodge a Transit Single Administrative Document (**T-SAD**) in the customs system for all transit cargo and pay the prescribed Cargo Transfer Fee and Other Charges;

5.4.3. The T-SAD shall then be processed by the assigned Customs Operations Officer (Examiner) from the Office of the DCO or equivalent office in accordance with existing customs laws and regulations;

5.4.4. After processing of the T-SAD by the examiner, the declarant shall book the trip, per closed van/vehicle, on the E-TRACC System;

5.4.5. After booking the trip, the declarant shall process the T-SAD with the assigned Customs Operations Officer V (COOV) from the Office of the DCO or its equivalent office. The assigned COOV shall login to the E-TRACC System to check the trip booking details before processing the T-SAD following the existing customs laws, and regulations; and

5.4.6. After the online release message is generated by the customs system and payment of charges to the CFW has been made, the procedure on sealing of Electronic Customs Seal shall apply.

5.5. Transit to CBWs.

5.5.1. The E-TRACC Service Provider shall use the Electronic Customs Seal for cargo loaded in a closed van. Small package to be hand carried by the declarant or authorized person of the CBW or

importer can be sealed with an appropriate customs seal to ensure that the cargo is still intact upon arrival to its destination.

5.5.2. The Warehousing Entry (W-SAD) lodged in the customs system by the declarant shall then be processed by the assigned Customs Examiner from the Warehousing Assessment Unit (WAU) or its equivalent in accordance with existing customs laws and regulations.

5.5.3. The declarant after processing of the W-SAD by the examiner shall make the necessary booking with the service provider before final assessment of the W-SAD is made by the supervising Customs Officer.

5.5.4. The supervising Customs Officer of the WAU or its equivalent office shall check the trip enrollment details of the cargo before doing final assessment of the W-SAD.

5.5.5. After the online release message is generated by the customs system and payment of charges to the CFW has been made, the procedure on sealing of Electronic Customs Seal shall apply.

5.6. Transit of Export Cargo from Free Zones, Inland Customs Office, Depots or Terminals and CBWs to Port of Loading.

5.6.1. The E-TRACC Service Provider shall use the Electronic Customs Seal for cargo loaded in a closed van. Small package to be hand carried by the declarant or authorized person by the importer can be sealed with appropriate seal to ensure that the cargo is still intact upon arrival to its destination.

5.6.2. Export declaration (**ED-SAD**) shall be lodged through the customs system for all export cargo;

5.6.3. The declarant shall enroll the trip in the E-TRACC System before proceeding to the assigned Customs Officer at the Export Division or equivalent office;

- 5.6.4.** The Customs Officer at the Export Division shall check the trip enrollment details of the cargo before doing the final assessment of the ED-SAD; and
- 5.6.5.** Payment of the documentary stamp fee will trigger the corresponding online release message system and the computer-generated Authority to Load (ATL). In cases where the OLRs will not be able to receive the release instruction, the ATL stamped on the printed copy of the ED-SAD will be the basis for the triggering of the OLRs.
- 5.6.6.** The approved and signed ED-SAD with the stamped ATL is the basis of AOD to allow the export cargo to be loaded to the aircraft.
- 5.7. Transfer of Cargo Subject to Further Verification and/or Monitoring.**
- 5.7.1.** Cargo subject to further verification and/or monitoring, such as but not limited to those which cannot be physically examined at the port shall be allowed conditional transfer to the consignee's facility or any other location authorized or directed by the District Collector or the Commissioner subject to the attachment of the electronic customs seal at the carrying vehicle.
- 5.7.2.** The declarant shall enroll the trip in the E-TRACC System before final assessment of the goods declaration is made by the COO V.
- 5.7.3.** The COO V of the FED or its equivalent office shall check the trip details of the cargo before processing the goods declaration;
- 5.7.4.** After confirmation of payment of customs duties, taxes and other charges, the corresponding on-line release message will be generated by the customs system.
- 5.7.5.** Carrier vans loaded with goods for condemnation or destruction by the Auction and Cargo Disposal of the Port shall also be equipped with the electronic customs seal prior to exit from the Port. The ACDD prior to issuance of the gate pass shall

verify the booking of the condemnation contractor with the service provider. In no case shall the ACDD issue the gate pass without confirmation of the said booking.

