



Annual Report 2011

**Tapat at Mahusay na Aduana:
Tugon sa Hinahangad na Kaunlaran**

The Bureau of Customs is a government agency that serves as a pillar of the country's economic recovery and the protector of the Filipinos' safety and security, as well as in the preservation of the country's environment and natural resources.

Bureau of Customs



ANNUAL REPORT 2011

Bureau of Customs

The Bureau of Customs collects trade-related revenues, manages the security of the country's borders and has done so for the last 110 years. For this purpose, the BOC operates in three major ports, 14 provincial ports and 32 sub-ports in key locations in the country. Our staff is aided by advanced technology to support legitimate trade, protect commercial interests, ensure revenue collection and maintain the safety of the populace by applying methods compliant to the law. We work closely with other government agencies and foreign governments to protect the Philippines.



Our Vision

A Customs administration which is among the world's best that every Filipino can be proud of.

Our Mission

- To enhance revenue collection
- To provide quality service to stakeholders with professionalism and integrity
- To facilitate trade in a secured manner
- To effectively curb smuggling
- To be compliant to international best practices and standards



Contents



Secretary's Message	7
Commissioner's Message	8
BOC Registers New Record in Cash Collections	11
RCMG-Raising Collection and Efficiency Levels to New Heights	16
AOCG-Keeping Pace with Emerging Global Trade Trends	20
MISTG-Creating an ICT-Driven BOC	22
PEAG- Keeping A Sharp Eye on True Value	26
EG-Keeping the Country's Ports Safe and Secure	28
IG-Safeguarding the Bureau's Integrity	30
IAG-Building a Strong Internal Organization	34
XIP-Making World Trade Easy	38
RATS-Running After The Smugglers	42
2011 Customs Administrative Orders (CAO)	45
2011 Customs Memorandum Orders (CMO)	46
Management Team	51
Organizational Chart of the Bureau of Customs	52
Organizational Chart of the Bureau of Customs Collection Districts	54
Bureau of Customs (BOC) Directory	56



We are committed in 2012 to jumpstart the economy, and with the BOC under Commissioner Biazon, we are confident that the Bureau will remain a principal contributor to the government's drive for national economic and moral recovery.



From the Secretary...

The year 2011 brought many challenges to the Bureau of Customs as global trade slowed down. Despite this, the bureau managed to increase collections, much needed to support a growing economy.

Preliminary data showed that Customs improved its collections by 2.7% year-on-year to P266.158 billion. The bureau also hit a new record-high for its cash take, collecting P256.810 billion last year. These were all done through the improvement of our tax administration efforts, most notably by our resolve to fight smuggling head-on.

In 2011, we have filed a total of 56 cases under the Run After The Smugglers (RATS) program. Let us vigorously pursue these until we send smugglers and their cohorts to jail.

The Bureau of Customs has achieved key successes last year, but we must not rest. The public deserves nothing less than a world-class customs organization that is efficient and transparent. Let us work together in pushing for higher standards of ethics and excellence.

CESAR V. PURISIMA
Secretary
Department of Finance



From the Commissioner...

I assumed the duties of Commissioner of Customs in the last quarter of 2011, with barely an apprenticeship or exposure in the Bureau. But I do thank my predecessor Comm. Angelito Alvarez, for leaving me a Bureau that was pretty much intact and, more importantly, that was, by and large, a professional organization that I could rely on.

By end of 2011, that professionalism resulted in the Bureau attaining the highest cash collection ever, reaching a total of PhP256.810 Billion, PhP29.303 Billion or 12.9% higher than the PhP227.5 Billion record in 2010.

Total collections, both cash and non-cash, however, increased at a slightly slower rate of 2.7% or PhP6.918 Billion, amounting to PhP266.158 billion in 2011 versus PhP259.240 Billion in 2010. In 2011, the TEF dropped 70% from PhP31.733 Billion in 2010 to PhP9.347 Billion.

The collection by source—Crude Oil, Petro-products and non-Oil— essentially remained unchanged, year on year, while changes in collection by type of tax merely reflected compensatory adjustments in VAT, Duties, and Excise Tax levels, its principal components.

Last year, we are pleased to note, the Bureau continued to push beyond its traditional role of tariff collector to focus on the promotion of the Filipinos' commercial interests and the preservation of the country's environment and natural resources.

Given our complex role as border protector and trade facilitator, we strove to seek a balance between our task of responding to the evolving range of threats to the country's territory and our mandate of supporting legitimate trade and travel to generate much-needed revenues.

Throughout 2011 and particularly during the last quarter of the year, we focused on acquiring and improving the tools and strategies necessary to enforce our intelligence-led, risk-based approach to our administration. We concentrated our resources on high-risk people, goods, and environments, while enabling the movement of low-risk people and goods with minimal disruption.

With our enhanced intelligence network set up through partnerships and cooperation with other law enforcement agencies in both the Philippines and overseas, the Bureau caused the seizure of billions of pesos worth of illegal shipments of prohibited drugs and precursor chemicals, firearms, illegally cut logs, pirated DVDs, fake high-end leather accessories and footwear, and agricultural products such as onions, rice and sugar, among others.

And through these accomplishments, we found an even deeper sense of fulfilment that stemmed from the knowledge that minimizing the traffic of illegal drugs and firearms saves lives, that stopping smugglers of endangered species protects the environment, and that plugging the entry of fake goods and agricultural products into the country saves jobs.

However, in 2011, we did not only focus on securing the country's borders from smugglers and other security risks. With the growing volume of transactions due to increased trade, we put in place additional reforms in the Bureau, both structural and moral, to meet the growing demand for an ever-efficient customs service.

Containerized sea and air cargo volume increased significantly in 2011, and we matched this with a range of improvements to meet that growth. We initiated and took the first steps towards the full implementation of the Global Positioning System or GPS. Aligned with search and match technology, GPS enables the Bureau of Customs to track, in real time, all in-transit cargoes, particularly those being transhipped from one customs-supervised location to another.

Meanwhile, the e2m project, although beset earlier with inter-operability concerns, is now back on track and nearing its final stages of implementation. Once completed, the e2m will not only automate all transactions at the Bureau but, more importantly, will eliminate three high risk areas of abuse and mischief inherent in the out-moded manual process. With its eventual inter-phase with the National Single Window (NSW) Project, the technology that electronically links all government agencies involved in customs transactions, the processing of documents at the Bureau would be fast and seamless and less prone to abuse from human intervention.

The NSW opens the door to the ASEAN Single Window mandated in the Revised Kyoto Convention.

As part of the President's commitment to the Filipino people, 2012 is the year we will turn the corner on our values, in governance, and in the economy. With our save jobs, save lives and save the environment programs, we will help spearhead that coming change.

Also, in support of the government's growth targets for the coming years, we will give equal attention to generating the revenues that will underwrite investments in social projects and civil works, and facilitate international trade and commerce that will kick-start the economy.

In the brief time that I have been in the Bureau, I have seen ample proof of the industry and dedication of the men and women of the BOC. And this has not only inspired my confidence, it has made me a firm believer that the rank-and-file as well as the management of BOC will stay the course with me as we work to realize the vision of a *Tapat at Mahusay na Aduana, Tugon sa Hinahangad na Kaunlaran*. After all, as Matthew 16:26 of the Bible says, "What good will it be for a man if he gains the whole world, yet forfeits his soul? Or what can a man give in exchange for his soul?"



ROLZANO RUFINO B. BIAZON
Commissioner
Bureau of Customs



Helping Build a Nation through Economic and Social Reforms

Since its establishment 110 years ago, the Bureau of Customs has been through a lot of changes and transformations. From the early trading days when Chinese merchants swapped their wares with products of the locals, the Datus exacted a tribute as a form of tax on the trade. Customs then, was already practiced, although, informally.

Today, the Bureau of Customs transcends its role as mere tax collector to a partner in building the nation. As the second largest revenue generating agency of the government, the BOC helps fund the government's economic and social development programs. From its revenues, the Bureau helps the government build roads and bridges, schools, hospitals and airports, among others.

However, as global trade grew by leaps and bounds and technology advancement overtook the customs' old system of transactions, exposing it to procedural abuse, the BOC had to implement changes and reforms to make it responsive to present industry needs.

Adapting to this change in this operating environment but consciously aware of the imperatives under which the present administration was voted into office. The BOC under the leadership of Commissioner Rozzano Rufino "Ruffy" Biazon has embarked on a moral recovery program that is anchored on the principles of:

- Change
- Collection
- Clamp Down
- Consultation
- Continuity
- Cooperation
- Cheerleader
- Closing Loopholes
- Computerization

These are core commitments that the bureau abide by and aspire to fulfill in its vision of establishing a morally upright customs bureau.



Customs Commissioner Ruffy Biazon holds a command conference with the Bureau of Customs' 17 District Collectors

BOC Registers New Record in Cash Collections

The year 2011 was another banner year for the Bureau of Customs. Ending the year with a total cash collection of PhP256.810 billion, the Bureau topped the 2010 cash tally of PhP227.5 billion by PhP29.3 billion or 12.9%.

This growth was achieved despite a global economy that remained sluggish and with reduced tariff on a number of commodities carried over from the previous years.

The BOC posted an average monthly collection of PhP21.4 billion for the year, or PhP2.45 billion higher than the average monthly collection of PhP18.95 billion in 2010.

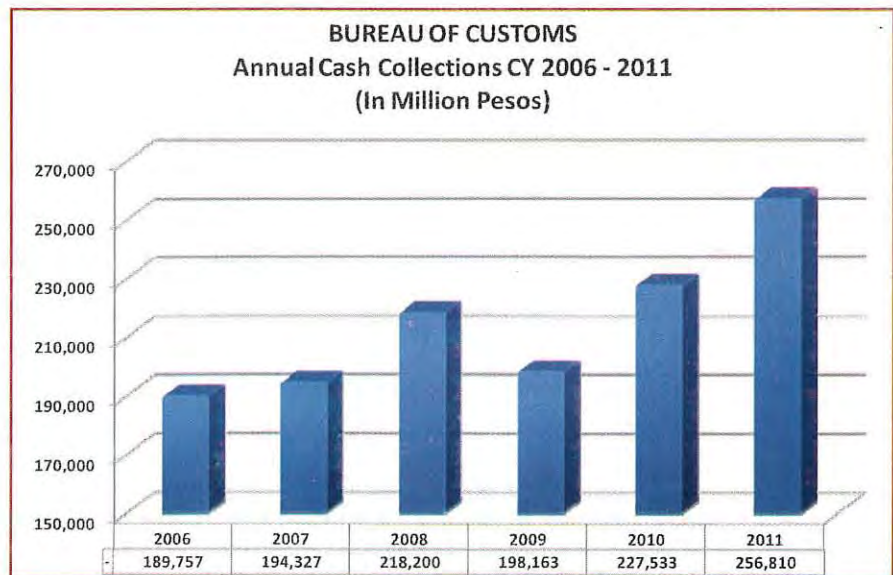


Figure A

January – December, 2011 Collection Performance
(In Billion Pesos)

	<u>JAN - DEC 2011</u>		<u>Deviation</u>	
	<u>Target</u>	<u>Actual</u>	<u>Amount</u>	<u>%</u>
Total Collections	<u>276.424</u>	<u>266.158</u>	<u>-10.266</u>	<u>-3.7%</u>
Cash Collections	<u>270.424</u>	<u>256.810</u>	<u>-13.614</u>	<u>-5.0%</u>
TEF	<u>6.000</u>	<u>9.347</u>	<u>3.347</u>	<u>55.8%</u>

