

ENABLING A SECURED CROSS-BORDER TRADE

BUREAU OF CUSTOMS
Annual Report 2017





INTRODUCTION

The Philippine Customs Service, mandated to collect all revenues from imported goods, was created on February 6, 1902 when the Philippine Commission passed the Philippine Administrative Act No. 355. This was amended by Customs Service Act No. 355 to enable a more effective implementation of the prior Act.

It was Public Act No. 430 which transformed the Philippine Customs Service to Bureau of Customs and Immigration under the Department of Finance and Justice. When the Department of Finance became a separate office from the Department of Justice, the Customs Service remained under the supervision of the former up to this time. Through the years, the Bureau of Customs has since undergone several re-organizations.

Now, the Bureau of Customs is headed by the Commissioner of Customs, who shall be appointed by the President. Under Customs Commissioner Isidro S. Lapeña are Deputy Commissioner Gladys F. Rosales of Internal Administration Group, Deputy Commissioner Ricardo C. Quinto of Intelligence Group, Deputy Commissioner Edward James Dy Buco of Assessment and Operations Coordinating Group, Deputy Commissioner Atty. Teddy Sandy S. Raval of Enforcement Group, Deputy Commissioner Natalio C. Ecarma III of Revenue Collection Monitoring Group, and officer-in-charge Commissioner Isidro S. Lapeña of Management Information System and Technology Group. The newly-formed group –Post Clearance Audit Group is headed by an Assistant Commissioner.

To date, the Bureau has 17 collection districts and 39 sub-ports under the direct control and supervision of the Commissioner. Each collection district is headed by a District Collector while each sub-port is headed by a Port Collector.

Bureau of Customs Annual Report 2017
ENABLING A SECURED CROSS-BORDER TRADE



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MESSAGE OF THE PRESIDENT

My warmest greetings to the Bureau of Customs (BOC) on the publication of its 2017 Annual Report.

As the country's second largest revenue-generating agency, the BOC has great potential to become catalyst for our country's growth and development. I therefore laud the BOC's 5-Point Priority Program which intends to end the culture of corruption and rid the bureau of those who take advantage of the weakness of the system.

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second largest
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I also commend the able men and women of the BOC for their exemplary performance in 2017. The bureau's 98.5 percent revenue performance for the past year, capped by an all-time high and record-breaking monthly collection of P46.37 billion in November, is further proof of your unceasing desire to fulfil your mandate and reach our revenue targets.

May the BOC continue to be at the forefront of our efforts to improve the quality of life of our people through the honest and efficient collection of customs revenues and the suppression of smuggling and fraud. With you by my side, I am confident that we can build a stronger nation and usher in a brighter future for our people.

I wish you all the best in the years ahead.


RODRIGO ROA DUTERTE

MANILA
January 2018



Please accept my earnest greetings to the men and women of the Bureau of Customs (BOC).

Over the past year, through a combination of policy and administrative reforms, we are moving closer to the modern and professional agency we want the Bureau to be. I am happy to note that the computerization of processes at the Bureau both improved efficiency and reduced smuggling. I look forward to more intensive use of new information technology to further improve the Bureau's performance.

The Bureau has improved collections systematically. This helps make our revenue flow healthier and more predictable. On the basis of stable revenue flows, we could undertake the ambitious infrastructure program that will attract investments and reduce poverty in our country. There is much at stake for our people in sustaining the strong growth we can now see.

I look forward to continuing improvement in the professionalization of the BOC. An efficient Customs agency is indispensable for an economy emerging as dramatically as ours.

Keep up the good work.


CARLOS G. DOMINGUEZ
Secretary

I look forward to more intensive use of new information technology to further improve the Bureau's performance.



COMMISSIONER'S REVIEW

In the face of challenges, the Bureau of Customs remained steadfast in performing its mandate and contributing to the country's economic achievements. This Annual Report gives the readers a window to see how we in the Bureau of Customs upturned the challenges to achieve meaningful and significant accomplishments for the year 2017.

The Bureau of Customs, being the government's second largest revenue generating-agency, contributes to the notable growth of the Philippine economy. It enables the national government to provide for the needs of the country and achieve continuous socio-economic gains.

The year 2017 turned out as a year of challenges and trials for the Bureau but at the same time, the year opened an opportunity to identify what has been going wrong in the agency and what needs to be done, and at what costs it will take to achieve genuine reforms.

When I assumed the BOC leadership, I knew that I am faced with a very challenging situation, but right on the first day, I had high hopes that I would be able to make a huge difference in addressing the perennial problems hounding the Custom's bureaucracy. 2017 opened its doors for opportunities to create significant policy and operational reforms.

However daunting the task is, I aim my sight to realizing the marching order given to me by the President – to stop corruption and increase revenue earnings.

With that in mind, I entered the doors of BOC armed with my Five-Point Priority Program: Stop corruption, Enhance revenue collection, Ensure trade facilitation, Strengthen anti-smuggling measures, and Enhance personnel incentives, rewards system, and compensation benefits.

Through various policy guidelines and changes I have made to address processes vulnerable to corruption, the bureau employees themselves and the stakeholders are now slowly gaining the benefits from an efficient and "tara"-free facilitation of trade. I targeted policy reforms and directives affecting revenue administration and customs operations from the ground up.

At the start of my term, several erring officials and employees were relieved from their

post, while hundreds were reshuffled due to corruption and inefficient service.

The remarkable increase in revenue collection is attributed to the efficient application of correct valuation of imported goods as result of my rigid directive to stop the practice of benchmarking and flow of grease money.

The bureau posted a total collection of P458.183 billion from January to December 2017, up by 15.6 percent when compared to the P396.365 billion collection in 2016. The Bureau's revenue performance for 2017 is at a high of 97.9 percent. Although we achieved an increase in collection, we are still short by 2.1 percent of the target. Therefore, there is a need for everyone in the BOC to yield to the policy reforms we have placed and will still put in place.

We need to continue doing the right things. Only by doing the right things the right way can we achieve our revenue target and even attain lasting reforms in the organization.

During the last quarter of the year, we've seen significant improvements in our systems and processes, resulting in faster and more efficient customs clearance and inspection. Indeed, system upgrade and automation offer great opportunities to enhance trade facilitation in the Philippines.

We continue to implement policies that will further improve our border security measures. Installation of security devices and equipment, improved cargo inspection,

effective enforcement of Customs policies, and strengthened cooperation with foreign counterparts are among the measures we implemented to secure our borders. Although we have apprehended billions of illicit goods, there are still a few who continue to engage in illicit trade. That's why it is necessary for the bureau to continue and further strengthen its measures against smuggling.

Keeping employees' morale high is among my top priorities. Hundreds of performing employees who have long been in the Bureau were recently promoted. It's one way of recognizing their positive contributions and letting them know they are valued by the agency. I am here to bring back the sense of pride in the hearts of every deserving employee in the Bureau.

A motivated, productive and honest workforce is the most important factor to achieve the resurgence of the Bureau of Customs. Only through this kind of workforce will enable the Bureau to be freed from the captive image of a tainted bureaucracy.

In the face of challenges, the Bureau of Customs remained steadfast in performing its mandate and contributing to the country's economic achievements. This Annual Report gives the readers a window to see how we in the Bureau of Customs upturned the challenges to achieve meaningful and significant accomplishments for the year 2017.


Isidro S. Lapeña, PhD., CSEE
Commissioner

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doing the right things.
Only by doing the right
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organization.

Armed with the trust and confidence of the President, Commissioner Lapeña anchored his policy reforms in his Five-Point Priority Program with a goal of facilitating trade efficiently, strengthening border control, increasing revenue collection, ending bureaucratic practices while enhancing personnel incentives and compensation benefits.

The Bureau of Customs is a government agency, attached to the Department of Finance, which has existed for 115 years and is the second highest income contributor to the national coffers. Historical records show that the customs service, though informal, has started even before western colonization took place. Customs service has evolved from barter trade, a mode of exchange during the chieftain 'Datu-Rajah' period, to by-value taxation of the present times.

Throughout the years, several amendments have been made to the tariff and customs law. Just last year, Republic Act Number 10863 or the Customs Modernization and Tariff Act (CMTA) was passed into law to, among others, protect and enhance government revenue and modernize customs and tariff administration. CMTA aims to ensure the country's compliance with the Revised Kyoto Convention (RKC), align the tariff and customs law with international standards and practices, and reduce the cost of doing business, all of which are expected to help the country attract more investors and traders.

The new customs law is a game changer on the role of the Bureau. The Bureau of Customs, just like in other customs administration, is no longer solely focused in the collection of revenues, but more so in border control to prevent entry of smuggled goods, particularly illegal drugs, and facilitation and security of international trade, and supervision and control of import and export cargoes. Indeed, the Bureau is our first line of defense in border protection.

When President Rodrigo Duterte was elected into office, he vowed to clean the Bureau which has long been mired by issues of corruption. On August 30, he personally handpicked the new customs chief to lead the shake-up in the Bureau.

The former Philippine Drug Enforcement Agency Director General Isidro S. Lapeña now heads the Bureau of Customs, replacing former Customs chief Nicanor Faeldon. The Bureau's present leader vowed to solve the core problems besetting the bureau and weed out corruption from within, limit human intervention in transactions, and automate systems and processes.

Armed with the trust and confidence of President Duterte, Commissioner Lapeña anchored his policy reforms in his Five-Point Priority Program with the goal of facilitating trade efficiently, strengthening border control, increasing revenue collection, ending bureaucratic practices while enhancing personnel incentives and compensation benefits.

In 2017, the Bureau of Customs achieved significant achievements in the five key areas of the priority program.