5.8. Sealing and Unsealing of Cargoes. The cargoes shall only be sealed or unsealed at the designated arming or disarming station. However, the District Collector may allow the designation of an arming/disarming station at the premises of the consolidator/deconsolidator/forwarder provided that the following conditions are present:

- a. The transfer of the goods from the CFW to the premises of the consolidator/deconsolidator/forwarder shall be subject to underguarding;
- b. The consolidator/deconsolidator/forwarder shall designate a separate and secured storage area within its premises for goods covered under this Order;
- c. Safe keeping and withdrawal of the goods stored inside the secured storage area shall only be done in the presence of the assigned Customs Officer;
- d. Arming and Disarming of the Electronic Customs Seal at the premises of the consolidator/deconsolidator/forwarder shall only be allowed if the same is also a PEZA registered enterprise; and
- e. The Customs Officer assigned thereat shall be entitled to payment of customs service fee by the forwarder.

5.8.1. Single Destination and Single Air Waybill.

a. Import Cargoes loaded in carrying vehicle.

i. Sealing.

1. The vehicle driver shall stop at the designated arming station for the sealing with the Electronic Customs Seal by authorized personnel of the Service Provider.

2. The E-TRACC Service Provider authorized personnel shall check the truck details and documents against the trip booking details.
3. The E-TRACC Service Provider authorized personnel shall take pictures of the closed van wherein the Electronic Customs Seal and Plate Number of the closed van are visible and transmit to the AOD or its equivalent office as visual evidence for the approval of the Start Trip. Thereafter, the vehicle carrying the imported cargo can leave the vicinity to proceed to its destination.

ii. Unsealing.

1. Upon arrival of the vehicle at the destination, the designated Customs Officer shall: (i) check the SAD and other supporting documents, (ii) compare the visual evidence during the sealing against the vehicle that arrived and look for any discrepancy or signs of tampering, and (iii) verify if the Customs Seal and vehicle details are the same as indicated in the booking details.
2. If all are in order, he shall take visual evidence of the vehicle wherein the Customs Seal and the markings of the package is visible as visual evidence and transmit to AOD.
3. Once AOD has authorized the unsealing, the designated Customs Officer shall remove the Customs Seal.

b. Export Cargoes loaded in carrying vehicle.

i. Sealing.

1. After loading the export cargo to the closed van, the Export Examiner or

authorized Customs Officer shall affix the Electronic Customs Seal to the door of the closed van. Other seals as may be required shall be affixed by authorized personnel under the supervision of the Export Examiner or authorized Customs Officer.

2. The Export Examiner or authorized Customs Officer shall check the closed van details against the trip enrollment on the E-TRACC System, and if it tallies, proceed to the next procedure, otherwise the declarant shall modify the trip enrollment on the E-TRACC System.
3. The Export Examiner or authorized Customs Officer shall take a visual evidence of the closed van wherein the Electronic Customs Seal and Plate Number are visible as visual evidence and transmit to AOD or its authorized office for the approval of the Start Trip. Thereafter, the vehicle carrying the export cargo can leave the vicinity to proceed to its Port of Loading.

ii. Unsealing.

1. Upon arrival of vehicle at the destination port of loading, the designated Customs Officer shall (i) check the SAD and other supporting documents, (ii) compare the visual evidence during the sealing against the vehicle that arrived and look for any discrepancy or signs of tampering, and (iii) verify if the Customs Seal and package details are the same as indicated in the booking details.
2. If all are in order, he shall take visual evidence of the vehicle wherein the Customs Seal and the markings of the vehicle is visible as visual evidence and transmit to AOD.

3. Once AOD approved the unsealing, the designated Customs Officer shall remove the Customs Seal.

5.8.2. Single Destination and Multiple Air Waybills/Locators/Transit.

- a. The sealing and unsealing of cargoes under this category shall comply with the procedure under Section 5.8.1. of this Order.
- b. After removal of the Customs Seal, the assigned Customs Officer of destination port or Freezone shall ensure that the packages are stored in a single location and the withdrawals and/or delivery thereof to the ultimate importer/exporter or locator shall be properly monitored or underguarded, if warranted.

