



Department of Finance
BUREAU OF CUSTOMS

A JOURNEY OF TRANSFORMATION



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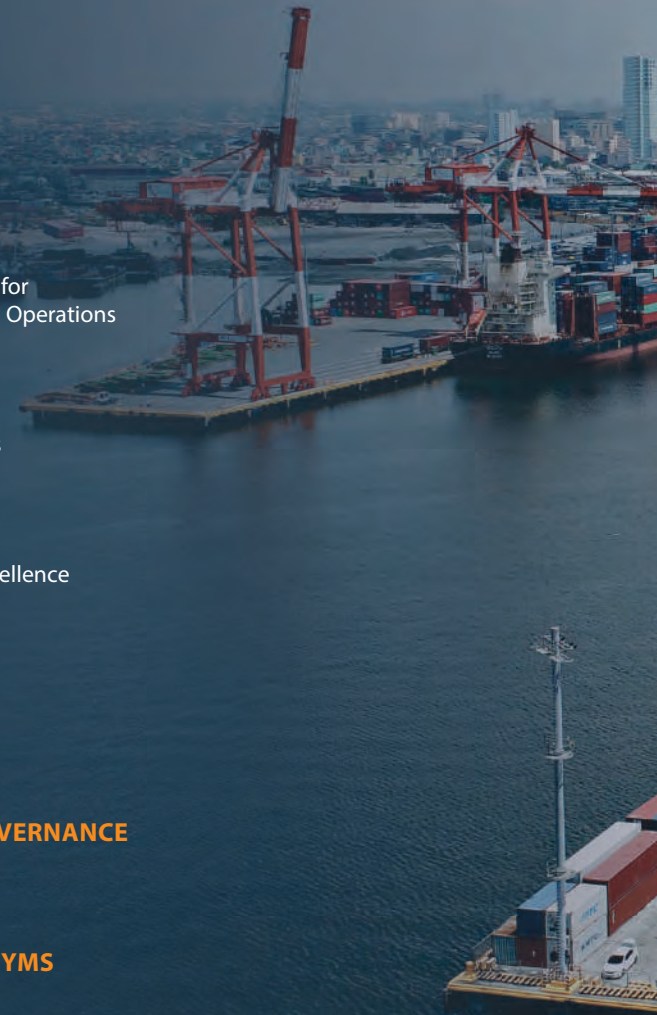
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P R E F A C E

Since the end of October 2018, the Bureau of Customs has been in a state of flux, as change and reform became the operative words to comply with President Rodrigo Roa Duterte's directive to fight corruption in the Bureau.

The process has been challenging, to say the least, not only because there was the problem of corruption, but also because there were many systems and processes and even perspectives that had to be changed and reformed. But most importantly, the opportunity to transform the Bureau and its people became a possibility. The invitation to take the reform program as far as it could go was a challenge that the men and women of the Bureau of Customs accepted, with the firmest of resolve and team spirit.

Throughout the more than three years of an intensive and non-stop reform agenda, many lessons were learned, old alliances were strengthened and new partnerships were formed. The events and circumstances also provided added color and pressure, even throwing in a monkey wrench as the COVID-19 pandemic disrupted life as we knew it.

The lessons, the insights and the new aspirations that have come out of this journey are written out as individual stories—records of the what, how, who and why of the transformation that has not only reengineered the operations of the Bureau but also revitalized the spirit of service.

And while many milestones have been made, the journey of transformation will go on, the journey has just begun.



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AN OVERVIEW

Mandated to carry a three-fold mission of revenue collection, trade facilitation, and border protection, the Bureau of Customs (BOC) serves as both a revenue-generating agency for the Philippine government as well as a safeguard against goods that are inimical to national security and public health.

Historically and as proven in several studies, the negative perception of BOC among the general public has persisted, with some citing the agency as “the most corrupt.” Stories of *lagay* (bribe), extortion, smuggling, and non-prosecution of guilty officials have been recurring headlines or hot news, through the decades.