	<u>JAN - DEC</u>		<u>Variance</u>	
	<u>2010</u>	<u>2011</u>	<u>Amount</u>	<u>%</u>
Total Collections	<u>259.240</u>	<u>266.158</u>	<u>6.918</u>	<u>2.7%</u>
Cash Collections	<u>227.507</u>	<u>256.810</u>	<u>29.303</u>	<u>12.9%</u>
TEF	<u>31.733</u>	<u>9.347</u>	<u>-22.386</u>	<u>-70.5%</u>

N.B. Jan-Nov 2011 Actual based on Bureau of the Treasury, Dec based on BoC

Figure B

**Bureau of Customs
Collection By Source
January – December 2011**
(In Million Pesos)

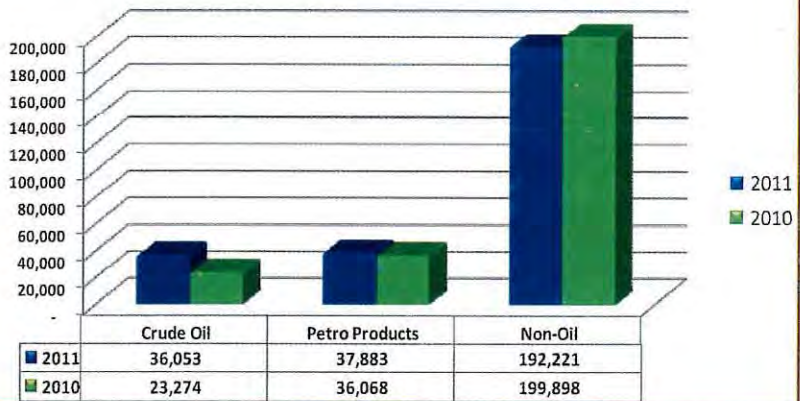


Figure C

The BOC posted an average monthly collection of P 21.4 billion for the year, or P 2.45 billion higher than the average monthly collection of P 18.95 billion in 2010."

The 2011 total collection, on the other hand, comprising both cash and non-cash components, reached PhP266.158 billion, PhP6.91 billion or 2.7% higher than the 2010 record of PhP259.24 billion. This increase in cash collection matched the PhP29 billion increase from 2009 to 2010, cushioned the impact of the 70% drop in TEF, and enabled the Bureau to still post a 2.7% improvement in overall collections for the year.

Throughout the year, the Philippines' major trading partners continued to experience slower growth rates, even as the reclassification of over 2,000 items to reduced or zero

tariff continued to impact negatively on the BOC's overall performance. Fortunately, the application of updated technologies and the Bureau's redoubled efforts to clamp down on smugglers and close loopholes sufficiently made up for possible shortfalls resulting in the highest cash collection ever.

By type of tax or revenue, the BOC last year collected a total of PhP45.627 billion from duties and PhP16.901 billion from excise taxes, lower than the 2010 levels by PhP30 billion and PhP4.143 Billion, respectively. However, a PhP46.1 billion increase in VAT collection, from PhP157.5 billion

BUREAU OF CUSTOMS VOLUME OF IMPORTS (in '000 Tons)				
	<u>JAN - DEC</u>		<u>VARIANCE</u>	
	<u>2011</u>	<u>2010</u>	<u>Amount</u>	<u>%</u>
TOTAL	59,163	59,640	(478)	-0.8%
Dutiable	23,579	44,223	(20,644)	-46.7%
Non-Oil	22,397	29,238	(6,841)	-23.4%
Oil	1,182	14,985	(13,803)	-92.1%
Oil (Crude)	0	8,585	(8,585)	-100.0%
Oil Products	1,182	6,400	(5,218)	-81.5%
Non- Dutiable	35,584	15,417	20,167	130.8%

Figure D

BOC CASH COLLECTION (In Million Pesos)				
	<u>JAN - DEC</u>		<u>VARIANCE</u>	
	<u>2011</u>	<u>2010</u>	<u>Amount</u>	<u>%</u>
TOTAL	266,158	259,240	6,918	2.7%
TEF	9,347	31,733	(22,385)	-
Import Duties	45,627	80,687	(35,059)	-43.5%
Non Oil	45,082	75,611	(30,530)	-40.4%
Oil	546	5,075	(4,530)	-89.2%
Crude Oil	-	3,019	(3,019)	-100.0%
Oil Products	546	2,056	(1,511)	-73.5%
Import Tax	220,530	178,553	41,977	23.5%
VAT	203,629	157,509	46,120	29.3%
Spec (Excise)	16,901	21,044	(4,143)	-19.7%

Figure E

to PhP203.629 billion, more than made up for the shortfalls in the first two sources, resulting in a positive growth for the year.

Collections by source showed Crude Oil revenues rising by 64%, up to PhP36.5 billion in 2011 from PhP23.2 billion in 2010, with other Petro-products increasing just slightly, from PhP36.0 billion in 2010 to PhP37.88 in 2011, or a PhP1.8 billion increase.

The remarkable collection performance despite growing strains in the economy is attributed to intensified collection efforts and the adoption of the electronic and IT-based systems that are less susceptible to manipulation.

The adoption of systems that eliminate hand-to-hand transactions, like the filing of documents through e-Manifest, sped up the processes and eliminated opportunities for petty graft.

Policies like the Voluntary Disclosure Program, that allowed the self-correction of a potentially

problematic declaration also helped, and so did the X-Ray Inspection Project, which tracked with its system some PhP1.8 billion worth of dutiable cargoes

During the year under review, the Bureau intensified each collection efforts by clamping down on violators with major cases through enhanced monitoring and intelligence work. Jetty Petroleum, among the country's top 500 corporations, was charged for chemical smuggling amounting to over PhP4 billion. Likewise, the smuggling of onions and other agricultural products in Manila and Davao were also checked. Undervalued computers close to 4,000 units were seized, as well as other fake and counterfeit goods.

And in line with the Bureau's commitment to help save the environment, an attempt to smuggle out of the country, black corals and other endangered marine species was thwarted. The cargoes were seized and the consignees and shippers ap-



prehended and charged. Another smuggling attempt in Mindanao and the misdeclaration of bio-diesel in Zambales were likewise averted.

Most significantly in August 2011, the owners of Sea Eagle Trading, LCN Trading and Moncelian Enterprises, including three customs brokers, eight of their staff and 14 BOC officials, two of them senior deputies in their respective ports, were charged for conspiracy to defraud the government of PhP240 million in duties in connection with some 1,900 vans found missing early in 2011.

Making all the responsible parties accountable is part of the continuing effort of the Bureau to become a customs administration agency every Filipino can be proud of.

Towards the last quarter of 2011, former Congressman Rufino "Ruffy" Biazon was named BOC Commissioner. Upon his assumption into office, he went headlong into the messy concerns of the Bureau.

Comm. Biazon has anchored his multi-pronged approach in managing the Bureau on his 9 "C"s, a set of values and principles ranging from "change" to "computerization", that is expected to drive moral recovery in the BOC.

The year just past was good for the BOC, despite setbacks in the overall economy. But the prospects for 2012, with the government's programmed spending for more projects promises huge potentials.

**BUREAU OF CUSTOMS
VALUE OF IMPORTS
(In Million Pesos)**

	JAN - DEC		VARIANCE	
	2011	2010	Amount	%
TOTAL	3,025,160	2,675,997	349,163	13.0%
Dutiable	1,180,174	1,486,758	(306,584)	-20.6%
Non-Oil	1,124,013	1,050,543	73,470	7.0%
Oil	56,160	436,214	(380,054)	-87.1%
Oil (Crude)	0	228,506	(228,506)	-100.0%
Oil Products	56,160	207,709	(151,549)	-73.0%
Non- Dutiable	1,844,987	1,189,240	655,747	55.1%

Figure F

**Bureau of Customs
Collection by Type of Tax
January - December 2011
(In Million Pesos)**

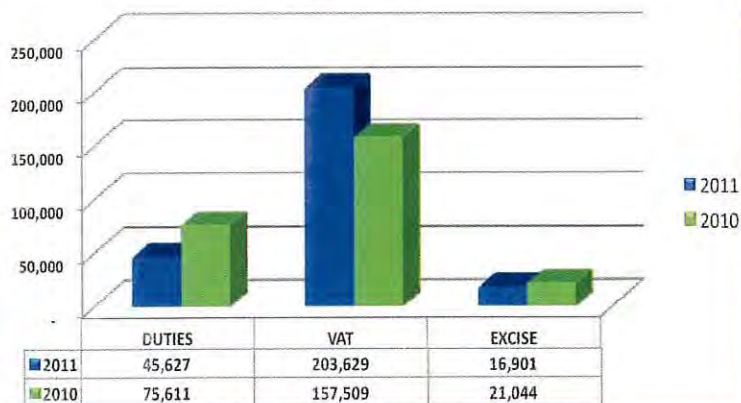


Figure G

During the year, the Bureau intensified its collection efforts by clamping down on violators. Over the 12-month period, major cases were filed against smugglers, while monitoring and intelligence work were intensified.



RCMG Deputy Commissioner Peter Manzano hands over the Certificate of Completion to RCMG lawyer Vener S. Baquiran who just completed the seminar-workshop on International Trade, Tariff and Customs Administration. Present in the graduation ceremony were Customs Commissioner Ruffy Biazon and IAG Deputy Commissioner Juan-Lorenzo Tañada.

RCMG-Raising Collection and Efficiency Levels to New Heights

The Revenue Collection Monitoring Group (RCMG) manages the legal, collection and financial services of the BOC. Since the Bureau is both a revenue generating and an enforcement agency, RCMG plays a key role in its operations.

True to its mandate, the Group carries out the following tasks:

- Maintain an updated accounting of all customs revenue collected.
- Administer the legal requirements of the BOC.
- Provide accurate and timely information and analysis of collection statistics.
- Conduct continuing audit of liquidated entries and outstanding bonds.
- Perform other functions assigned to it by the Commissioner of Customs.

Specifically for 2011, the Group's goals and plans were as follows:

- Reactivation of the Liquidation and Assessment Division (LAAD) to conduct per entry audit basis that was expected to result in an immediate impact on the Bureau's revenues.
- Revitalization of the Bonds Audit Division (BAD) to ensure that the Division was furnished with an updated list of unliquidated bonds from the different ports and to immediately attend to the proper collection of the same.
- Provide daily information of collection performance.
- Inventory of all cases filed by the BOC in close coordination with the prosecuting arms of the government like

the Office of the Solicitor General (OSG), Ombudsman and the Department of Justice (DOJ).

- Introduction of procedural/technical enhancements in order to facilitate the processing of applications in the Interim Customs Accreditation Registration Unit (ICARE).

- Expedite clearance processing issuance and utilization of Tax Credit Certificates.

- Codify and harmonize all the Bureau's orders.
- File two criminal complaints a month through the Run After The Smugglers (RATS) Team.

Against such targets and goals, RCMG accomplished the following:

Introduced procedural/technical enhancements that facilitate the processing of applications in ICARE.

ICARE's main tasks are to enhance and speed up the accreditation process, provide relevant information from importers and brokers, validate the information disclosed by importers and brokers, manage that information, and ensure that compliance is maintained so the government can ensure an efficient level of control. The unit was created a little less than three years ago, when the former accreditation body was abolished due to complaints from stakeholders and because of a less than vigilant stance towards smuggling operations. With these past perennial defects vividly in mind, the BOC wanted the accreditation process improved so it could be a more task-specific and technically-assisted procedure.