5.8.3. Multiple destinations and multiple Air Waybills. The E-TRACC service provider shall develop a system to allow multiple destinations or loading points subject to the following general conditions:

- a. The security and integrity of individual shipments shall not be sacrificed;
- b. The system should be able to immediately send feedback on any deviation on the routes of delivery as indicated in the booking details; and
- c. The fees to be charged shall accrue to the forwarder up to the last destination and not charged per AWB.

The sealing and unsealing of cargoes under this category shall comply with the procedure under Section 5.8.1. of this Order.

5.9. Start Trip Authorization.

- 5.9.1. The AOD or its equivalent office shall review the trip details and visual evidence that the Electronic

Customs Seal has been properly installed before authorizing the Start Trip.

5.9.2. The authority to start the trip is transmitted electronically and the cargo is considered **Tag Transferred** automatically in the E-TRACC System.

5.10. End Trip Authorization

5.10.1. Upon arrival of the vehicle loaded with import cargo at the destination (Tag Arrived upon entering the Geozone), the BOC authorized personnel shall perform the following before removing/disarming the electronic customs seal from the container: (1)

5.10.2. In case of export cargo, check the ED-SAD and Authority to Load;

5.10.3. Compare the vehicle's visual evidence during sealing of Electronic Customs Seal against the actual vehicle that arrived and look for any discrepancy or signs of tampering (i.e., if the bottom of the vehicle bear any markings or indication that a hole or opening is done, or if the vehicle is newly painted and hinge pins have markings that they were forcibly opened, etc.).

5.10.4. Compare if the Electronic Customs Seal is the same as that indicated in the Trip Details.

5.10.5. If all are in order, the authorized personnel of the AOD shall take visual evidence wherein the Electronic Customs Seal and vehicle's plate number are visible as visual evidence and transmit the visual evidence to the AOD or its equivalent office for approval of the End Trip.

5.10.6. The AOD or its equivalent office shall review the trip details and visual evidence of the armed vehicle's door, and if found to be in order, authorize End Trip.

5.10.7. Once End Trip is authorized, the Bureau's authorized personnel shall disarm the Electronic

Customs Seal from the door of the vehicle (cargo is Tag Received).

5.10.8. For cargo subject to further verification and/or monitoring, the designated Customs Operations Officer III or assigned Customs Officer shall disarm the vehicle's door by removing the Electronic Customs Seal.

5.10.9. The authorized personnel of AOD or its equivalent office shall not remove or disarm the Electronic Customs Seal at the vehicle's door if any sign of tampering or discrepancy is observed. ESS shall be notified immediately to investigate and submit findings to the Commissioner and District Collector. In such case, the AOD Chief shall be notified and upon receipt of notification, shall perform manual end trip and update the status of cargo booking as "Subject for Investigation" in the E-TRACC System so the subject container may be examined when it arrives at the place of destination (i.e. port of loading, CBW or Freezone.

Section 6. Fees Payable to the E-TRAC System Service Provider.

6.1. The E-TRAC System Service Provider shall comply with the following fee structure:

6.1.1. Php500.00 – within 10km radius from port of discharge

6.1.2. Php700.00 – beyond 10 km radius from port of discharge

6.2. In case of multiple destination and multiple Air waybills the fee structure shall be determined upon activation of the system.

6.3. The Committee shall conduct an annual review of the fee structure and may recommend changes, subject to the approval of the Commissioner.

Section 7. Implementation. The Deputy Commissioner, AOCG shall issue the necessary memorandum informing the implementation of this Order in the different airports nationwide.

Section 8. Repealing Clause. CMO No. 24-2010, CMO No. 48-2010 and all orders, memoranda, circulars and issuances inconsistent herewith are hereby repealed and/or deemed modified accordingly.

Section 9. Separability Clause. If any part or provision of this Order is later declared invalid or illegal, the remaining portion shall remain valid and enforceable.

Section 10. Effectivity. This Order shall take effect after fifteen (15) days from publication in the Official Gazette or newspaper of general circulation.

The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Order.

REY LEONARDO B. GUERRERO
Commissioner

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