- Anti-Corruption Drive
- Revenue Collection
- Trade Facilitation
- Border Protection
- Enhanced Personnel Incentives and Reward System



TRADE FACILITATION

Reducing time and cost of doing business



International trade has grown rapidly in recent years due to the reduction of tariffs and quotas. Increasing volume of trade means more goods crossing borders and having to comply with customs formalities. Inefficient border procedures lead to smuggling, fraud, and national security problems -which drain the public coffers, while importers pay the price of slow and costly customs procedures and even lost business opportunities. Reduction in trade transaction costs translates into a significantly increased trade. Trade facilitation brings more efficient and reliable tax collection to finance government expenditures.

The Bureau of Customs in 2017 has taken action to improve the efficiency of border procedure; reforms created made it easier for stakeholders to import and export goods in a shorter span of time and at a lesser cost.

Policies and reforms implemented made the whole process of trading simpler and smoother. Trade barriers and delays in processing were minimized leading to an all-time high collection.

Among the reforms includes the abolition of the Command Center whose previous function is to centralize coordination and monitoring of the movement of imports and exports. Command Center, before being abolished, was the sole office authorized to issue and lift alert orders.

Commissioner Isidro Lapeña in a memorandum reverted the power to issue alerts orders to the Office of the Commissioner and District Collectors. He also mandated the creation of a Customs Operations Center which monitors the CCTVs installed around the BOC premises.

Alert orders are written orders issued by customs officers as authorized by the Commissioner on the basis of derogatory information regarding possible noncompliance with the tariff and customs laws. To avoid unnecessary delay on the importers, all alert orders must be lifted within 48 hours if there is no probable cause arising in the shipment, and within 24 hours if perishable goods.

He also abolished the operation of the Special Studies and Project Development Committee. The function of the SSPDC has been transferred to the Bureau's Action Team Against Smugglers (BATAS) to avoid redundancy in the process.



DID YOU KNOW?

The Philippines has been a member of the World Trade Organization since January 1, 1955 and a signatory to the General Agreement on Tariffs and Trade since December 27, 1979. As part of the WTO, PH has agreed to the Trade Facilitation Agreement, the first multilateral trade agreement concluded since the WTO was established. The agreement is expected to reduce total trade costs by more than 14 percent for low-income countries by streamlining the flow of trade across borders.

Zero backlog in stakeholder accreditation

AMO ACCREDITATION



In line with President Rodrigo Duterte's order to shorten processing time for letters, requests, and permits, the Bureau of Customs addressed incidents of red tape after directing all Customs offices to strictly act on requests and permits within five days.

In a memorandum number 24-2017, communication letters, requests, and other permits shall be acted by the concerned office within five days upon receipt of documents.

Pursuant to the 5-day processing directive, the office responsible for accrediting stakeholders, Accounts Management Office (AMO) has simplified the procedures in the accreditation. AMO has reduced the process flow of accreditation from 11 steps to six steps. It usually takes more than 15 working days for an importer and a customs broker to be accredited by the Bureau of Customs.

The new process of accreditation implemented in the last quarter of 2017 has shortened the process by simultaneously evaluating the submitted documents and risk profiling which compared to the previous practice took more than a month.

AMO also implemented a queuing system and provided additional pre-evaluation windows to reduce clogging of applicants in the transaction windows.



DID YOU KNOW?

As per data from the Account Management Office, a total of 204 importers and 94 customs brokers were issued with suspension in 2017.



As a result, 2,893 application for accreditation received from October 23-December 22, 2017 were acted upon within the timeframe.

Finally, a total of one thousand eight hundred fifty-two (1,852) backlog applications were processed which resulted to zero backlogs.

In 2017, AMO processed a total of 16,003 application for accreditation and registration of importers and customs brokers: 13,985 of which are importers while 2,018 are customs brokers.

As per data from the Management Information System and Technology, there are 14,795 active importers and 1,888 active customs brokers in 2017.

CMTA updates

Republic Act (RA) No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), was enacted to amend the 59 year-old Tariff and Customs Code of the Philippines (TCCP). The law becomes effective on 16 June 2016, fifteen days after it was published in major dailies.

The first tariff legislation came into force during the American regime, known as the Philippine Tariff Act of 1909. This law gave birth to the imposition of tariff on goods coming from foreign countries and entering the Philippines.

In 1957, RA No. 1937 was passed by the Philippine Congress as the first Tariff and Customs Code of the Philippines overruling the 48-year colonial regime of the Tariff Act of 1909. In 1978, RA No. 1464 was signed into law, which strengthened the penal force of

the TCCP against smuggling and other forms of customs fraud.

The continuous developments and evolution in trade policies, rules, and regulations worldwide have been addressed by the new Customs and Tariff law which aims to modernize the rules and procedures akin to the standards of the Revised Kyoto Convention.

Since the enactment of the Customs Modernization and Tariff Act, the Bureau of Customs has already four approved Customs Administrative Orders (CAO), 26 CAOs under DOF review, seven CAOs under review by the BOC, and three drafted CAOs.

Among the signed CAO, one of the most significant orders in 2017 was the CAO bearing provisions for the implementation of

the Anti-Agricultural Smuggling Act of 2016.

Violators of the Anti-Smuggling Act of 2016 will be penalized with a maximum penalty of life imprisonment and a fine of twice the fair value of the smuggled agricultural products and the aggregate amount of the taxes, duties, and other charges.

Local offenders will be penalized with perpetual disqualification to engage in importation, while alien offenders shall be deported after serving the sentence. Government officials who are found to be involved in agricultural smuggling shall be punished with criminal liability and perpetual disqualification from public office.

The seized smuggled agricultural products shall be forfeited in favor of the government.



Nothing to Declare

Tedious guidelines on balikbayan box suspended

Also one of the significant actions taken by the Bureau was the temporary suspension of the guidelines on the duty and tax-free privilege of balikbayan boxes.

The Bureau of Customs issued a directive to suspend the Customs Administrative Order 05-2016 and Customs Memorandum Order 04-2017 which provides guidelines on the implementation of the duty and tax-free privilege of qualified Filipinos while abroad.

Under the said orders, qualified Filipinos while abroad (QFWA) must accomplish the information sheet, submit a photocopy of their Philippine passport, a copy of invoice, and proof of purchase of the goods contained in the box to be qualified for the P150,000 tax exemption.

The suspension of the CAO 5-2016 and CMO 4-2017 is valid until March 31, 2018.

DID YOU KNOW?

The Bureau of Customs now has a Balikbayan Boxes Monitoring System that can track the frequency of availments of each qualified Filipino while abroad who are sending balikbayan boxes.



BOC launches entry verification system

The Bureau of Customs has replaced the sectioning system at the Formal Entry Division with a Status Verification System at the Port of Manila and Goods Declaration Verification System at the Manila International Container Port.

Instead of the usual face to face transactions with customs examiners, the system randomly assigns the entries to examiners and appraisers available on duty. The system also provides a timely update on the status of the entries which can be viewed through kiosk and LCD monitors.

It has a tracking system that can identify the current status of the entry documents as well as the timeframe to complete the processing.

Under the SVS, valuation of imported goods can be monitored once the examiners or appraisers input the data in the system, whether the particular shipment was benchmarked or grossly undervalued.

The Verification System was implemented to prevent the collusion between and among the stakeholders and customs employees and to test the competence and efficiency of the examiners in applying the new customs law and regulations under RA 10863.

Under the SVS, valuation of imported goods can be monitored once the examiners or appraisers input the data in the system, whether the particular shipment was benchmarked or grossly undervalued.



ENTRY	
Year	2011
Exp	MCP
Rate	0
Value	335000

The Bureau of Customs
took efforts to
strengthen cooperation
with various foreign
and local groups
and organizations.





The Commissioner in a huddle with the Malaysia Customs personnel concerning their IT system, Malaysia Customs in Kota Kinabalu.



Meeting with Japan Customs, Office of Economic Partnership, Customs and Tariff Bureau, Embassy of Japan



Meeting with Port Users Confederation



Meeting with World Bank Executives



Sweden Courtesy Call





In order to guard the borders of the country and stop the predominant smuggling activity of the smugglers, Customs chief Isidro Lapena directed close monitoring of big ticket commodities like oil, cigarettes, alcohol, motor vehicles, minerals, and agricultural products which are often smuggled by unscrupulous traders.

BORDER PROTECTION

Intensifying anti-smuggling efforts



The Bureau of Customs having jurisdiction over all seas within the Philippine territory is the first line of defense of the country against smuggling and other frauds committed against the tariff and customs laws.

Smuggling has been deeply entrenched as a form of illicit trade; it has become a norm for smugglers to evade payment of duties and taxes. Most often, smugglers find it more convenient to circumvent legal trade channels -through misdeclaration and undervaluation, than smuggling items outrightly. The manipulation of importers and cooperation of the trade channels resulted in the practice of smuggling which caused billions of revenue loss in the government coffer as revealed by disparity in the volume and value of goods exported by other countries to the Philippines. The highest return, of course, goes to the pockets of unscrupulous individuals while true Filipino people bear the burden of the losses.

In order to guard the borders of the country and stop the predominant smuggling activity of the smugglers, BOC is closely monitoring big ticket commodities like oil, cigarettes, alcohol, motor vehicles, minerals, and agricultural products which are often smuggled by unscrupulous traders.

The strengthened anti-smuggling efforts of the Bureau resulted in P14.198 billion worth of seized goods in 2017 which includes but is not limited to fake products, vehicles, illegal drugs, and agricultural products.