With the advancement in electronic facilitation procedures already in place, the BOC integrated the accreditation process into these, decreasing the opportunities for hand-to-hand exchanges of currency, and, thus, minimizing the chances of corruption. ICARE is divided into teams whose tasks may be summarily different but who work in perfect tandem. A prime example is the partnership between the Client Assessment Team and the

Information Verification Team. The former authenticates the information disclosed by importers and brokers and checks the legitimacy of their business here in the country, while the latter verifies the existence of the information provided including the business addresses, actual operations of the business, and other facts relevant to the application for accreditation. These redundancies and technological innovations gained good results last year, where ICARE was instrumental in the filing of 51 cases against importers involved in smuggling operations. With a strengthened accreditation procedure now in place, the possibility of bogus, fly-by-night companies passing accreditation has been greatly diminished.

Last year, the following enhancements were adopted:

- The procedure for handling documents submitted to ICARE was systematized and computerized.

- A faster mode of sending notices to applicant-importers and brokers via email was initiated;

- Pre-evaluators of the completeness of documents were designated.

Moreover, a Technical Working Group (TWG) was created to draft a new accreditation process pursuant to the directive of the Secretary of Finance. A workshop was conducted in April 2011. The TWG drafted the proposed Customs Memorandum Order to amend CAO No. 3-2206A for the purpose of accreditation of brokerage companies and the rationalization of accreditation requirements for customs brokers. The TWG likewise identified the parameters for the new client risk management procedures of the BOC.

To enhance revenue collection, close monitoring of all tax exempt and duty free transactions shall be introduced.

The graduates of the seminar-workshop on International Trade, Tariff and Customs Administration undertaken by the RCMG and the IAG.

To continue the enhancement of the accreditation process, ICARE has set for itself the following goals for 2012:

- Establishment of ICARE units in three major ports, namely, Cebu, Davao and Cagayan de Oro.
- Deployment of scanners in the said ports for the purpose of digitizing the applications and supporting documents submitted to ICARE for faster transmission and evaluation.
- Development of software for online submission of applications from importers, especially, out ports.
- Assignment of additional customs personnel to ICARE.

Provided daily information on collection performance.

As part of the overall effort of the RCMG to enhance revenue collection, a systematic daily reporting of performance was introduced through Financial Service to allow for a more accurate analysis of the Bureau's revenue collection.

To enable a more accurate statistical analysis, the volume and value of importations were made part of the usual report submitted by Financial Service. This was devised to form part of the Revenue Enhancement Program as well as to lessen, if not eradicate, the percentage discrepancy rate.

Made an inventory of all cases filed by the BOC in close coordination with the prosecuting arms of the government like the OSG, Ombudsman and the DOJ.

An inventory was conducted to provide the Bureau with an overview of the number of cases handled by Legal Service. Thereafter, through the help of the prosecuting arms of the government, lawyers from Legal Service conducted stress tests on pending cases, the purpose of which



was to effectively prosecute these cases and determine their impact on revenue collection.

Expedited clearance processing, as well as the issuance and utilization of Tax Credit Certificates.

Clearances were immediately released and Tax Credit Certificates were issued to facilitate trade.

Initiated efforts to codify and harmonize all Customs orders.

Pursuant to Customs Special Order No. 54-2011, a special committee for Codification and Harmonization of Customs Rules and Regulations was created. The main objective is to codify and harmonize all existing Bureau rules and regulations in compliance with the Revised Kyoto Convention (RKC) and other international standards for customs administration.

The target for the completion of this codification is January 2012 when all



Customs rules and regulations will be consolidated into one compendium.

Filed two criminal complaints a month through the Run After The Smugglers (RATS) Team.

In 2011, RATS was transferred to the RCMG from the AOCG. Pursuant to Special Customs Order 52-2011, the RATS Group was created with new members. The RATS Group under the leadership of Deputy Commissioner Peter M. Manzano filed a total of eight cases with the DOJ last year.

Conducted training to re-tool performance of officials.

In November 2011, an intense 12-day Seminar-Workshop on International Trade, Tariff and Customs Administration was conducted for 38 senior officials, managers and staff of RCMG

For the year 2012, the following are the goals and plans set by the RCMG:

- a) Centralize the accreditation

of surety companies through the Bonds Audit Division (BAD).

Under a revitalized BAD, the accreditation of all surety companies transacting with the Bureau shall be centralized. A Customs Memorandum Order will be issued for this purpose.

- b) Direct the Tax Exempt Division (TED) and Revenue Accounting Division (RAD) to closely monitor tax-exempt and duty-free transactions.

To enhance revenue collection, a close monitoring of all tax-exempt and duty-free transactions shall be introduced. The objective of this strategic plan is to ensure that all rightful duties and taxes due to the government are paid. At the same time, the plan will help the Bureau stop abuses that may be committed by entities enjoying tax-exempt privileges.

RCMG, as the legal and collection arm of the Bureau, helped the BOC make 2011 a banner year.

AOCG-Keeping Pace with Emerging Global Trade Trends

The Assessment & Operations Coordinating Group (AOCG) principally consists of the Auction and Cargo Disposal Monitoring Division (ACDMD), Export Coordination Division (ECD) and Port Operations Coordination Division (POCD).

In charge of condemning and auctioning off seized or overstaying cargo, the ACDMD last year recommended the disposal of 131 containers of flour and sugar at the Port of Manila (POM).

It was instrumental in raising PhP225.9 Million in revenues in 2011. The main bulk of the revenues came from the Manila International Container Port (MICP) which accounted for PhP117.9 Million, almost one half of the total auction revenues. As of year-end, ACDMD reported a total of 99 containers for condemnation in three principal ports - Manila, MICP and Davao - with some 109 containers in the POM ordered to be auctioned separately by end of 2011.

To systematize the disposition and/or disposal of condemned cargoes, the Group recommended the creation of a database of all overstaying cargoes and the establishment of a centralized list of accredited and qualified bidders. With auction laws, rules and regulations institutionalized, the revenue potential of the ACDMD will be enhanced.



AOCG OIC-Deputy Commissioner Prudencio Reyes, Jr. with MS. Katie Waters and Ricardo Barba of the WTO Trade Policy Review Secretariat and Chairman Edgardo Abon of the Tariff Commission during the 4th Trade Policy Review in the Philippines in Makati.



For its part, the ECD continued to provide consultative services on export related matters, undertook initiatives to promote the country's export trade, and conducted studies on issues related to trade agreements such as the ASEAN Free Trade Agreement (AFTA).

Given the emerging trends of global trade, this unit of the AOCG is expected to play a bigger role in the future. Its studies on export potentials and trade and its statistical analyses of the market provide instructive insights to Filipino exporters.

The POCD, on the other hand, is in charge of the bunkering and refuelling of scheduled international flights or aircrafts.

In 2011, a total of 1,130 bunkering permits were issued. In line with this, the Division recommended



Customs Commissioner Ruffy Biazon and Intelligence Group Deputy Commissioner Danilo Lim inspect overstaying cargoes in one of the BOC supervised warehouses.



Reyes during a command conference with his AOCG team.

the listing or inventory of all seaports and airports to enable the closer monitoring of bunkering within the ports.

With the Government targeting a higher growth rate in 2012, the AOCG is already looking at reforms that shall enhance its revenue generating and trade promotion potentials to facilitate the attainment of this year's growth target.

The Assessment & Operations Coordinating Group was instrumental in raising PhP225.9 million in revenues in 2011.

MISTG- Creating an ICT-Driven BOC

The Association of South East Asian Nations (ASEAN) is expected to be a major trading bloc in the future. By 2020, Asia's share of the global economy is expected to rise up to 43% from 30% in 2005. Whether under bilateral or multi-lateral trade, the trend will be towards common platforms for transactions and processes enabled by the new applications in Information and Communications Technology (ICT).

The Management Information System and Technology Group (MISTG) sets the lead in the Bureau's efforts to keep its competitive edge in an IT-based environment, developing projects to usher the BOC into the information age.

e2M

One such project is the e2M or Electronic-to-Mobile Project, a mission-critical and high impact ICT project. Conceptualized in 2005, the project covers three (3) key areas in customs operations:

- Import Assessment
- Export Processing, and
- Operations and Decision Support

The MISTG family listen to Deputy Commissioner Didi Manarang as she presents the plans for 2012.



e2M is an internet based technology that allows Customs officers and traders to handle most of their transactions—from Customs declarations to cargo manifests and transit documents— via the internet.

It makes use of advanced technology including electronic signatures to provide government officials, specifically Customs administrators with new tools that will enable them to make dramatic improvements in security, trade efficiency and the fight against corruption.

At present the e2M modules are the following:

- Client Profile Registration System
- Electronic Manifest System
- Import and Assessment System
- Selectivity System
- Payment Abstract Secure System
- On-line Release System

e-Manifest

In June 2011, the e-Manifest System was pilot-

tested at the Ninoy Aquino International Airport, but full implementation was suspended due to some unresolved functionality issues raised by users.

National Single Window

As part of BOC support for an economically integrated market and production base in ASEAN, the Bureau

MISTG is strengthening its human resources to ensure that it can satisfactorily perform its mandate, especially considering the ICT projects lined up.



started work on the National Single Window (NSW), where traders can conduct customs transactions from the convenience of their homes or offices.

To date, as many as 40 government agencies—the Bureau of Internal Revenue, Bureau of Product Standards, National Telecommunications Commission, to name a few—process transactions through the NSW.

Decentralized operations leading to the dispersal of the NSW to regional centers will allow provincial entrepreneurs and traders to obtain in their provinces permits and similar requirements for import and export, without having to come to Manila.

ASEAN Single Window

Looking outwards to the ASEAN region, the National Single Window is integrated with the ASEAN Harmonized Tariff Nomenclature (AHTN), a commodity code adopted by ASEAN member countries as far back as 2002. The NSW, in turn, is aligned to the ASEAN Single Window where National Single Window operates and integrates.

Integration, for the trader or exporter means a single submission of data and information, a single synchronized processing of data and information and a single decision making for customs release and clearance.

The trend towards the seamless facilitation of trade via the single Window will provide international commerce with predictability and efficiency.

In the meantime, MISTG is pursuing its implementation and support to the National Single Window, in preparation to the country's full participation in the ASEAN Single Window.

With regard to accredited Value Added Service Providers (VASPs) their performance will be reevaluated to ensure that BOC stakeholders are benefitting from this technologies.

PCIS

Also under MISTG is the Philippine Customs Intelligence System. The Japan International Cooperation Agency (JICA) is funding the PCIS Project which will enhance the ICT-based infrastructure of the Bureau to collect, process, organize, analyze, and disseminate operations-related information.

The overall goal of the PCIS Project is to provide the BOC a knowledge-management and decision-support infrastructure based on data warehouse technologies that will meet the agency's



requirements not only for customs intelligence but also for other operations.

Adopting Global Industry Standards

The Bureau of Customs is currently undertaking activities toward the adoption of Industry Standards for Organization (ISO) and Industry Standards for Security Management (ISMS) under the MISTG.

The International Standards provide an IT-based model for establishing, implementing and improving ISMS in order to create a quantifiable benchmark to enable detection of pain points of horizontal business process.

It encourages the adoption of best practices in relationships with clients, suppliers, and employees. And as a data-driven methodology, it focuses on systematically monitoring, categorizes areas for



Cathy de Castro-Masalunga, Site Manager, Port of Batangas, reporting on the accomplishments of the Port.

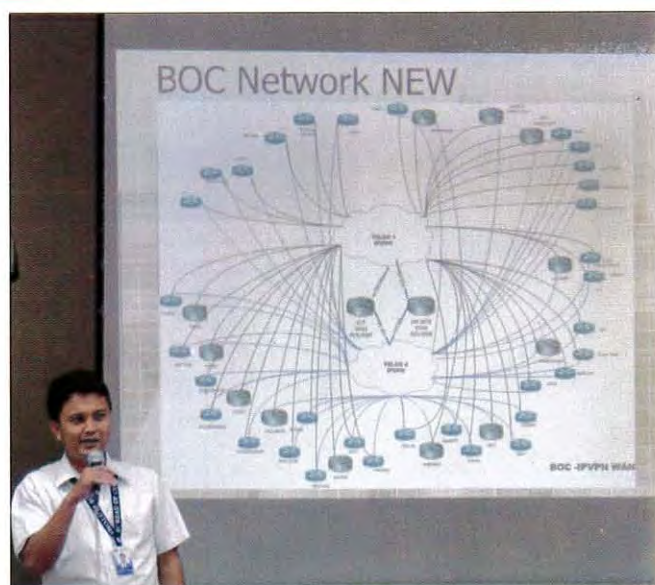
Jonathan Soriano, Officer-in-Charge, Technology Management Service, presents to the MISTG staff the BOC Network design to be implemented in 2012.

improvements, and processes variations to performance to create a strong yet reasonable standard.

MISTG is strengthening its human resources to ensure that it can satisfactorily perform its mandate especially considering the ICT projects lined up.

Additional systems to be developed in 2012 are the Online X-Ray Imaging System (OXIS) where captured images can be distributed and shared. The Petroleum Inventory System, on the other hand, will be critical and strategic in terms of tracking leakages, if any, in our fuel stocks.

Finally, the Group has set the lead in compliance to the Revised Kyoto Convention of inter-operability among customs and other agencies



PEAG- Keeping A Sharp Eye on True Value

The shift from Home Consumption Value to Transaction Value in determining tariff and duties, in line with the World Trade Organization (WTO) Agreement on Customs Valuation, highlights the key contribution of post-entry audit to the protection, if not growth, of the Bureau's revenue base.

Transaction value is the price paid or payable for goods when sold to the Philippines, adjusted to such variables as commissions and brokerage fees, royalties and licenses, transport and insurance costs, among others.

Post-entry audit allows on-site verification of the accuracy of the import declarations by the Bureau's Transaction Audit Teams. The on-site examination and verification of the books, records and business systems of the importer routinely yields more detailed information which, in turn, expedites the verification process and substantially raises the quality and dependability of the resulting assessment.

Over the past years of its implementation, revenue generated from post entry audit has progressively increased. In 2011, PEAG collected PhP476.39 million, 33% higher than the 2010 level of PhP355.94 million.



*Customs
Administration
Training in Korea
sponsored by
KOICA*

**For 2012, PEAG
will push for a
Computer Aided
Risk Management
System(CA-RMS).**

A key driver to the rise in PEAG revenues is the revival of the Voluntary Disclosure Program or VDP under Comm. Biazon. VDP allows importers to voluntarily correct errors in their entry declarations, avoiding possible fines and litigation, should an audit be conducted resulting in adverse findings. The deterrent effect of PEAG's post-entry audit cannot be over-emphasized.

PEAG, after audit, taps the Run after the Smugglers (RATS) team for appropriate action on their findings.

To further streamline the Group's operations, two Transaction Audit Divisions and a unit, the Warehouse Monitoring and Audit Unit, were moved, transferred or realigned under the Compliance Assessment Office of PEAG.

Post-entry audit is compliant with the Revised Kyoto Convention that requires member-nations to shift from documentary checks on entry to ICT-based technologies analysis in post-entry audit, under reasonably predictable and accountable procedures for determining dutiable value.



Assistant Commissioner and PEAG Head Atty. Rolando T. Ligon, Jr. delivers his message during the launching of the PEAG 2nd Edition Primer at the Manila Hotel

PEAG Primer launching at the Cebu Waterfront Hotel which was attended by PEAG officials, JICA representatives, Japan customs experts and other foreign stakeholders





Customs Commissioner Ruffy Biazon with Deputy Commissioner for Enforcement Group Horacio Suansing, Jr. Deputy Commissioner for Intelligence Group Danilo Lim and ESS Director George Aliño present to media the seized "Ukay-Ukay" goods which were later donated thru the DSWD to the Typhoon Sendong victims in Mindanao.

EG-Keeping the Country's Ports Safe and Secure

At the forefront of the efforts to man and safeguard the country's borders is the Enforcement Group (EG). The Customs Police, whose principal mission is to secure and safeguard the ports and its key installations, is considered the A-Team of this Group.

In 2011, the Enforcement Group intercepted and seized a number of container vans with lumber from Davao misdeclared as "assorted materials and various goods." Another shipment of illegal lumber declared as "plastic scraps, bananas and yellow corn starch" with a total value estimated at Php3.0 million was intercepted by the EG in November, 2011.

A shipment of US-made bicycles was also seized by an EG complement after it was determined that the consignee had paid less than the actual duties by grossly

The BOC's A-Team, the Enforcement Group in a command conference.



The volume of trade and commerce that pass through the country's many ports, sea and air, is expected to grow as the global economy slowly shifts, towards recovery.

undervaluing the shipment. The actual duties that should have been levied was estimated at PhP2.5 million. After conducting an investigation, the Group also seized a shipment of US-made sports footwear when it discovered that the declared value of each pair was incredibly low for the quality of the goods.

Two container vans full of used clothing declared as "wearing apparel and fabrics," destined for the thriving "ukay-ukay" market, which under customs law is prohibited under Republic Act No. 4653, were likewise seized. Months later, this shipment was sent as donations to the victims of Typhoon Sendong in Northern Mindanao.

The BOC also seized two 20-foot container vans of black coral, a protected species abundant in the Southern Philippine seas. The value of this shipment was estimated at PhP20 Million. Charges have already been filed against the parties involved in the smuggling operation. Other

items involving endangered species, valued at PhP50 Million, were also seized at the Port of Manila (POM).

Misdeclared motor vehicles valued at PhP20 million were apprehended also at the Port of Manila (POM), Cagayan de Oro and Manila International Container Port (MICP). Firearms and live ammunition valued at PhP3.5 million and a shipment of misdeclared laptop computers worth PhP100 million were also seized at the POM. Meanwhile, foreign currency totalling US\$140,000.00 and illegal drugs with an estimated street value of PhP63 Million were seized at the Ninoy Aquino International Airport (NAIA).

The volume of trade and commerce that pass through the country's many ports, sea and air, is expected to grow as the global economy slowly shifts, towards recovery.

Under these conditions, policing the ports while trade is facilitated will remain as a critical mission of the Enforcement Group.

IG-Safeguarding the Bureau's Integrity



In line with the BOC's goal of setting up an enhanced revenue collection system and a more secure trade facilitation process, the Intelligence Group serves as its principal arm tasked to detect, monitor and defeat any illegal activities that threaten the integrity of the Bureau. The Group plays a key role in the BOC's twin tasks of generating revenues and securing the country's borders.

Given its directive "to plug revenue leaks," the Intelligence Group's commitment to this task was clearly evident in the past year. Measured against key performance indicators, the IG posted reports in excess of the minimum required numbers and made recommendations based on reliable intelligence reports.

Under existing Customs Mutual Administrative Agreements, the IG had two information exchanges



Commissioner Ruffy Biazon with IG Deputy Commissioner Danilo Lim and POM-CIIS Chief Bienvenido Rubio during the media presentation of the Php37.5 million worth of seized chemicals and laboratory equipment.

with the United States and another one with Japan on narcotics and drugs. This resulted in three apprehensions for a 100% success rate.

A total of 104 alert orders were issued last year, against a target of 50, and the corresponding WSD or Warrants of Seizure and Detention were obtained.

Following the Group's four-point strategic thrust, IG turned in a 100% compliance with intellectual property laws through the National Committee on Intellectual Property Rights. It upgraded its database system for monitoring and surveillance, provided support to the Philippine Customs Intelligence System and the proposed Risk Management System, including the GPS-assisted Tracking System for containers.

Measured against Key Performance Indicators the IG posted the required reports and recommendations from reliable intelligence reports.

In 2011, the IG undertook four strategic actions to facilitate trade and control smuggling;

- Improved selectivity system through the application of risk management techniques.
- Institutionalized best practices and standards in compliance with international commitments.
- Enhanced intelligence and enforcement capabilities.
- Accelerated the investigation of cases and finalized the guidelines for the Case Monitoring Program.

Customs Commissioner Ruffy Biazon and IG Deputy Commissioner Danilo Lim inspect a container load of illegally imported toys and other general merchandise items.

For the year 2012 the following are the priorities of IG:

- Expansion of the intelligence network by strengthening relevant cooperative and complementary relationships with other government agencies, affected industries, international organizations and private entities.
- Implementation of the Philippine Customs Intelligence System.
- Installation of mechanisms to reduce the opportunity for corruption.
- Promotion of IG's role in trade facilitation.
- Putting in place of a professional career development for personnel of the IG that will, among others, reduce external political intervention and institutionalize a clear system for recruitment, promotion and performance evaluation.
- Setting up of a progressive career and specialization training program for





intelligence governed by an internal selection committee and based on internally agreed parameters.

- Promotion of Customs personnel welfare, compensation, benefits and services with emphasis on the reward system.
- Assessment and modification of IG's mission, structures, functions, personnel expertise and capabilities.
- Improvement of the image of the Intelligence Group and the BOC as a whole.
- Approval of a realistic budget for the Intelligence Group to support its operations.

Customs Commissioner Ruffy Biazon with Intelligence Group Deputy Commissioner Danilo Lim and Enforcement Group Deputy Commissioner Horacio Suansing, Jr. during an inspection of seized luxury vehicles at the Port of Manila.

A total of 104 alert orders were issued last year, against a target of 50. The corresponding WSD or Warrants of Seizure and Detention were issued.

IAG-Building a Strong Internal Organization

IAG Deputy Commissioner Juan-Lorenzo Tañada explains to the Commissioner the various Bureau of Customs Employees Association (BOCEA) programs during a dialogue with BOCEA officers.

Last year, the Internal Administration Group continued to prioritize the lead in the implementation of the EU-TRTA Project or the European Union Trade Related Technical Assistance Project.

Much has already been accomplished under this project over the past year, but for 2012 IAG is reviewing those priorities for finally completing one aspect of the project for—the Competency Based Human Resources Management Division (CBHRM).

Highlights of the 2011 accomplishments are as follows;

- Lead the implementation of the special projects under the EU-TRTA Project:
 - a. Competency Based HRM
 - b. Revision of the BOC Strategic Plan
 - c. Accreditation Process for the E-GPS Service Provider
 - d. 2nd Quarter EU-TRTA Projects





- Groundwork for the ISO Certification Project of the Port of Batangas and X-Ray —QMS Team
- Approval of CMO 28-2011, Revised Criteria and Methodology in the Selection of Personnel for all Levels of Position
- Routine Tasks

Interim Internal Control Office (IICO)

- Established the Monitoring System for Bulk and Break-Bulk Cargo Clearance Enhancement Program (BBBCCEP)
- Consolidation of Load Port Survey and Discharge Port Survey in line with Commodity Mapping
- Processing of the PCA Test:
 - a. Technical examination
 - b. Self and Superior Competency Assessment/Rating to finalize gap analysis report
- Preparation of all requirements for the conduct of a bureau-wide PCA Replication

Planning and Policy Research Division

- BOC Website is now operational
- Conclusion of bilateral agreement between the Netherlands and the Philippines
- First APEC Sub-Committee on Customs Procedures Meeting

A BOC employee tries the Radio Frequency Enhanced ID system (RFEID) that will soon be installed in all BOC gates to secure all Customs premises from unauthorized people.