Successful apprehensions were made through the joint efforts of the Office of the District Collector of various ports, Customs Intelligence and Investigation Service, Enforcement and Security Service, X-ray Inspection Project, and other enforcement units.



Alert orders are written orders issued by the Commissioner or his authorized representatives on the basis of derogatory information regarding possible noncompliance with the Customs Modernization and Tariff Act.

Source: Office of the Commissioner, 4th Quarter

SMUGGLED GOODS ESTIMATED VALUE

COUNTERFEIT PRODUCTS
6,328,520,000.00

AGRICULTURAL PRODUCTS
6,399,904,164.00

VEHICLES/AUTOMOBILES
164,994,185.00

STEEL PRODUCTS
20,752,411.00

VESSELS, YACHT, BARGE, AIRCRAFT
751,482,850.66

ELECTRONIC EQUIPMENTS AND PARTS
43,176,174.47

GENERAL MERCHANDISE
140,308,586.36

CHEMICALS
4,000,000.00

OTHERS
345,353,652.23

TOTAL
14,198,492,023.72

P14.198 billions of smuggled goods seized

Smuggling and other acts against customs law committed by large-scale syndicates deprive the government of the much-needed revenues to support its socio-economic programs for the Filipinos. Recognizing smugglers' deplorable practices, the Bureau of Customs heightened its operations against smuggling and illicit trade which resulted in P14.198 billion worth of seized goods in 2017.

Despite the grave penalty imposed to smugglers of agricultural products, it still has the biggest cut in the list of smuggled goods amounting to P6.399 billion, followed by the smuggling of fake products at P6.328 billion.

Smuggled agricultural products were either imported through misdeclaration or lacked import permits from the regulatory agencies. Among the most common smuggled agronomic products are rice, onion, garlic, carrots and apples.

Most of the counterfeit items seized came from China. This is also true with *ukay-ukay* or used clothing.

Republic Act (RA) 4653 prohibits the importation of used clothing, rags, or *ukay-ukay* in commercial quantity to safeguard the health of the people and maintain the dignity of the nation.

The Bureau of Customs also seized P164.9 million worth of cars including luxury cars such as McLaren, Ferrari, Lamborghini, Mercedes Benz, Chevrolet Camaro and Range Rover.

To address the incidents of smuggling, customs examiners were ordered by the Customs Commissioner to exercise extreme caution in checking documents to prevent technical smuggling. Counterchecking of the bills of lading and stowage plans were also taken to keep smuggling at bay.

P6.63 billion worth of illegal drugs busted

The unrelenting crackdown of drug laboratories and supply of drugs in the country by the Philippine Drug Enforcement Agency (PDEA) prompted drug syndicates to import drugs and pre-cursors to other foreign countries.

President Duterte ordered the BOC to guard all borders against the entry of illegal drugs. With this, the Bureau, through the various operations conducted by the Customs Anti-Illegal Drugs Task Force (CAIDTF), Enforcement Group (EG), Intelligence Group (IG), and Customs Intelligence and Investigation Service (CIIS), was able to intercept billions worth of drugs in 2017.

During the time of then Commissioner Nicanor Faeldon, Customs agents recovered in Valezuela City 605 kilos of methamphetamine hydrochloride or 'shabu' contained in a metal cylinder which came from China. It was estimated to be worth P6.4 billion.

In addition to this, the Bureau successfully apprehended P234 million worth of illegal drugs.

The fight will be unrelenting... The fight will not stop until those who deal with it (drugs) understand that they have to stop ...

— PRESIDENT RODRIGO DUTERTE

July 24, 2017

Data from the CAIDTF suggests drug syndicates prefer to import shabu, followed by cocaine. Drugs were either misdeclared as legitimate cargoes or sent through parcels. Ten personalities were also arrested by the Bureau for importation of illegal drugs.

All drugs and personalities apprehended by the Bureau are now in the custody of PDEA for proper disposition and investigation.

Noteworthy in the Bureau's anti-drugs successful operations is the speedy and efficient collaboration with PDEA.



P5.407 billion Mighty cigarettes with fake tax stamps busted

The intensified operation against big ticket commodities like cigarettes has discovered the illegal activity of the Bulacan-based company and country's number-two cigarette manufacturer, Mighty Corporation.

In 2017, the Bureau of Customs through the Special Studies and Project Development Committee seized P5.407 billion worth of Mighty cigarettes with fake tax stamps.

The Customs investigation and subsequent discovery of Mighty cigarettes with illegal tax stamps prompted the Department of Justice to file a tax evasion case against the company. As a result, the Mighty Corporation has agreed to pay in full its tax liability of P30.4 billion.

The P30.4 billion tax settlement, the largest in Philippine history according to the Malacañang, is seen to fund the infrastructure program of the present administration –the Build, Build, Build Project.

Infrastructure is among the top priorities of this Administration with public spending on infrastructure projects targeted to reach 8-9 trillion pesos from 2017-2022.

Source: www.build.gov.ph

Green Lane temporarily suspended until perfection of risk management parameters

With the growing volume of international trade and the increasing call for extensive facilitation, the risk of smuggled goods to pass across national boundaries is high.

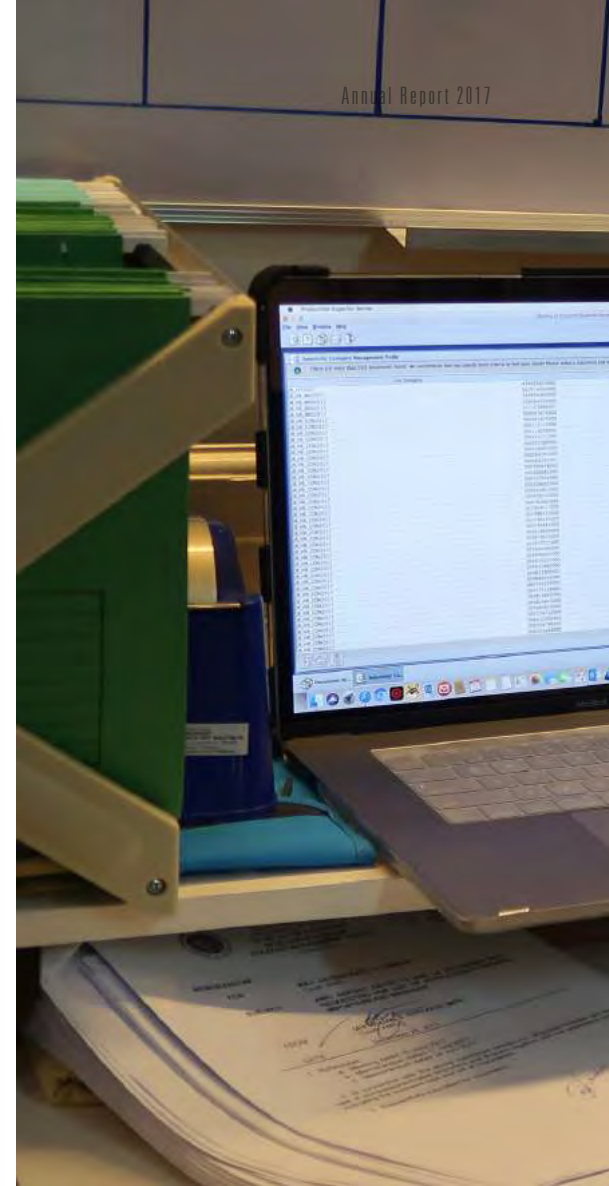
To control the movements while ensuring compliance with the laws, the Bureau of Customs temporarily suspended the Green Lane of the Selectivity System until the risk indicators in the Selectivity criteria are perfected. As provided by the system, all shipments categorized under the Green Lane will not undergo any examination of the Bureau of Customs and will be immediately cleared after the importers pay the corresponding duties and taxes.

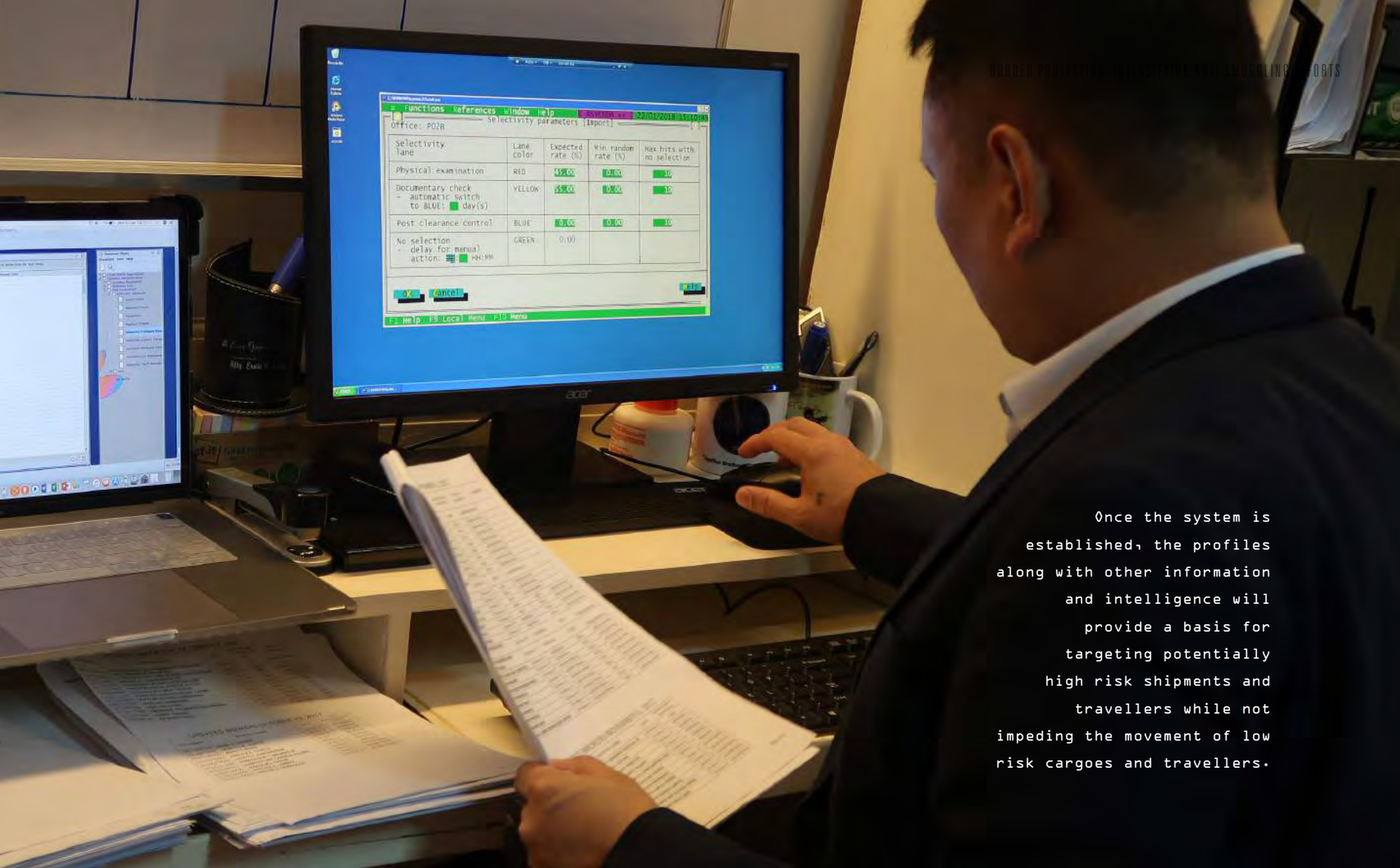
The integrated Risk Management System which is said to be vulnerable to manipulation from unscrupulous traders and their cohorts inside the agency prompted Commissioner Isidro Lapeña to subject all shipments to pass either document check (Yellow Lane) or physical inspection and document check (Red Lane).

The temporary suspension is a preventive measure while the Risk Management Selectivity System is undergoing evaluation and pending the issuance of new rules regarding selectivity parameters. At present, shipments pass through the default Yellow Lane or the Red Lane set up at a ratio of 55:45.

Once the system is established, the profiles along with other information and intelligence will provide a basis for targeting potentially high risk shipments and travellers while not impeding the movement of low risk cargoes and travellers.

The Bureau of Customs envisions a customs administration with a conflict-free border protection and trade facilitation.



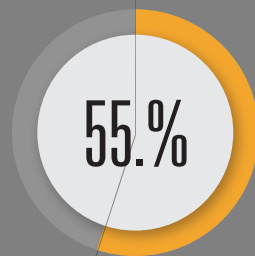


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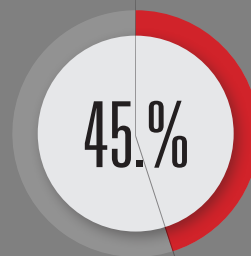
Risk Management Selectivity System

At present, shipments pass through the default Yellow Lane or the Red Lane set up at a ratio of 55:45.

Source: Risk Management Office



YELLOW LANE



RED LANE





BUREAU OF CUSTOMS

BATAS revs up fight versus smugglers

The Bureau's Action Team Against Smugglers (BATAS) under the Legal Service is now the sole office tasked to run after smugglers after Commissioner Isidro Lapeña ordered the abolition of the Special Studies and Project Development Committee (SSPDC).

BATAS is responsible for the filing of cases with the Department of Justice against importers, brokers and/or erring Customs officials and personnel for violating provisions of the Customs Modernization and Tariff Act.

In 2017, 12 cases were filed with DOJ against CMTA violators. The apprehended goods totalled a dutiable value of P6.5 billion.

A case against the importer and the brokers of the 605 kilos of shabu that was seized in May was filed before the DOJ.

FAST FACTS



12 CASES

FILED BEFORE DOJ INVOLVING

P6.5
BILLION

WORTH OF GOODS



BUR




Customs beefs up anti-smuggling capacity

To enhance the country's capability in monitoring and protecting the border against contrabands and smuggled goods, 19 x-ray units were newly-installed in the Ninoy Aquino International Airport and Davao International Airport.

Two mobile x-ray machines are now installed in NAIA terminals 1, 2, 3; seven hand-carried baggage x-ray machines installed in NAIA terminals (3 in Terminal 1; 2 in Terminal 2; and 2 in Terminal 3); eight fixed baggage x-ray machines installed in NAIA terminals; one unit of fixed baggage x-ray machines installed in Central Mail Exchange Center; and one unit of fixed baggage x-ray installed in Davao International Airport.

The new x-ray units will help the Bureau of Customs detect smuggled items in the airports where foreign travellers and balikbayan usually land. It can be recalled that on April 2017, President Duterte called on the Bureau of Customs and Bureau of Immigration to stop the opening of baggages and balikbayan boxes sent by the OFWs.

Aside from the new x-ray units, the Bureau of Customs received from the US Embassy 20 units of radiation detectors for the interdiction and location of nuclear materials and weapons.



The new x-ray units will help the Bureau of Customs detect smuggled items in the airports where foreign travellers and balikbayan usually land.

WCO, UNODC sponsors BOC border protection unit

As part of the agency's continuous effort in strengthening its campaign towards effective border security and trade facilitation, a Container Control Unit (CCU) was created as sponsored by the United Nations on Drugs and Crime (UNODC) in partnership with the World Customs Organization (WCO).

This unit will serve as an intelligence office that will focus on non-fiscal violations like illicit trade and proliferation of strategic goods. It will recommend high-risk shipments to a higher authority to exercise proper enforcement of laws, rules, and regulations, as well as to exercise any type of control in relation to the aforementioned non-fiscal violations.

Collaborative cooperation with the ASEAN and UN is necessary in securing trade culture and in eradicating poverty, crime, and corruption in the country. The unit also enhances the BOC's mandate of trade facilitation and securing the Philippine borders from smuggling and other forms of customs fraud.

The newly-created unit will operate under BOC's Revenue Collection and Monitoring Group.





“

Do not destroy my country... Do not destroy the youth of the land, our children...

— PRESIDENT RODRIGO DUTERTE

May 31, 2016

”





Photos show various smuggled goods and contrabands apprehended by the Bureau of Customs.



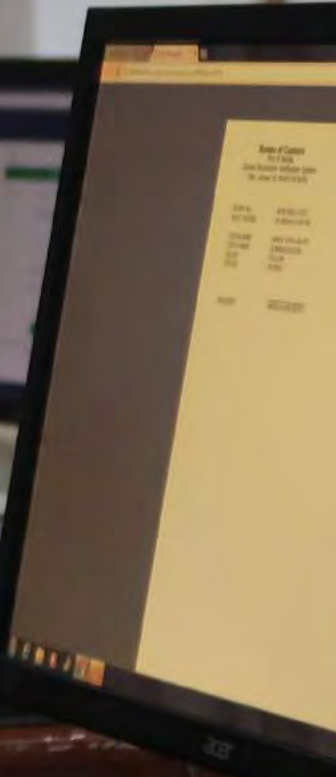
Department of Health
SEC 4

SECTION 4
TERMINATION ASSESSMENT CHECK

NAME OF CENTER
ADDRESS
CITY
STATE
ZIP

DATE OF ISSUE
DATE OF EXPIRATION

APPROVED BY
DATE



REVENUE COLLECTION

BOC achieves 98% of 2017 collection target

President Rodrigo Duterte has challenged the Bureau of Customs to step up revenue collection and surpass the 2017 target set by the Department of Finance to fund the priority development programs of the government.

The Bureau of Customs exhausted all means to increase its 2017 collection through proper assessment of duties and taxes and tapping of non-traditional sources of revenue. All efforts bore an all-time high collection in 2017. For the year, P458.183 billion collection was achieved by the Bureau of Customs against the P467.896 billion target. The revenue performance in 2017 is an impressive 98% increase in collection compared with the 81% in 2015 and 80% in 2016.

BOC collected in November P3.843 billion and P46.37 billion -the highest daily and monthly collection respectively, recorded in the entire history of the agency. The Bureau collection in November jumped P2 billion and P11 billion higher compared to the average collection recorded by the Financial Service at 1.8 billion daily and P35 billion monthly.

Despite the increasing percentage of non-dutiable imports, at a high of 85% for this year, the Bureau still managed to close the gap between its target and collected revenue. The increase in revenue is attributed to the improve valuation and correct tariff classification fuelled by intensified collection of duties and taxes.

The ease of doing business and the strict directive to adhere to proper valuation have also contributed in boosting this year's revenue performance.