The BOC Strategic Plan was reviewed and updated to make it sensitive to present needs. More workshops were conducted and administrative measures refined to harmonize with PGS requirements in accordance with the DAP.

- 6th Brunei, Indonesia, Malaysia, Philippine-Customs Immigration, Quarantine, Security (CIQS) Task Force Meeting
- APEC Sub-Committee on Customs Procedures (SCCP)
- Meetings with the ASEAN-Australia-New Zealand Free Trade Area
- Mutual Administrative Assistance Agreement with customs from Iran, Peru, Chile, Mexico and Italy
- Participation of 89 Customs officials in international seminars, workshops, meetings and conferences

Public Information and Assistance Division

- Information Dissemination
 - a. Press releases
 - b. Revitalized Aduana
 - c. Publication of CAOs, CMOs etc.
- News Monitoring Activities
 - a. Compilation of news clippings about BOC
 - b. Monitoring of news, interviews on

radio and TV

- Media Coverage
 - a. Seizures and apprehensions
 - b. Case filings at the DOJ
 - c. Production of BOC-AVP Campaign
 - d. Production of 2010 Revised Annual Report
 - e. Ongoing processing of media application for media accreditation

Ten Targets for the next 18 months

- Completion and implementation of the Competency Based Human Resources Management Division (CBHRM)
- Implementation of CMO 28-2011
- Completion of ISO for Port of Batangas
- Submission of Budget Proposal for the construction of OCOM and POM buildings



Customs Commissioner Ruffy Biazon with a foreign dignitary.



Internal Administration Group Deputy Commissioner Juan-Lorenzo Tañada during a conference with IAG staff.



A BOC personnel training to enhance efficiency.

To further strengthen its accreditation procedures, the IAG enhanced its E-GPS and TOR accreditation documentation procedures.

XIP-Making World Trade Easy

In a recent assessment made by the World Bank and the International Finance Corporation, the Philippines was cited with 34 other countries for making trade easier with reforms, noting the BOC's X-Ray scanners that reduced levels of physical inspections at the ports and allowed the electronic lodgment of documents and customs declarations.

It was in 2006 when the Bureau of Customs acquired container X-Ray machines as an alternative to actual physical examination to speed up the clearance of shipment and the movement of cargoes.

The X-Ray machines were purchased through a government-to-government concessional loan agreement with the People's Republic of China under the Bureau's Non-Intrusive Container Inspection System Project (NCISP). From an initial 10 X-Ray machines, the Bureau now has 30 units of X-Ray scanners which have been deployed to the Bureau's 17 collection districts, depending on the volume of container cargo traffic in each one.

The major ports with the most number of X-ray scanners at present include the Manila International Container Port (MICP), Port of Manila (POM), Port of Subic, Port of Clark, Port of Batangas, Port of Cebu, Port of Davao, Port of Cagayan de Oro, Sub-port of General Santos, and Port of Zamboanga.

The deployment of X-ray machines is based principally on revenues generated by the different ports. The machines have proven to be a great help in increasing revenue collections for the government by aiding the Bureau of Customs' assessment divisions in detecting misdeclarations as to the nature and the quantity of goods and determining each correct valuation and classification through the efficient scanning of container vans.

Among the significant apprehensions were several units of completely built motorcycles; Harley Davidson motorcycles; boxes of used clothing; bags of onions; Toluene, Xylene and Methyl Ethyl Ketone (which are regulated chemicals under R.A. No. 9165 used in the production of Methamphetamine Hydrochloride), various cars, boxes of pirated DVDs consisting of pornographic movies,



A container van undergoing X-ray scanning.



games, and other movies; and premium Kaspersky Internet Security 2012 anti-virus software worth millions of pesos.

To support the implementation of the NCISP and enhance the viability of the use of X-Ray machines, the BOC has imposed a mandatory Container Security Fee.

From January to December 2011 alone, the total value of contraband and anti-social goods seized as a result of X-Ray scanning amounted to PhP1.8 billion.

Additional duties collected attributable to X-Ray scanning amounted to PhP21,249,246.00 in 2008; PhP11,209,810.00 in 2009, and, PhP27,844,519.83 in 2010. For the period January to November 2011, ad-

ditional payments collected amounted to PhP9,206,563.00.

The use of X-ray machines reduces the number of shipments subjected to actual physical inspection, and pinpoints with accuracy the shipments that do not need to be physically inspected.

In summary, the significant benefits derived from the deployment of the X-Ray machines include: national security, improved revenue collection, prevention of entry of contraband and anti-social goods, and trade facilitation.

Taking the X-Ray Inspection Project as a whole, the slogan: "Enhancing Trade Security Facilitation" is proved right.

Over time, the benefits from the X-ray scanners both the quantifiable and non-quantifiable, have far outweighed the initial investments and costs.

**The Philippines
introduced new scanners,
reducing the level of
physical inspection
at the ports.**

Container trucks line up for X-ray scanning.



Commissioner Biazon with Optimal Media Board Chairman Ronnie Ricketts and Port of Manila Collector Rogel Gatchalian, XIP Head Lourdes Mangaoang and other POM officials inspect the seized pirated DVDs from China.



Commissioner Biazon and other BOC officials together with DOJ Secretary Leila Delima during one of the filing of charges against smugglers at the Department of Justice.

RATS-Running After The Smugglers

The strongest deterrent to crime, smuggling in this case, is the probability of being caught and the certainty of being punished.

At the BOC, the Enforcement Group and the Intelligence Group work together to raise the probability of smugglers being caught, while the Run After The Smugglers group makes sure that smugglers once caught, are punished.

In 2011, the Run After The Smugglers or RATS filed 51 cases against smugglers. This was doubled the President's order to file one (1) case every two (2) weeks.

In the RATS campaign, there are no sacred cows, and the list of smugglers haled to court attests to that. The following is a limited list of cases filed against smugglers.

- Phoenix Petroleum Philippines was sued for PhP5 Billion for non-payment of excise and value-added taxes and non-submission of import documents.

- Jetti petroleum was charged with a smuggling case when records showed that between June 2010 and June 2011, some importations with a combined

RATS with its steadfast dedication has shown improvements and has helped to further push the BOC's initiative to curtail smuggling operations by pulling out the roots of these illicit activities.

Commissioner Biazon signs the complaint sheets while being assisted by RCMG Deputy Commissioner and concurrent RATS Head Peter Manzano during one of the filing of charges against smugglers at the DOJ.



dutiable value of PhP4.1 Billion managed to clear customs without proper documents being presented and some PhP11.7 Million in duties and taxes left unpaid.

- A complaint for illegal importation was filed against Lynard Allan Bigcas for bringing in some 29 assorted vehicles without the required Authority to Import issued by the Bureau of Import Services, among the vehicles was a Hummer H2 with a dutiable value of more than PhP2.1 Million and a 2010 Toyota Tundra with an estimated value of more than PhP1 Million.

- A gun store owner from La Loma, Manila was charged for trafficking firearms and ammunition in "balikbayan boxes". The boxes contained assorted gun parts, accessories and live ammunition with a combined value of at least PhP7.5 Million.

- A pet food importer, Honey Drops Marketing, was slapped with a PhP474 million smuggling case after customs found out that combined duties from 139 import entries totaled up to PhP92.6 million, of which only a nominal value of PhP4.6 million in duties and some PhP12.2 million in Value Added taxes were paid.

- Smuggling charges and Intellectual Property Rights violations were raised against Multikarat Enterprises after customs officials found out that said company was trying to smuggle in counterfeit Energizer batteries which were declared as "replacement parts".

- Sarae Trading which was also charged with IPR violations and smuggling charges when counterfeit speaker systems were seized from them

- A complaint was filed against the owner, consignee, shippers and haulers of a PhP35 million shipment of black coral and other endangered species that were seized by the Bureau's Enforcement Group.

Working in tandem with the Department of Justice, RATS has become a deterrent to smugglers.

The Guiding Rules in Philippine Customs

International trade is an essential element of development. The cross-border commerce not only moves economic goods, it brings new ideals in governance, new technologies and other influences that help shape its cultures peoples.

However, as much as there is a need for trade to flourish, there is also that inherent responsibility by governments to ensure that in the practice of international trade, while it aims to generate revenues, certain rules and laws have to be followed to put order in the process. And usually, in almost all countries, this responsibility is borne by a Customs office or agency.

Philippine Customs administration goes as far back as the Datus and the Rajahs, who collected tribute from those who did business with and among their subjects

The coming of the Spaniards, was the dawn of modern customs in the country. They brought the concepts of currency and customs administration. The Spanish tariff functioned on the principle of “ad valorem” or “in-proportion-to-the-value” sys-

tem, with the tariff law stating that 10% of the total value of the commodities was to be collected as trade taxes.

Under the Americans, the Philippine Commission adopted the Philippine Customs Service Act of 6th of February in 1902, which was the beginning of the Bureau of Customs as we know it today, guided by a codified rules called the Tariffs and Customs Code of the Philippines (TCCP).

Since then, the Bureau of Customs has undergone several changes and transitions. And although its TCCP has basically remained un-touched or un-amended over the years, a set of Customs Orders, however, are being issued by those tasked to lead the Bureau, that sets the tone for the implementation of the TCCP rules and provisions.

In 2011, seven (7) Customs Administration Orders and 38 Customs Memorandum Orders were signed and issued during the leadership of Commissioner Angelito Alvarez and Commissioner Ruffy Biazon.



Port of Cebu skyline at sunset.

2011 Customs Administrative Orders (CAO)

CAO No.	DATE	SUBJECT
01-2011	12-13-10	Amendment to CAO 2-2010 in relation to Section 15 of CAO 10-2007 Subject: Rules and Regulations in the Conduct of Public Auction and Negotiated Sale
02-2011	12-20-10	Creation of the Warehouse Monitoring and Audit Unit (WMAU) under the Office of the Commissioner of Customs and the Rules and Regulations Governing its Functions.
03-2011	1-28-11	Dissolution of FTI-Customs Office at the FTI Complex, Taguig
04-2011	3-18-11	Establishing the Super Green Lane Plus Import Processing Facility
05-2011	5-4-11	Depreciation Schedule for Imported Motor Vehicles
06-2011	4-5-11	Supplemental Rules to Implement the Bulk and Breakbulk Cargo Clearance Enhancement Program
07-2011	7-15-11	Prescribing the Official Work Hours for Certain Divisions at the Ninoy Aquino International Airport and other International Airports of Entry

2011 Customs Memorandum Orders (CMO)

CMO No.	DATE	SUBJECT
01-2011	1-3-11	Rules and Regulations to Implement the Provisions of the Memorandum of Agreement (MOA) dated November 19, 2010 Between the Bureau of Customs (BOC) and the Federation of Philippine Industries (FPI)
02-2011	12-17-10	Creation of a QMS Coordinating Team
03-2011	1-28-11	Moratorium on Approval to Establish and Operate an Industry-Specific Customs Bonded Warehouses
04-2011	1-28-11	Physical Inventory and Audit of All Existing Accredited Industry-Specific Customs Bonded Warehouses
05-2011	1-25-11	BOC Competency Grid and Realigned Description
06-2011	1-05-11	Enhanced Automated Cargo Transfer System (E-ACTS) for Import Shipments Consigned to Economic Zone Locator Enterprises Discharged at Airports and Seaports with Operating ACOS and with the Economic Zones as Final Destinations
07-2011	1-5-11	Guidelines and Procedures Implementing BOC-PEZA Joint Memorandum Order No. 04-2010 on the Automated Export Documentation System (AEDS) for Export Shipments of Economic Zone Export-Producers Loaded at the Ninoy Aquino International Airport (NAIA), Diosdado Macapagal International Airport (DMIA), Mactan-Cebu International Airport (MCIA), Port of Manila (POM), Manila International Container Port (MICP), Port of Subic (POS), and Cebu International Airport (CIP).