Source: Financial Service

2017 BOC PERFORMANCE BY THE NUMBERS

Trade Facilitation



5-DAY mandatory processing of permits and request

16,003 application approved



13,985 are importers

2,018 are customs brokers

Lifting of alert order within **48** hours

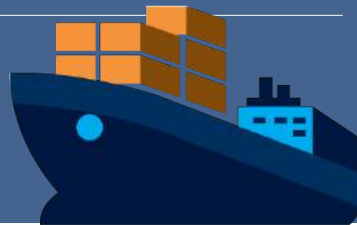


87 meetings with foreign counterparts

5 meetings with local counterparts



34 port visits



Border Control

P14.198-B worth of seized goods



P6.39-B worth of seized agricultural goods

P6.3-B worth of seized fake goods



P6.63-B illegal drugs



P164.9-M worth of seized vehicles

12 cases against importers filed at DOJ



19 new x-ray units

20 new radiation detectors



Revenue Collection

P458.183-B

collection in 2017 vs **P467.896-B** target



98%

collection vs target

P46.47-B

highest monthly collection



P3.839-B

highest daily collection



P315.4-M

proceeds from auction sale



P329.8-M

collection from value upgrading



Fight against Corruption



641 reshuffled personnel

49 relieved from post

13 of **17** collector removed from post

2 dismissed from service

16 suspended customs employee



P2.63-B tax credit certificates awarded to **108** companies



P965.7-M cash refund given to **35** companies



73,189 inquiries resolved by BOC-Cares



Strengthening Policies



5 Customs Administrative Orders (CAO)

32 Customs Memorandum Orders (CMO)

227 Customs Memorandum Circular (CMC)

540 Memorandums



82 Customs Special Orders (CSO)

7 Customs Office Orders (COO)



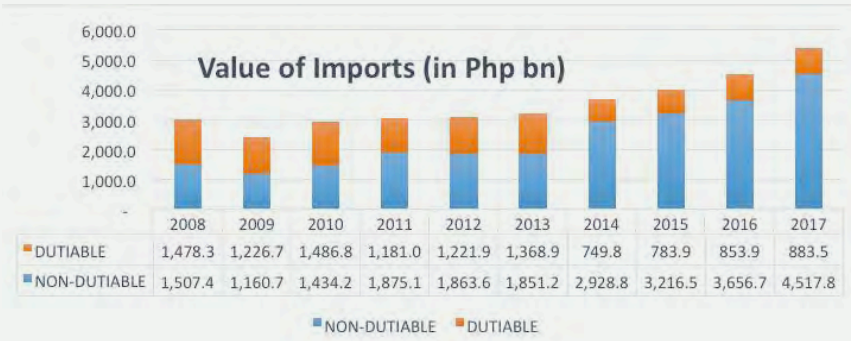
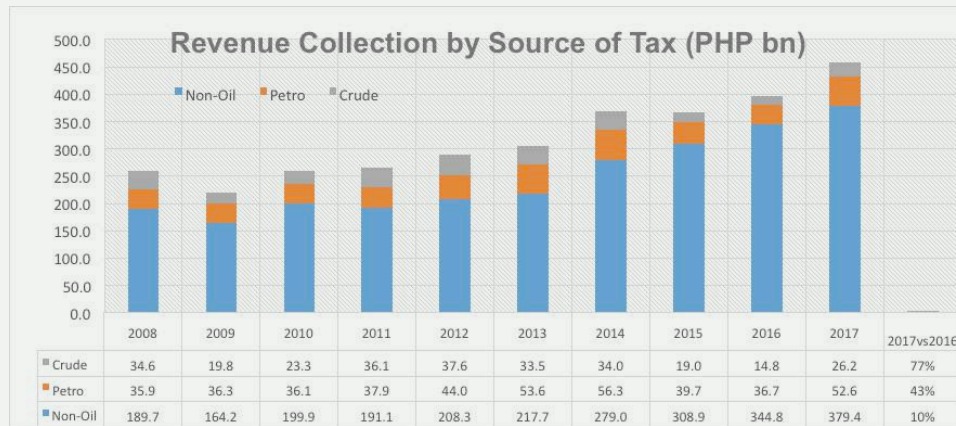
Enhancing personnel Incentives and rewards

561 personnel promoted

314 seminars for employees

30 new hires





In 2017, the all-time high collection of P458.183 billion of the Bureau of Customs was attributed to the increased imports of crude and petroleum products which grew by 77% and 43%, compared to 2016 while non-oil increased by 10%.

The strong enforcement and revenue enhancement measures implemented by the present administration made a historical monthly collection of P40-billion, P43-billion, P46-billion and P45-billion in September, October, November and December. The huge revenue deficit of P20-billion from January – August was reduced to only P10-billion in September to December.

The volume of imports is continuously on an uptrend for the past 10 years. At the end of 2017, the total volume expanded by 7% compared last year. However, data from the Financial Service shows the increasing percentage of non-dutiable imports. Currently, 85% of the total volume of imports are non-dutiable. With this current trend, higher volume may no longer translate to higher duty collection.

Despite higher percentage of non-dutiable imports to total imports, improved valuation and correct tariff classification resulted in the growth of duties and taxes collected by 12% amounting to P64.4-billion.

Further, the conduct of series of public auction of confiscated and abandoned goods contributed to growth of non-traditional revenue collection by 28%.

REVENUE FROM VALUE UPGRADING OF BENCHMARKED SHIPMENTS

P329,826,968.00

Source: Import and Assessment Service

REVENUE FROM AUCTIONS

P315,464,676.68

Source: Auction and Cargo Disposal Monitoring Division

TOP

10

PERFORMING PORTS



06 SAN FERNANDO

MANILA

01 BATANGAS

01 BATANGAS
P10.729
In Billions
 TARGET P104.690
 ACTUAL P115.424

10.4%
 ACHIEVED

02 CEBU
P512.0
In Billions
 TARGET P20.49
 ACTUAL P21.008

2.6%
 ACHIEVED

03 DAVAO
P2.833
In Billions
 TARGET P13.59
 ACTUAL P16.427

2.6%
 ACHIEVED

04 CAGAYAN DE ORO
P10.729
In Billions
 TARGET P104.690
 ACTUAL P115.424

23.9%
 ACHIEVED

05 ILOILO
P49
In Billions
 TARGET P2.57B
 ACTUAL P2.625B

1.9%
 ACHIEVED

06 SAN FERNANDO
P213
In Billions
 TARGET P2.39B
 ACTUAL P2.616B

8.9%
 ACHIEVED

07 TACLOBAN
P262
In Millions
 TARGET P227.8M
 ACTUAL P489M

114.8%
 ACHIEVED

08 ZAMBOANGA
P92
In Millions
 TARGET P180M
 ACTUAL P268M

51%
 ACHIEVED

09 LEGAZPI
P34
In Millions
 TARGET P261.68M
 ACTUAL P262M

0.01%
 ACHIEVED

10 SURIGAO
P4.7M
In Millions
 TARGET P12.3M
 ACTUAL P17M

38.6%
 ACHIEVED

LUZON

05 ILOILO VISAYAS

07 TACLOBAN

02 CEBU

10 SURIGAO

04 CAGAYAN DE ORO

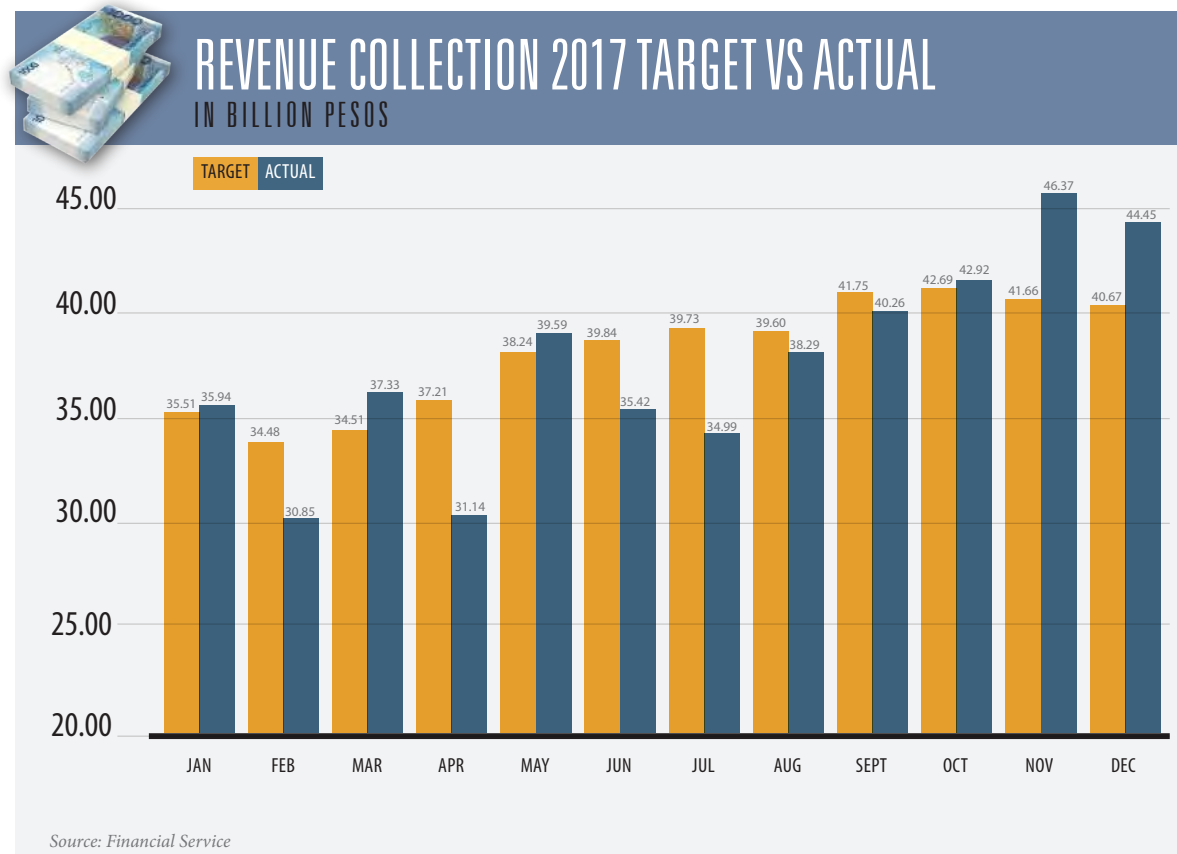
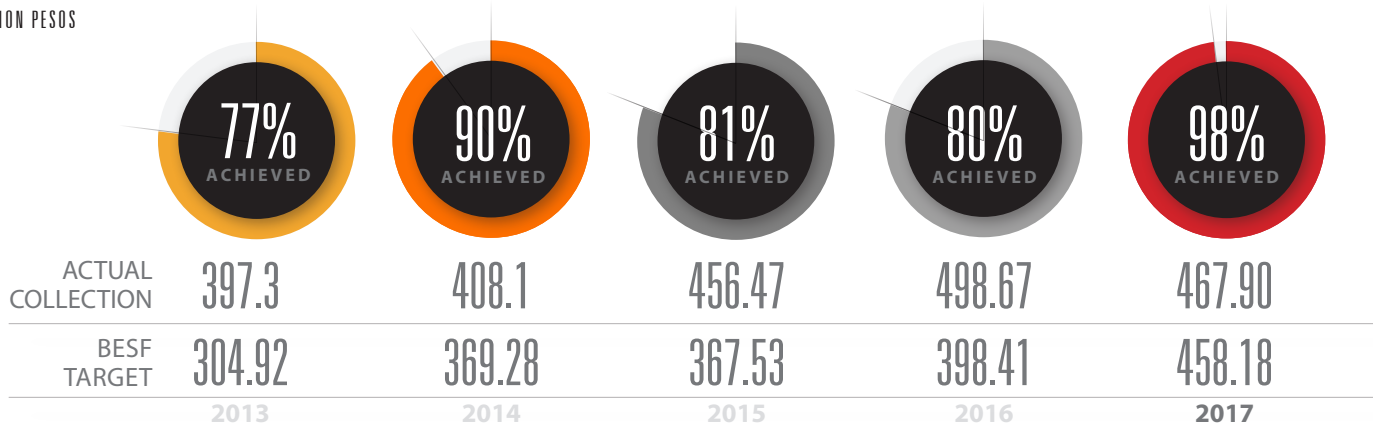
08 ZAMBOANGA