08-2011	1-11-11	Guidelines and Procedures Implementing BOC-AFAB Joint Memorandum Oder No. 06-2010 on the Automated Export Documentation System (AEDS) for Export Shipments of FAB Export-Producers Loaded at the Ninoy Aquino International Airport (NAIA), Diosdado Macapagal International Airport (DMIA), Port of Manila (POM), Manila International Container Port (MICP) and Port of Subic (POS).
09-2011	2-11-11	Requiring the Invoice Value to be Declared in the Transshipment Permits and the Mandatory Submission at the Port of Discharge the final Commercial Invoices of all Transit Goods for Which Duties and Taxes are to be Paid at the Port of Destination.
10-2011	2-8-11	Conduct of Physical and X-Ray Examination.
11-2011	3-1-11	Classification/Additional Instructions to CMO-55-2010 entitled "Redefining the Duties and Responsibilities Under CMO 35-2010 of the Offices Responsible for the Issuance of Certificates of Payment and Providing Supplemental Instructions in the Implementation Thereof."
12-2011	3-3-11	Requiring the Submission of the Results Of Laboratory Analysis by the Sugar Regulatory Administration of all Food Preparations Declared as Pre-Mixed Sugar Concentrates.
13-2011	3-11-11	Measures to be Undertaken to Prevent Entry of Poppy Seeds and Poppy Seeds Containing Products.
14-2011	3-15-11	Requiring the Mandatory X-Ray Examination Prior to their Release of All Transit Shipments for which Consumption Entries will be Filed at their Final Port of destination and PEZA-Bound Shipments Selected RED.

15-2011	3-4-11	Amendment to NAIA CMO 03-2001 dated October 2001, CMO-36-2008/A dated 05 March 2009 and CMO 32-2010 dated 23 August 2010 on the Guidelines for the Implementation of the Enhanced Automated Cargo Transfer System (E-ACTS) for Goods Discharged at the Ninoy Aquino International Airport (NAIA) with Economic and Freeport Zones as Final Destinations.
16-2011	3-18-11	Guidelines in the Implementation and Application of Executive Orders Modifying the Rates of Duty of Certain Imported Articles as Provided for Under The Tariff and Customs Code of 1978, as Amended in Order to Implement the Philippine Schedule of Tariff Reduction on Articles Included in Free Trade Agreements such as the ASEAN Trade In Goods Agreement, ASEAN-China Free Trade Agreement; ASEAN-Korea Free Trade Agreement; ASEAN-Japan Comprehensive Economic Partnership Agreement; ASEAN Australia New Zealand Free Trade Agreement; Japan-Philippines Economic Partnership Agreement; and ASEAN-India Free Trade Agreement.
17-2011	4-5-11	Rationalization of the Office of the Certificate of Payment Unit (CPU)
18-2011	3-8-11	Retro-Verification, Audit and Reconciliation of Insurance Premium Declarations in All 2010 Importations.
19-2011	5-9-11	Reconstitution of the Customs Bonded Warehouse Committee (CBWC)
20-2011	5-16-11	Harmonizing the Functions and Responsibilities of the Various Offices in the Bureau Pertaining to the Issuance of Certificates of Payments and for other Purposes.

21-2011	5-10-11	Referral of Apprehension Reports and the Basis for the Issuance of Warrants of Seizure and Detention (WSDs) to the Internal Inquiry and Prosecution Division (IIPD).
22-2011	5-23-11	Requiring All Consolidated Shipments Under Informal Entry to Undergo the Mandatory X-Ray Inspection and/or Manual Examination.
23-2011	5-16-11	Submission of Airline e-Manifest through a Value Added Service Provider (VASP)
24-2011	6-13-11	Partial Implementation of the New BOC Structure pursuant to the BOC Rationalization Plan under EO 366 on an Interim Ad-Hoc Basis.
25-2011	6-17-11	Guidelines for the Duty and Tax Free Entry of Imported Books
26-2011	7-8-11	Guidelines in the Conduct of Monitoring and Audit Group (PEAG)
27-2011	7-18-11	Amendment to Customs Special Order No. 30-2011 on the Creation of the ESS Motor Vehicle Monitoring and Clearance Office (EMVMCO).
28-2011	5-31-11	Revised Criteria and Methodology in the Selection of Personnel for All Levels of Position
29-2011	8-3-11	DTI Order in the Matter of the Final Application for Definitive General Safeguard Measure Against the Importation of Test-Liner Board from various Countries.
30-2011	9-1-11	Amendments to CMO 19-2011 dated 09 May 2011 entitled Reconstitution of the Customs Bonded Warehouse Committee (CBWC).

31-2011	9-2-11	Establishing the Value Reference Information Systems (VRIS) as a Support Tool for Source of Information on Values and Classification of Imports.
32-2011	9-1-11	Imposition of Safeguard Duty on Imported Steel Angel Bars from various Countries.
33-2011	9-12-11	Revised BOC Strategic Plan for Y2011-2016.
34-2011	9-20-11	Name-Dropping by Individual/Entities Claiming Relationship with the Commissioner of Customs.
35-2011	9-20-11	Delegated Authority to the Chief of Staff, Office of the Commissioner.
36-2011	10-13-11	Strict Implementation of CMO 15-94 (Subject: Revised Guidelines on Abandonment) Particularly on the Posting of the "Notice to File Entry" and "Notice to Claim".
37-2011	11-8-11	Guidelines on the Accreditation of Bureau of Customs Media Practitioners
38-2011	12-23-11	Ordering the Re-Activation of the One-Stop Created Under Customs Memorandum Order No. 47-2009 to Implement Proclamation No. 303 dated 20 December 2011 Entitled "Declaring a State of National Calamity."

Management Team



Rozzano Rufino B. Biazon
Commissioner



Prudencio M. Reyes Jr.
OIC-Deputy Commissioner
for Assessment
Operations Coordinating
Group (AOCG)



Atty. Peter M. Manzano
Deputy Commissioner
for Revenue
Collections and Monitoring
Group (RCMG)



Horacio P. Suansing, Jr.
Deputy Commissioner for
Enforcement Group



Danilo D. Lim
Deputy Commissioner for
Intelligence Group



Juan-Lorenzo T. Tañada
Deputy Commissioner for
Internal Administration
Group

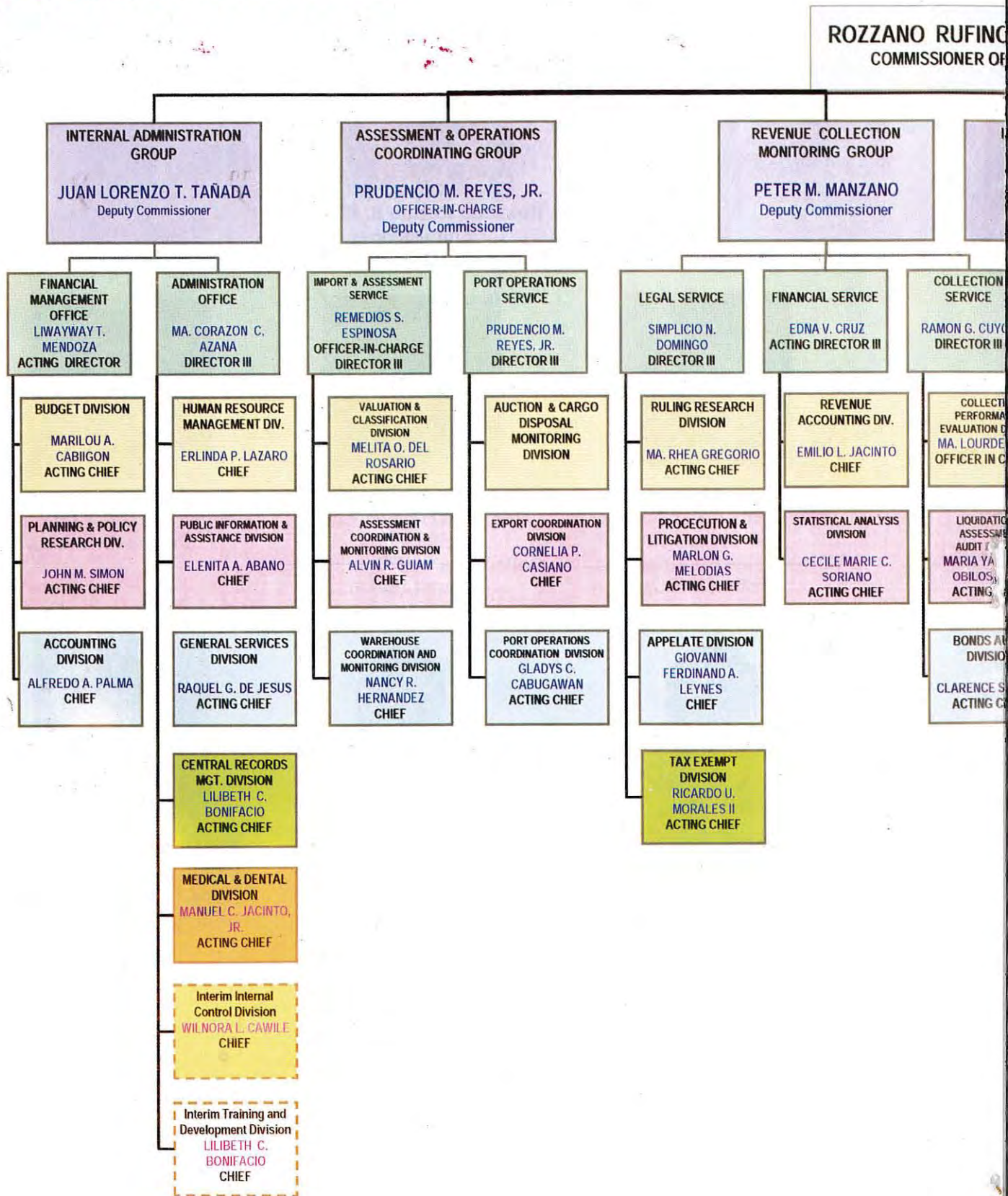


Ma. Caridad P. Manarang
Deputy Commissioner for
Management Information
System and Technology
Group (MISTG)