MINDANAO

03 DAVAO



Data Collection Trend IN BILLION PESOS





TOP 10 World Trade Statistics

IMPORTERS



Source: Management Information System and Technology Group

LEGEND:

The number inside the box corresponds to the respective countries' ranking according to below legend, with 1 as the highest, and 10 as the lowest.

■ **VOLUME/KG**
 ■ **VALUE PHP**
 ■ **DUTIES AND TAXES**

05 02 05 03 02
 UNITED STATES

08 02 05
 BRAZIL



TOP
10
EXPORTERS



Source: Management Information System and Technology Group

VOLUME/KG **VALUE PHP**

LEGEND:
The number inside the box corresponds to the respective countries' ranking according to above legend, with 1 as the highest, and 10 as the lowest.



Delegates from the ASEAN meet during the 27th ASEAN Coordinating Committee on Customs to discuss trade and border facility. Representing the Bureau of Customs is Deputy Commissioner Edward James Dy Buco (third from left).

Strengthening ASEAN Trade

Since its establishment on August 8, 1967 in Bangkok, Thailand, the 10 countries have signed multiple agreements with the end goal of an ASEAN that is "outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies."

The ASEAN countries: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam have pledged their commitment towards the acceleration of economic growth, social progress and cultural development in the region, promotion of regional peace and stability, and collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields.

Since its establishment on August 8, 1967 in Bangkok, Thailand, the 10 countries have signed multiple agreements with the end goal of an ASEAN that is "outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies."

One of which is the ASEAN Free Trade Area (AFTA) which has made noteworthy progress in lowering intra-regional tariffs. According to ASEAN, "more than 99 percent of the products in the CEPT Inclusion List (IL) of ASEAN-6, comprising Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand, have been brought down to the 0-5 percent tariff range."

TOP 10 ASEAN Trade Statistics

IMPORTERS



Source: Management Information System and Technology Group

■ VOLUME/KG
 ■ VALUE PHP
 ■ DUTIES AND TAXES

LEGEND:

The number inside the box corresponds to the respective countries' ranking according to above legend, with 1 as the highest, and 10 as the lowest.



Despite being the source of revenue for the government, trade liberalisation involves removing trade barriers such as tariff on imports. The ASEAN Free Trade Area have little to no tariffs between member states. The lowering of tariffs have an impact on the flow of goods in the market. Not only does it increase the number of goods coming into the country but it also decreases the cost of these goods thus resulting in a better market competition. Aside from tariffication, ASEAN Member Countries have also worked out the elimination of non-tariff barriers such as quotas and restrictive measures.

With this, the trade between ASEAN member countries is in upward trend. Reports from the Management Information System and Technology Group shows Indonesia, Vietnam, and Thailand are the top traders of the Philippines among the member countries.



TOP EXPORT COMMODITIES

Source: Management Information System
and Technology Group

VOLUME

(In kilograms)

NICKEL ORES AND
CONCENTRATES
31,957,301,000.00

COAL, SOLID FUELS
FROM COAL
6,797,044,672.61

MOLYBDENUM ORES
AND CONCENTRATES
4,309,000,000.00

CHROMIUM ORES
AND CONCENTRATES
3,433,432,445.00

BANANAS (FRESH OR DRIED)
1,539,323,718.52

STATUETTES AND OTHER
ORNAMENTAL CERAMIC ARTICLES
1,350,954,467.18

NATURAL SANDS
770,396,000.00

PETROLEUM OILS (EXCL. CRUDE)
677,839,954.10

PETROLEUM OILS, OILS FROM
BITUMINOUS MINERALS, CRUDE
665,476,750.00

CANE OR BEET SUGAR,
SOLID SUCROSE
350,571,063.92

VALUE

(In Peso)

PREPARED OR PRESERVED FISH;
CAVIAR AND CAVIAR SUBSTITUTES
66,667,046,296.00

BANANAS, INCLUDING PLANTAINS,
FRESH OR DRIED
33,581,333,721.00

NICKEL ORES AND CONCENTRATES
29,900,435,576.00

COCONUT (COPRA), PALM KERNEL
OR BABASSU OIL AND THEIR FRACTIONS
25,235,724,142.00

GOLD, UNWROUGHT OR
IN SEMI-MANUFACTURED FORMS,
OR IN POWDER FORM
25,151,904,223.00

COAL; BRIQUETTES, OVOIDS
AND SIMILAR SOLID FUELS MANUFACTURED FROM COAL
16,766,984,669.00

NICKEL MATTES, OXIDE SINTERS
AND OTHER PRODUCTS OF NICKEL METALLURGY
15,959,830,012.00

COPPER ORES AND CONCENTRATES
14,809,285,615.00

PETROLEUM OILS, ETC. (EXCL. CRUDE);
PREPARATIONS THEREOF
12,703,245,005.00

PETROLEUM OILS AND OILS OBTAINED
FROM BITUMINOUS MINERALS, CRUDE
9,874,128,281.00

VOLUME

(In kilograms)

COAL

21,811.993

MINERAL PRODUCTS

16,746.199

FOODSTUFF

13,055.224

IRON AND STEEL

8,558.580

ORGANIC / INORGANIC
CHEMICAL COMPOUNDS

3,943.806

ANIMAL FEEDS

3,180.942

HARDWARE

2,897.311

PHARMACEUTICAL PRODUCTS

2,672.548

ELECTRICAL MACHINERIES /
EQUIPMENT

2,310.590

MOTOR VEHICLES

1,695.269

DUTIES AND TAXES

(In Billion Pesos)

MOTOR VEHICLES

109,430.224

FOODSTUFF

44,354.712

IRON AND STEEL

32,519.513

INDUSTRIAL MACHINERIES /
EQUIPMENT

32,128.506

MACHINERIES / EQUIPMENT

25,936.044

ORGANIC / INORGANIC
CHEMICAL COMPOUNDS

18,132.919

PHARMACEUTICAL PRODUCTS

13,445.288

PLASTICS

13,234.103

COAL

10,168.686

HARDWARE

9,016.841



TOP IMPORT COMMODITIES

Source: Management Information System
and Technology Group



Post-clearance audit group reactivated

Pursuant to Executive Order No. 46, the authority to post-clearance audit has been transferred from the Department of Finance to the Bureau of Customs. This is to ensure importers' compliance with customs laws and regulations.

The office named Post Clearance Audit Group (PCAG) is under the supervision of Commissioner of Customs to be headed by an Assistant Commissioner. He will have direct supervision and control over the Trade Information and Risk Analysis Office (TIRAO) and the Compliance Assessment Office (CAO).

The PCAG is mandated to inspect, verify and investigate records on goods declaration and

duty payments kept within three years by importers and brokers.

TIRAO, on the other hand, is authorized to review trade data to determine compliance, develop a computer-based and risk-based management system to identify audit candidates, develop policies and procedures on audit process, among others. While CAO shall conduct the audit examination, inspection, verification, or investigation of records subject to applicable laws, approved policies, guidelines, manuals and standard operating procedures.

According to the Executive order, PCAG's function is to conduct "within three years

from date of final payment of duties and taxes or customs clearance, an audit examination, inspection, verification, and investigation of records pertaining to any goods declaration, which shall include statements, declarations, documents, and electronically generated or machine-readable data, for the purpose of ascertaining the correctness of the goods declaration and determining the liability of the importer duties, taxes and other charges, including fine and penalty."