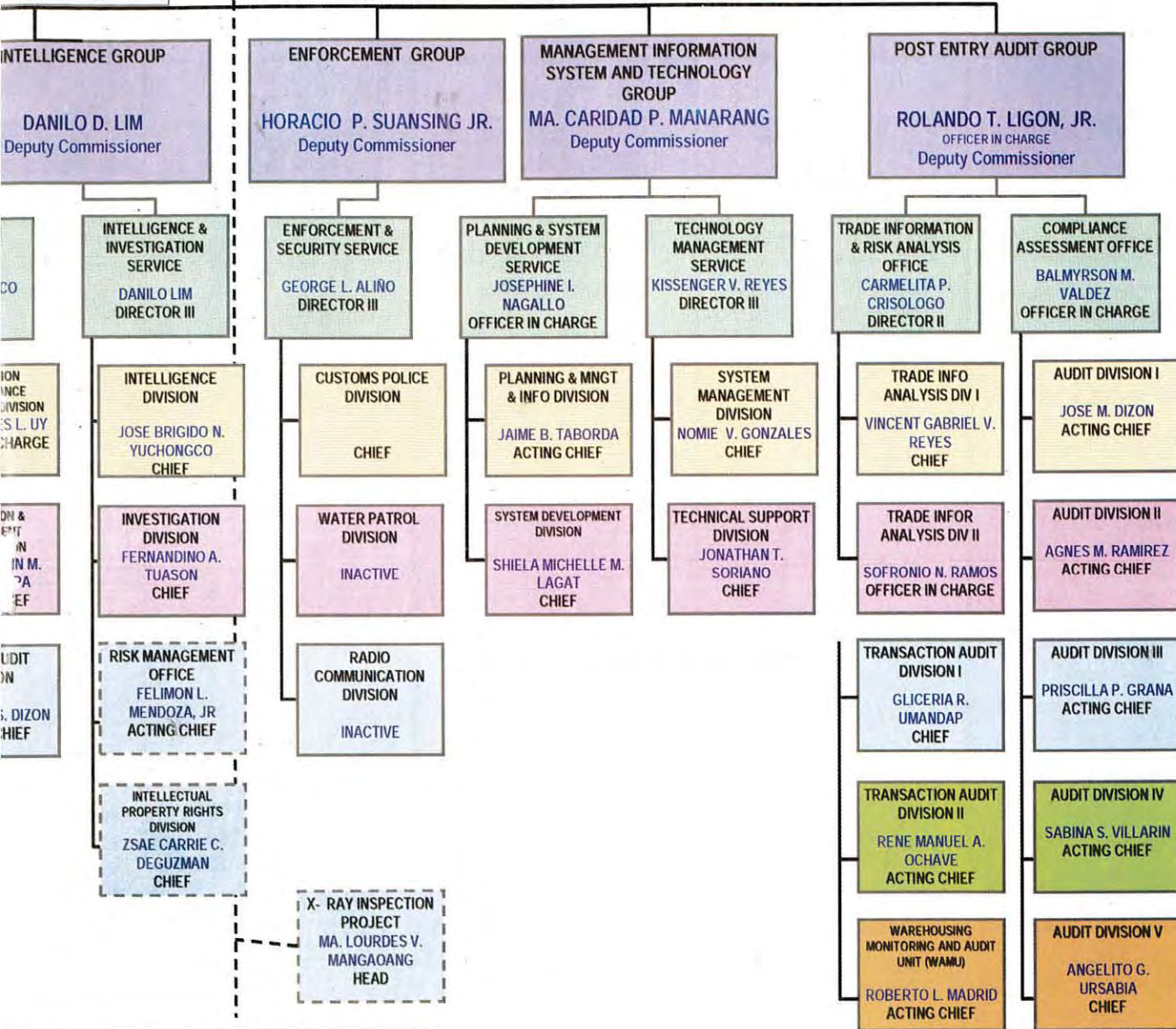


Atty. Rolando T. Ligon, Jr.
Assistant Commissioner
Head, Post Entry
Audit Group

Organizational Chart of the Bureau of Customs



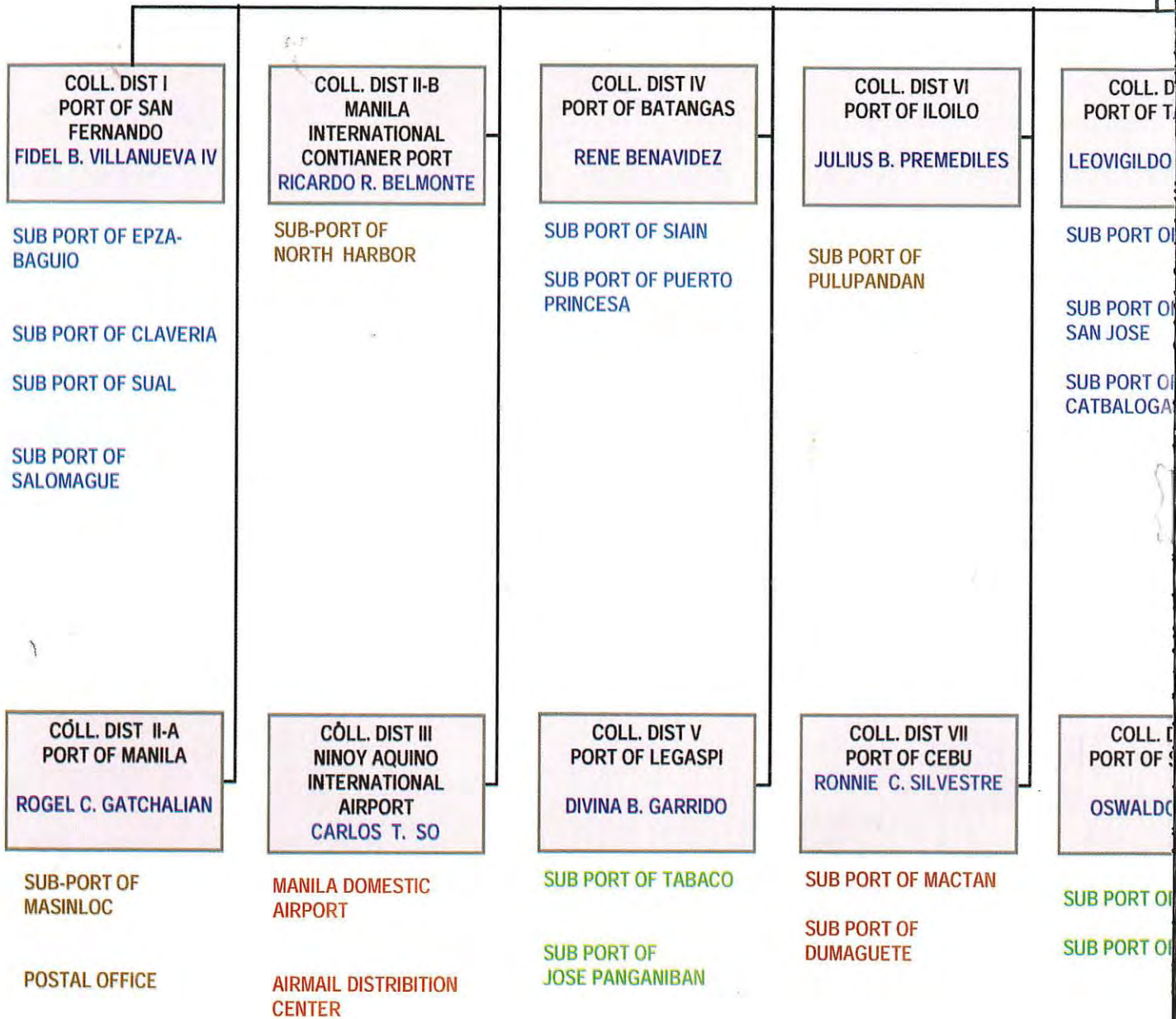
D. B. BIAZON
COMMISSIONER OF CUSTOMS



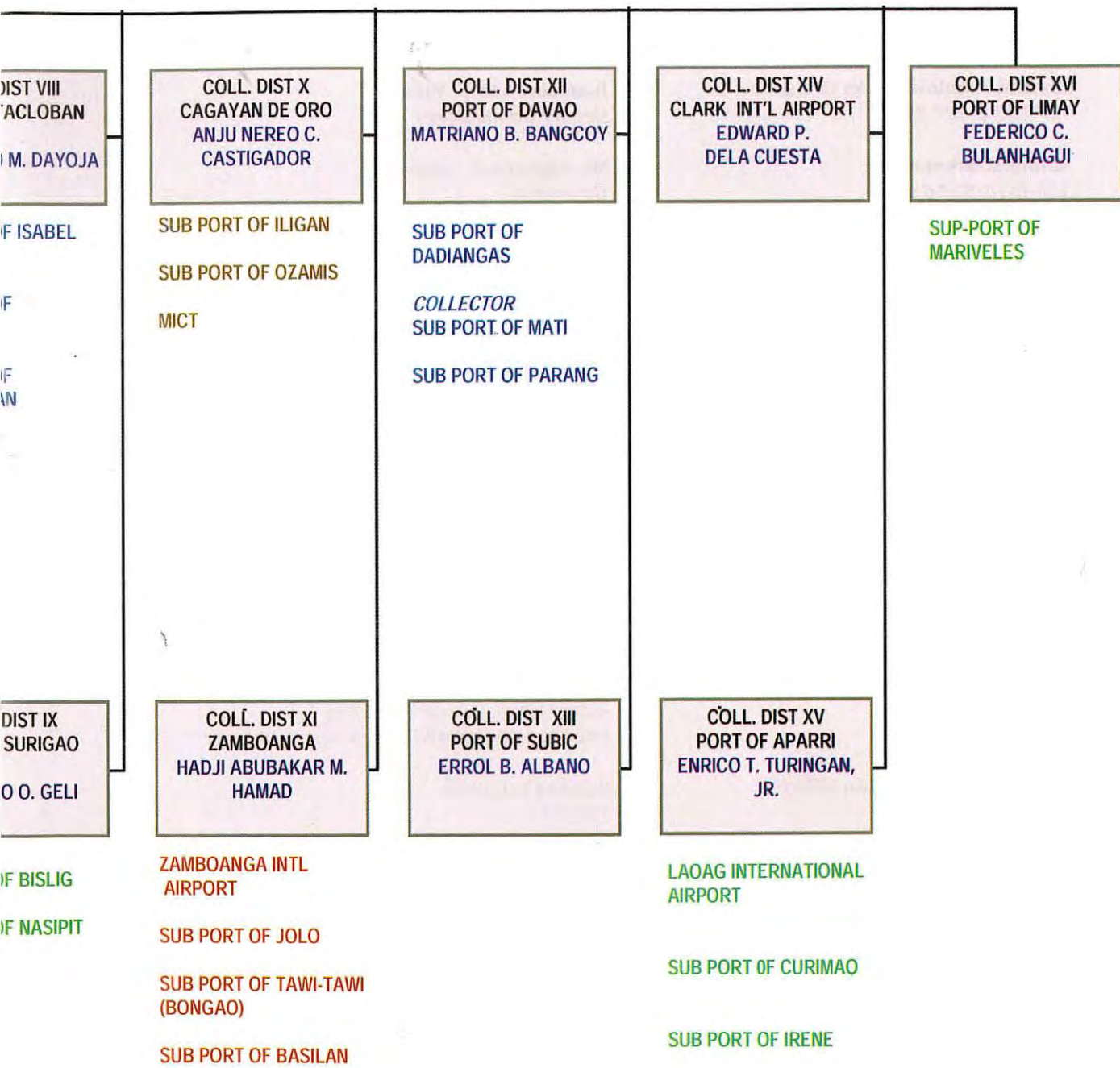
Collection Districts

Organizational Chart of the Bureau of Customs Collection Districts

ROZZANO RUFIN
COMMISSIONER



NO B. BIAZON
OF CUSTOMS



Bureau of Customs (BOC) Directory

Office of the Commissioner
527-4573/527-4537/526-6355

BOC-X-Ray Inspection Project
521-2238

Internal Administration Group
527-1960/ 527-4507

Administration office
527-4518/527-6389

Public Information & Assistance Division
527-1968/527-8259

Medical & Dental Division
527-4601

Human Resources Management Division
526-6669/527-6571

General Services Division
527-4566/527-4526/526-6571

Central Records Management Division
527-4564/ 527-4512

Interim Internal Control Office
527-4585

Interim Training & Development Division
527-3298

Financial Management Office
527-4525

Budget Division

Rozzano Rufino B. Biazon
Commissioner

Ma. Lourdes Mangaoang
Collector V

Juan Lorenzo T. Tanada
Deputy Commissioner

Ma. Corazon C. Azana
Director III

Elenita A. Abano
Information Officer V
Chief

Manuel Jacinto Jr.
Medical Officer V
Acting Chief

Erlinda P. Lazaro
CCOO
Chief

Raquel G. de Jesus
Records Officer IV
Acting Chief

Lilibeth Bonifacio
COO III
Acting Chief, Concurrent Chief
Interim Training and Development Division

Wilnora L. Cawile
SVCOO
Chief, Concurrent Chief,
Cashier's Office, GSD, OCOM

Lilibeth Bonifacio
COO III
Chief, Concurrent Acting Chief
Central Records Management Division

Liwayway Mendoza
CCOO
Acting Director

Marilou A. Cabigon

Accounting Division
527-4534

Alfredo Palma
Chief Accountant

Planning & Policy Research Division
527-4508/ 527-8258

John Simon
Collector of Customs II
Acting Chief

Revenue Collection & Monitoring Group
527-4602/ 527-9453

Peter M. Manzano
Deputy Commissioner

Legal Service
527-4515/ 527-4565

Simplicio N. Domingo, II
Director III

Tax Exempt Division
527-4579/ 526-1834

Ricardo U. Morales, III
Acting Chief

Financial Service
527-4577/ 527-4575/ 917-3277

Edna V. Barrida
Acting Director

Revenue Accounting Division
527-7328/ 527-4575

Emilio L. Jacinto
Chief Accountant

Statistical Analysis Division
527-4577

Cecile Marie C. Soriano
Accountant IV
Acting Chief

Collection Service
527-4523/ 527-3727

Ramon G. Guyco
Director III

Bonds Audit Division
527-4523/ 527-3727/ 507-3718

Clarence S. Dizon
Atty. III
Acting Chief

**Assessment & Operations
Coordinating Group**
527-4602/ 527-9453

Prudencio M. Reyes Jr.
OIC
Deputy Commissioner

Import & Assessment Service
527-4439/ 523-9648/ 527-4549

Remedios E. Espinosa
Director III

Valuation & Classification Division
527-4539

Melita O. del Rosario
SVCOO
Acting Chief

**Assessment Coordination &
Monitoring Division**
527-4561

Alvin R. Guiam
MAA V
Chief

Warehouse Coordination Division
527-4561

Simeona R. Hernandez
Chief

Port Operations Service
527-7976/ 527-4476

Export Coordination Division
527-4580

Intelligence Group
527-0638/ 526-6361

WAMU-IEG
527-4560

Intelligence Division
527-4516/ 917-4587

Investigation & Prosecution Division
527-4587

**Internal Inquiry &
Prosecution Division**
527-4522/ 917-3298

Enforcement Group

Enforcement & Security Service

Customs Police Division
527-4643/ 527-4648

**Management Information System
& Technology Group**
526-6396/ 526-6361

**Planning & Systems
Development Service**
527-9456/ 527-6091

**Planning & Management
Information System**
527-9449/ 917-3226

Systems Development Division
527-9456/ 527-6091/ 527-9455

Gladys O. Cabugawan
OIC, Director

Cornelia P. Casiano
*CCOO
Chief*

Danilo Lim
Deputy Commissioner

Teodoro Cinco
Chief

Jose Brigido N. Yuchongco
*Special Police Chief
Acting Chief*

Emmanuel G. Gotdalera
*Legal Officer IV
Acting Chief*

Fernandino A. Tuason
*Intelligence Officer V
Chief*

Horacio P. Suansing Jr.
Deputy Commissioner

George Aliño
Director III

Angelito Santiago
*Special Police Area Supervisor
Acting Chief*

Ma. Caridad Manarang
Deputy Commissioner

Rey Delgado
*Director III
OIC, Concurrent Chief, SDD, PSDS*

Jaime B. Taborda
*ITO II
Acting Chief*

Josephine I. Nagallo
*ITO III
Chief*

Technical Support Division**Jonathan T. Soriano***ITO III**Chief***System Management Division***527-8406/ 917-3225***Nomie V. Gonzales***ITO III**Chief***Post-Entry Audit Group***527-8257***Rolando T. Ligon Jr.***Director II**OIC***Trade Information &
Risk Analysis Office***527-8257***Carmelita P. Crisologo***Director II***Trade Information Analysis Division***527-8257/ 796-4213***Vincent Gabriel V. Reyes***CCOO**Chief***Port of San Fernando***(072)888-5581***Fidel B. Villanueva IV***SVCOO**Acting District Collector of Customs***Port of Manila***527-2979/ 526-8610***Rogel C. Gatchalian***Collector of Customs VI**District Collector of Customs***Manila International Container Port***245-2762/ 245-2796/ 247-0981***Ricardo R. Belmonte***Collector of Customs VI**District Collector of Customs***Ninoy Aquino International Airport***879-6003/ 832-2955/ 247-0981***Carlos T. So***Collector of Customs VI**District Collector of Customs***Port of Batangas***(043) 722-0705/ 723-0631***Rene M. Benavides***CCOO**Acting District Collector***Port of Legaspi***(052) 820-2508/ 214-3439***Titus A. Sangil***Collector of Customs V**District Collector of Customs***Port of Iloilo***(033) 335-0998/ 337-5831***Julius Premideles***Collector of Customs IV**District Collector of Customs***Port of Cebu***(032) 256-1690/ 245-2935***Ronnie C. Silvestre***Collector of Customs VI**District Collector of Customs*

Port of Tacloban
(053) 321-3370/ 321-3395

Port of Surigao
(086)232-7535/ 826-5112

Port of Cagayan De Oro

Port of Zamboanga
(062)992-0337/ 992-6845

Port of Davao
(082) 235-1085/ 235-0812

Port of Subic
(047) 252-3534/ 254-4312

Port of Clark International Airport
(045) 599-2162

Port of Limay

Port of Aparri

Leovigildo M. Dayoja
Collector of Customs IV
Acting District Collector of Customs

Alfredo G.Goro
Collector of Customs V
District Collector of Customs

Anju Nereo Castigador
Collector of Customs V
District Collector of Customs

Hadji Abubakar M. Hamad
Collector of Customs II
OIC

Martiniano B. Bangoy
CCOO
Acting District Collector

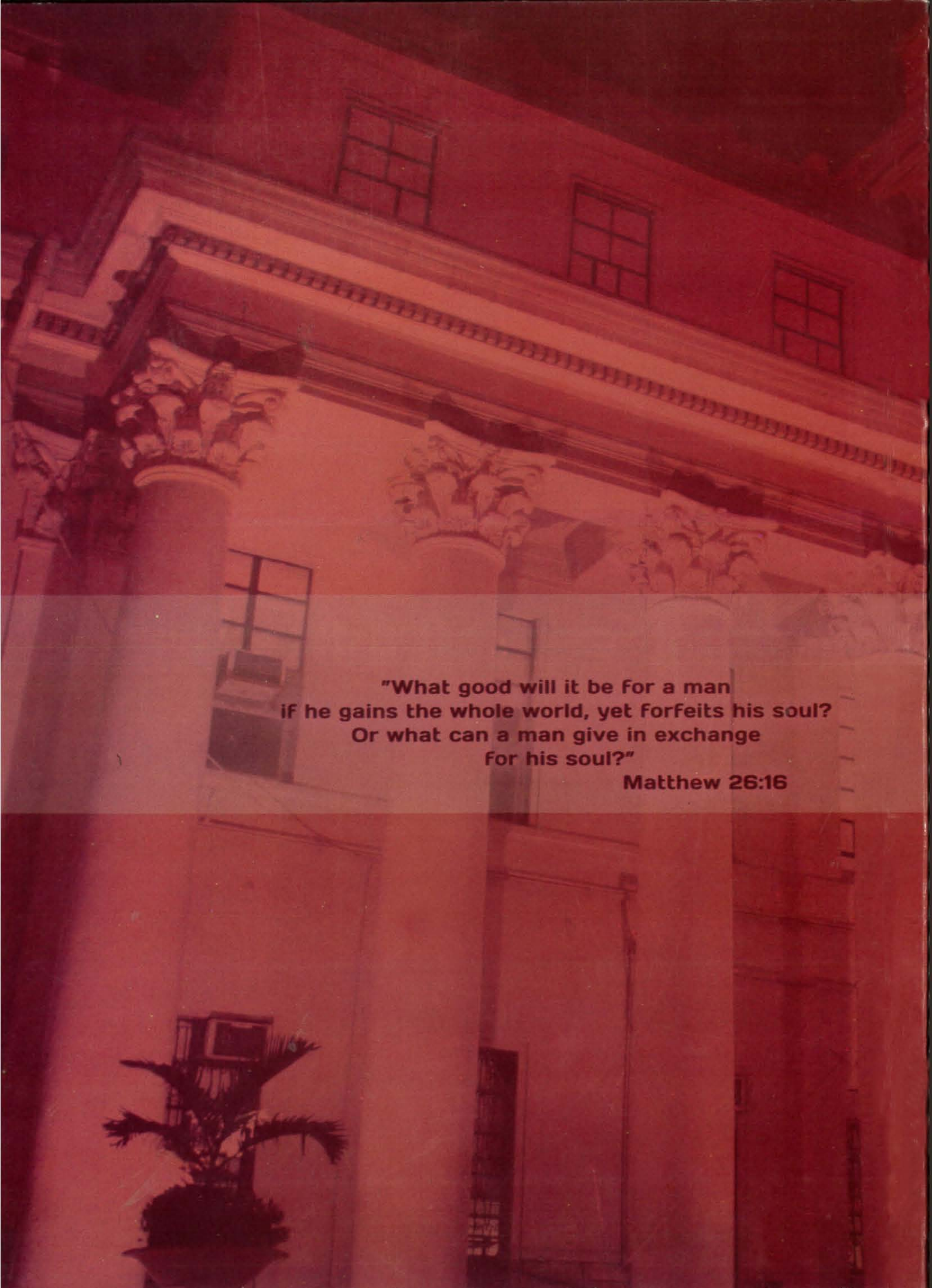
Errol Albano
Collector V
Acting District Collector

Edward P. de la Cuesta
Collector V
District Collector of Customs

Federico C. Bulanhagui
Collector of Customs I
Acting District Collector

Enrico T. Turingan Jr.
Collector of Customs IV
OIC District Collector

Published in January 2012 by the Office
of the Commissioner through the Public
Information and Assistance Division
(PIAD), Bureau of Customs, with offices
at Gate 3, Port Area Manila



**"What good will it be for a man
if he gains the whole world, yet forfeits his soul?
Or what can a man give in exchange
for his soul?"**

Matthew 26:16