PCAG, formerly Post Entry Audit Group (PEAG) was formed in 2003 with the task to audit goods that have secured clearance.



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 46

REVIVING THE POST CLEARANCE AUDIT FUNCTION OF THE BUREAU OF CUSTOMS AND INSTITUTIONALIZING THE FUNCTIONS OF THE FINANCIAL ANALYTICS AND INTELLIGENCE UNIT OF THE DEPARTMENT OF FINANCE

WHEREAS, Executive Order (EO) No. 160 (s. 2003) created the Post Entry Audit Group (PEAG) of the Bureau of Customs (BOC), under the direct supervision and control of the Commissioner of Customs, to perform the post clearance audit functions of the BOC;

WHEREAS, EO No. 155 (s. 2013) transferred the functions of the BOC-PEAG to the Fiscal Intelligence Unit (FIU) of the Department of Finance (DOF);

WHEREAS, Republic Act (RA) No. 10863, otherwise known as the "Customs Modernization and Tariff Act" (CMTA), mandates the BOC to conduct audit examination, inspection, verification and investigation of transaction records of importers and brokers;

WHEREAS, Section 17, Article VII of the 1987 Constitution provides for the President's power of control over all executive departments, bureaus and offices;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Reversion of the Post Clearance Audit Function to the Bureau of Customs. The post clearance audit function shall be transferred from the DOF-FIU to the BOC. For this purpose, the operations of the BOC-PEAG are hereby revived and such group is renamed as the Post Clearance Audit Group (PCAG) under the supervision of the Commissioner of Customs.

SECTION 2. Composition of PCAG. The PCAG shall be headed by an Assistant Commissioner (SG 28) of the BOC, duly appointed by the President of the Philippines, upon recommendation of the Commissioner of Customs through the Secretary of Finance.

THE PRESIDENT OF THE PHILIPPINES

fifteen days following its

to be in the

Rodrigo Duterte

Office of the President
MALACAÑANG RECORDS OFFICE
CERTIFIED COPY
[Signature]
ATTY. CONCEPCION ZENY E. FERROLINO-ENAD
DIRECTOR III - ACTING HEAD

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BOC employees while on duty at the Formal Entry Division, Port of Manila.

Anti-corruption drive

Corruption in the government has been among the many problems the country has been facing head on. There is no denying that corruption in public service affects the ease of doing business and hampers the overall socio-economic development of the country.

The Bureau of Customs has not turned a blind eye to this problem. The current leadership acknowledges there is still so much to do in order to bring back the glory days of the Bureau. Guided by the BOC vision, the Bureau is aggressively addressing the problem in order to bring back credibility to how things are done from the ground up.

Operations and procedural system are constantly being reviewed. As a result, reforms and policies are laid down to address long delays, burdensome procedures and other unfavourable bureaucratic practices.

Giving gift even if of insignificant value is prohibited. Signage of No Gift Policy are visible at every offices and the surveillance cameras are on the look for illicit practices. Improved revenue performance is among the various indicators showing that slowly, the Bureau of Customs is winning the battle against corruption.



FAST FACTS

A total of **434 CCTV** units were successfully installed around the BOC premises including NAIA terminals, Port of Manila, Manila International Container Port, other outports and subports. These CCTV units are being monitored by the Customs Operations Center.

*Stop
corruption
and improve
revenue
collection.*

– **Commissioner Lapeña**
August 30, 2017



One-Strike Policy Approach

Despite giving everyone a clean slate, employees of the Bureau of Customs were warned of the new policy implemented by the new Customs Commissioner Isidro Lapeña – those who are found guilty of corruption will be immediately removed or relieved from post in line with the one strike policy.

The call for action was made as there are increasing incidents of bribery and extortion by some Customs personnel which were reported to the Commissioner. The internal cleansing move will be backed by counter-intelligence of the Customs Intelligence and Investigation Service. The Bureau of Customs also called on the public through massive information dissemination to report Bureau employees involved with corrupt practices.



complaints against BOC personnel, stakeholders and other entities who had transactions with the bureau.

The Investigation Division is not only running after smugglers but also after employees of the agency who have been reported committing underhanded activities within and outside the Bureau.

There are 2 dismissed employees and 16 suspended Customs employees.

Underperforming collectors, deputy collectors for assessment, administration and operation as well as customs examiners and appraisers of the port who failed to achieve their monthly targets were also reshuffled to other offices. It is expected to bring higher returns to the Bureau as other employees were given the chance to lead and to bring forth changes in the system.

The strict enforcement of the “no benchmarking policy” has since resulted in the relief and reshuffling of a total of 186 BOC personnel in a span of three months. This includes 30 Formal Entry Division section chiefs of the two major ports, Manila International Container Port and Port of Manila, who were reassigned to other provincial ports. For obvious disregard to this directive, 25 BOC officials and employees were reassigned to Customs Monitoring Unit.

In 2017, a total of 641 employees were affected by the one strike policy; 49 of which were relieved from their post.

Aside from the regular reshuffling of personnel, the Bureau of Customs stepped up its drive against corruption by investigating 85 cases which stemmed from anonymous



Awarding of Tax Credit Certificates

Part of the anti-corruption program is the intensified transparency in the way things are being done in the bureau. As a result, the Bureau has now made public the awarding of the tax credit certificates to its rightful owners to dismiss allegations that the customs chief receives tara from importers.

A total of 108 Tax Credit Certificates with a total amount of P2,630,589,740.06 and 35 Cash Refunds with a total amount of P965,752,526.95 were awarded by the Bureau to its stakeholders. Utilization of TCCs through issuance of Tax Debit Memos totalled to P6,688,083,228.23.

TCCs are documents issued by BOC or issued jointly by BOC and Department of Finance to refund taxes paid by big companies for cases of excess duties, cancelled importation, or due to VAT input, or output tax.



P2.63 Billion
108 TAX CREDIT CERTIFICATES



P965.75 Million
35 CASH REFUNDS





BOC caring through BOC-CARES

The Bureau of Customs –Customer Assistance and Response Services (BOC-CARES) is a unit managed by the Public Information and Assistance Division (PIAD), a division under the direct supervision of the Office of the Commissioner. The BOC –CARES serves as the front line for stakeholders' interaction, providing efficient and effective mechanism to address BOC-related inquiries and concerns of the transacting public.

Pursuant to Customs Memorandum Order No. 10-2016, the BOC-CARES was created in May 2016 and was formally launched in June 2016. As of 2017, the BOC-CARES has a total of 18 knowledgeable staff members handling wide range of concerns and/or inquiries which include electronic data interchange, parcel tracking, basic customs procedures, customs valuation, tariff related matters, tax exemption privileges, and other related concerns. BOC-CARES receives these concerns through four channels namely social media, electronic mail, telephone and face-to-face interaction.

The creation of BOC-CARES is aimed at enhancing the positive reputation of the BOC through an ensured continuous facilitation of customs service management. Moreover, it seeks to foster harmonized information exchange with other government agencies, as well as proper dissemination of public information through the use of modern technology.

In 2017, statistics show that there were a total of 73,189 inquiries that were received and resolved by the customer service representatives.

The top five concerns of the stakeholders are Electronic to Mobile, National Single Window (NSW), documentation and procedures, parcel tracking, and accreditation. The top concern, 29% of the 73,189 inquiries, is the E2M where importers and brokers verify the entry status. In case of phone inquiries, NSW and accreditation requirements topped the list.

The creation of BOC-CARES is aimed at enhancing the positive reputation of the BOC through an ensured continuous facilitation of customs service management.

INQUIRIES TO
BOC-CARES

ABOUT US

31,133



EMAILS

25,500



CALLS

16,556



SOCIAL MEDIA (FB)

TOP
10
CASES

E2M Concern	21,270
NSW Concern	12,151
Documentation and Procedures	8,525
Parcel Tracking	7,295
Accreditation	6,097
Contact Details	3,404
Duties and Taxes	3,029
Various (uncategorized)	2,594
BOC Hiring/Application	2,329
Scam	1,900

ONLINE SCAM
Victims of fake Love

With the growth in online services and internet use, the cyberspace has become a fertile ground for criminals to commit scams and fraud. Recently, scam artists have been using the Bureau of Customs to dupe their victims. Though online scam has many forms, most of the victims fell to the trick of romantic love scam or catfish scams. This deceitful scheme takes advantage of unsuspecting people to gain money.

The scheme starts when a fraudster befriends a potential victim through a fake Facebook profile of a foreigner. The foreigner (fraudster) will try to gain the trust of the potential victim by regularly sending messages, photos and even videos, establishing a more personal relationship.

Once the victim trusts the foreigner, he will inform the victim that a package was sent to the Philippines through a courier, express cargo or freight forwarding company which is not accredited with either the Department of Trade and Industry, Civil Aeronautics Board or other government agency. The common items being told inside the fake package are laptops, gadgets, chocolates, flowers, wedding ring and a large amount of cash.

He will then send a picture of the package and fake tracking details to hook the victim on the scam. The con artist posing as another person, usually identifying themselves as Customs employees, will contact the victim to inform her that the package was put on hold by the Bureau of Customs due to violations of the Customs law and that a certain amount must be paid to be able to claim the package. Common names used by scammers who pose as Customs employees are Dannica Mae Chavez, Cecille Tan, Cecille Soriano, Kimberly Matute, Jojit Padilla, John Deck, and Arthur De Guzman.

Once the victim has paid the said amount as alleged payment for penalty via a money remittance account or personal bank account, the scammer will either cut the communication lines or will ask for an additional amount.

Numerous inquiries were received by the BOC helpdesk each month through walk-ins, emails, phone calls, and Facebook messenger about the whereabouts of their package. Once the victims are informed that they were scammed, they will either drop the call or

refuse to give more details to file a formal complaint.

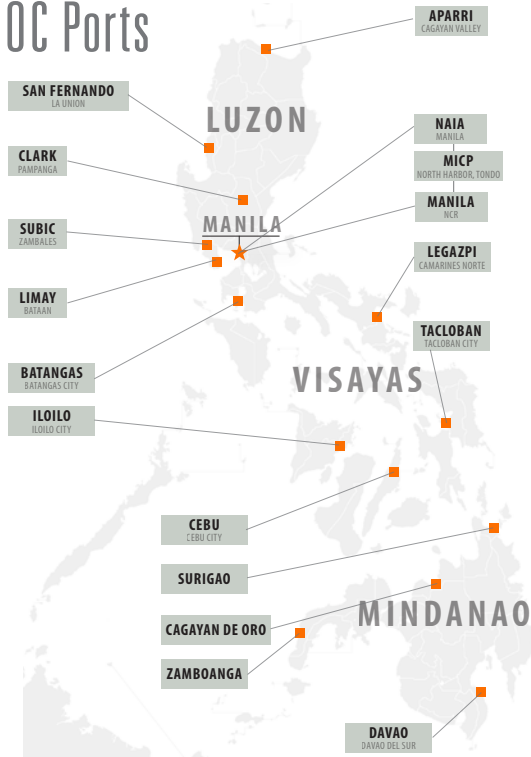
Despite the readiness of the Bureau of Customs to provide assistance to the victims, there is no willingness to cooperate on part of the victims perhaps due to embarrassment. As a result, no complainant has ever filed a case at the National Bureau of Investigation or at the PNP-Anti Cybercrime Division.

With this, the Bureau of Customs has been doing a massive information campaign to inform the public of the increasing incidents of love scam and how to spot scammers to avoid getting hooked. We have been sending advisories to the public to verify with BOC CARES once they receive suspicious messages or information asking payment for the release of their parcel. They can reach the BOC helpdesk via email at boc.cares@customs.gov.ph, via telephone call at 705-6000, or through Facebook at @BureauOfCustomsPH.



The Bureau of Customs does not notify any importer/receiver of package that duties and taxes must be paid more so allow payment of duties and taxes thru money remittance or personal bank accounts. All payments of duties and taxes are made via authorized agent banks and not through personal bank accounts.

BOC Ports



I personally monitor the ports nationwide to assess their needed logistical and financial support and to know their accomplishments.

– COMMISSIONER LAPEÑA

Regular port visit

The Commissioner has visited 34 District Offices and Sub-Ports in 2017. The port visit and inspection is among the mechanisms of the bureau to have a mutual dialogue between the bureau employees, and the stakeholders catered by the said port. The regular monitoring and inspection of various ports and sub-ports give the Commissioner the opportunity to know the situation on the ground.







FREEDOM OF INFORMATION
PHILIPPINES



This
CERTIFICATE OF COMPLIANCE
is presented to

BUREAU OF CUSTOMS (BOC)

for being **fully-compliant** with the requirements set forth by the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information, and Reporting Systems (AO 25 Task Force) through its Memorandum Circular No. 2017-1, Section 5 (MC No. 2017-1, Sec. 5).

MC No. 2017-1, Sec. 5 specified that the FOI Manual as defined by Executive Order No. 2, S. 2016 be uploaded in the agency Transparency Seal, subject to conditions.

JOSE RUPERTO MARTIN M. ANDANAR
Secretary and FOI Champion
Presidential Communications Operations Office





REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

All X-RAY units are working

No down

For confirmation / r



INFOGRAPHIC

NEW REQUIREMENTS FOR THE A
IMPORTERS

CONSOLIDATED SHIPMENT OF DU
BALIKBAYAN BOXES

WANT HASSLE-FREE PURCHASES

SCAM ALERT!

BOC: Certified FOI-compliant

YOU ARE HERE: HOME

The Bureau of Customs has made the window to official records and documents more accessible to the public. The commitment of transparency has been upheld as the Presidential Communications Operations Office (PCOO) certified BOC as Freedom of Information (FOI) compliant.

Free and easy access of information which concerns the public can lessen rooms for corruption at the agency. All offices and ports are required to observe transparency in the public service.

Every Filipino can now easily request information, official records, public records, documents and papers pertaining to official acts, transactions or decisions, as well as government research data used as basis for policy development.



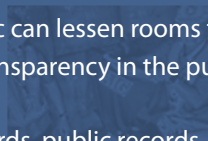
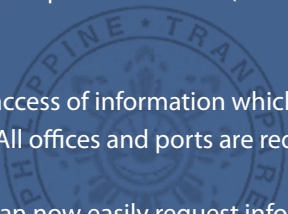
BALIKBAYAN BOX TRACKER



BOC REGULATED IMPORTS LIST



DAILY REVENUE COLLECTION REPORT



BOC SEIZES P2.1-M UKAY-UKAY AT MICP

Bureau of Customs (BOC) seized on Wednesday a 40-footer container also known as 'ukay-ukay' at the Manila International Container Port (MICP)

Enhanced personnel incentives and reward system

The strength of an institution lies in its human resource. In the bureau's effort to elevate the morale of its employees, the Bureau of Customs has taken steps to empower its human resource management and services. One of which is to prioritize promotion of personnel who have not been promoted for more than 20 years. These employees have steadfastly dedicated themselves in the call of duty; thus, their promotion serves as the best reward they could have.

In addition, the Bureau continuously gives recognition to employees who perform their duties with dedication and sincerity through commendation and awarding of a plaque of appreciation. These awards are given to deserving employees, offices and ports who have either reached or exceeded their target, or seized and apprehended illicit goods, and other acts/services worthy of recognition.

The Bureau has also given priority on hiring applicants under contract of service who have been with the Bureau. This action is also coherent with the President's call to stop contractualization.

In 2017, 561 employees were promoted while 30 were newly-hired.

On the other hand, persons under contract of service with derogatory reports were immediately terminated while non-performing employees were relieved from their posts and were reassigned.





PROMOTED EMPLOYEES
IN SEPTEMBER

561

OUT OF 1,179
APPLICANTS

To ensure that the above - mentioned mission can be achieved, the bureau took steps to revise its Merit Selection Plan and to reconstitute its Central Personnel Selection Board, and the Committee on P.R.A.I.S.E.

Meanwhile, retiring employees, as a humble way of recognizing their long years in service, are given preferential assignments six months before retirement so that they may focus on adjusting and preparing themselves for retirement. This ensures that their remaining months in the BOC will be more productive, enjoyable and meaningful for them. Processing and release of their terminal benefits has also been made faster.

Several trainings and seminars were conducted by the Bureau of Customs through the help of the Interim Training and Development Division (ITDD). Seminars and trainings are intended to ensure that Customs employees are equipped with knowledge needed in the development of trade, customs administration, and border control capabilities.

To enhance trade facilitation, the Assessment and Operations Coordinating Group, in partnership with ITDD, hosted nine batches

of seminars on Valuation and Classification for the Assessment personnel of the bureau. It aims to provide customs officers assigned in assessment with advance knowledge in assessing the value of import commodities, adopting a systematic valuation of goods in line with the World Trade Organization Valuation provision.

The seminar was also in line with the latest policy of reducing the face to face transaction of the stakeholder and customs officers. A total of 393 Customs examiners and appraisers from the Ports of Manila, Davao, Clark, Subic, San Fernando, Limay, and Appari, Manila International Container Port, and BOC-NAIA were present during the seminar.

Airport Operations Seminar were also conducted which is in line with the Customs Modernization and Tariff Act – Implementing Rules and Regulations procedures. Five seminars were conducted at the Ports of Zamboanga, Davao, Laoag, Iloilo, and Cebu and was attended by 138 personnel.

To improve the inspection proficiency of the bureau personnel, the BOC conducted eight sets of seminars and trainings on

X-ray Operations and Image Analysis. Personnel from the X-ray Inspection Project of the Ports of Manila, NAIA and Cebu attended the said event.

The Bureau of Customs also participated in the workshops conducted and sponsored by the US Department of State, Export Control and Related Border Security (EXBS), UNODC & US-ICE-HIS. The workshops were focused on discussing Export Control and related Border Security (EXBS) Courses on Interdiction of Proliferation Related Shipments in a Seaport Environment. This has helped the bureau enhance its capability in monitoring and protecting the country's border against entry of contraband goods, particularly radioactive materials used as weapons. The US Embassy officials also donated 20 units of radiation detectors used for interdiction and location of such.

Aside from trade administration and border control, the BOC is also focused on improving the agency's bureaucracy through active and continuous participation in various programs initiated by other government entities such as the Office of the Ombudsman and the Civil Service Commission.



Various seminars on Integrity, Transparency and Accountability (ITAPS) were conducted in different ports and sub-ports of the Bureau of Customs to promote good governance and high standard of ethics among Customs personnel. The ITAPS is a project initiated by the Office of the Ombudsman.

Several Customs personnel also attended various CSC seminars on Collective Strategic Performance Management System conducted at various ports. The discussion on SPMS is significant in improving the collective performance within the bureau and strengthening the culture of performance and accountability among employees.

The Bureau of Customs continue to implement programs, activities and events needed for the improvement of employees' knowledge, skills, and proficiency on various aspects of Customs administration.



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A Collectors' Conference is also done to discuss various measures to improve the Bureau and to receive feedback, accomplishments, and problems from the District Collectors arising in each Collection District.



Bureau of Customs
Collectors' Conference



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