In the lively anniversary of the Philippine Coast Guard (PCG) on October 25, 2018, President Rodrigo Roa Duterte once again designated a new customs commissioner. Drastic measures to address graft and corruption had to be implemented, the President directed. Specifically, systems and processes must be reengineered to eliminate human intervention and opportunities for corruption. The year 2019 ushered in an era of reform and innovation.

BOC dared to pursue a dream of organizational transformation from a predominantly manual

system with limited capability to a transparent, fully-automated, and globally-competitive customs administration. To turn this vision into a reality, BOC instilled the imperatives of good governance, professionalism, and integrity both in the institution and the individual. In this journey of transformation, Dr. Jesus Estanislao, Chairman of the Center for Excellence in Governance, puts it well: it must be ensured that no man is left behind.



» The OSM implements the game-changing OSM Dashboard, an interactive tool that provides real-time updates and reports on the compliance progress of each office.



MAKING CHANGE HAPPEN

The decisive actions and results-driven projects were implemented in quick succession, and on an escalated pace. BOC enforced the Zero Contact Policy to remove face-to-face transactions between customs personnel and the stakeholders. Customer Care Centers (CCC) were also established in all 17 collection districts nationwide. These policies were complemented by the automation of frontline transactions and customs processes. Moreover, the Customs Computerization Program was backed by the World Bank.

Integrity development has been consistently included in the 10-Point Priority Program (10-PPP) every year. This includes the compliance

with the Performance Governance System (PGS) as well as Quality Management System (QMS) for International Organization for Standardization (ISO) certification.



To further facilitate trade, BOC operationalized the Authorized Economic Operators (AEO) Program and excellently fulfilled its commitments to the Association of Southeast Asian Nations (ASEAN) and the Trade Facilitation Agreement (TFA) through the World Customs Organization's (WCO) Mercator Programme, among others.

BOC has also taken on key roles in the community, including the chairmanship of ASEAN Customs, chairmanship of the National Single Window-Technical Working Group

(NSW-TWG), and the vice-chairmanship of the Philippine Trade Facilitation Committee (PTFC). All these foster a whole-of-government approach towards cross-border paperless trade.

Several programs and systems that strengthened border control were implemented such as the Fuel Marking Program, Universal Risk Management System (URMS), Cargo Targeting System (CTS), and National Customs Enforcement Network (NCEN), among others.



» *The BOC, through Commissioner Rey Leonardo B. Guerrero, assumes vital roles in the NSW-TWG and PTFC as the agency gears towards cross-border paperless trade.*

The Bureau also cultivated partnerships with other government agencies to optimize cooperation in the exercise of respective mandates. These collaborative agreements paved the way for joint intelligence and enforcement operations with the Philippine Coast Guard (PCG), Philippine Drug Enforcement Agency (PDEA), Armed Forces of the Philippines (AFP), Anti-Money Laundering Council (AMLC), and National Bureau of Investigation (NBI).

Through and through, BOC put a premium on research which enabled data-driven policy-making and informed decisions. Time Release Study on customs processes are regularly conducted in ports. Port operations are also monitored real-time through the Office of the

Commissioner's Dashboard. In addition, the Customs Integrity Perception Survey (CIPS) was administered hand-in-hand with the WCO Integrity Diagnostic Mission. BOC also commissioned a third-party research agency to conduct its Baseline Information Study followed by an Awareness, Institutional Trust, and Satisfaction Survey (AITS).

The BOC transformation is not just about streamlining customs processes but also investing in its people. In fact, the modernization propelled the shift towards Competency-based Human Resource Management (CBHRM) to attract and retain qualified and competent workforce. The revitalized policies promote not just professional growth through performance monitoring but also holistic development through the electronic Personal Scorecard (e-PSC). The Values Transformation Program (VTP) which is aligned with the BOC core values intends to shape and solidify the culture and character of professionalism and integrity in the Bureau.

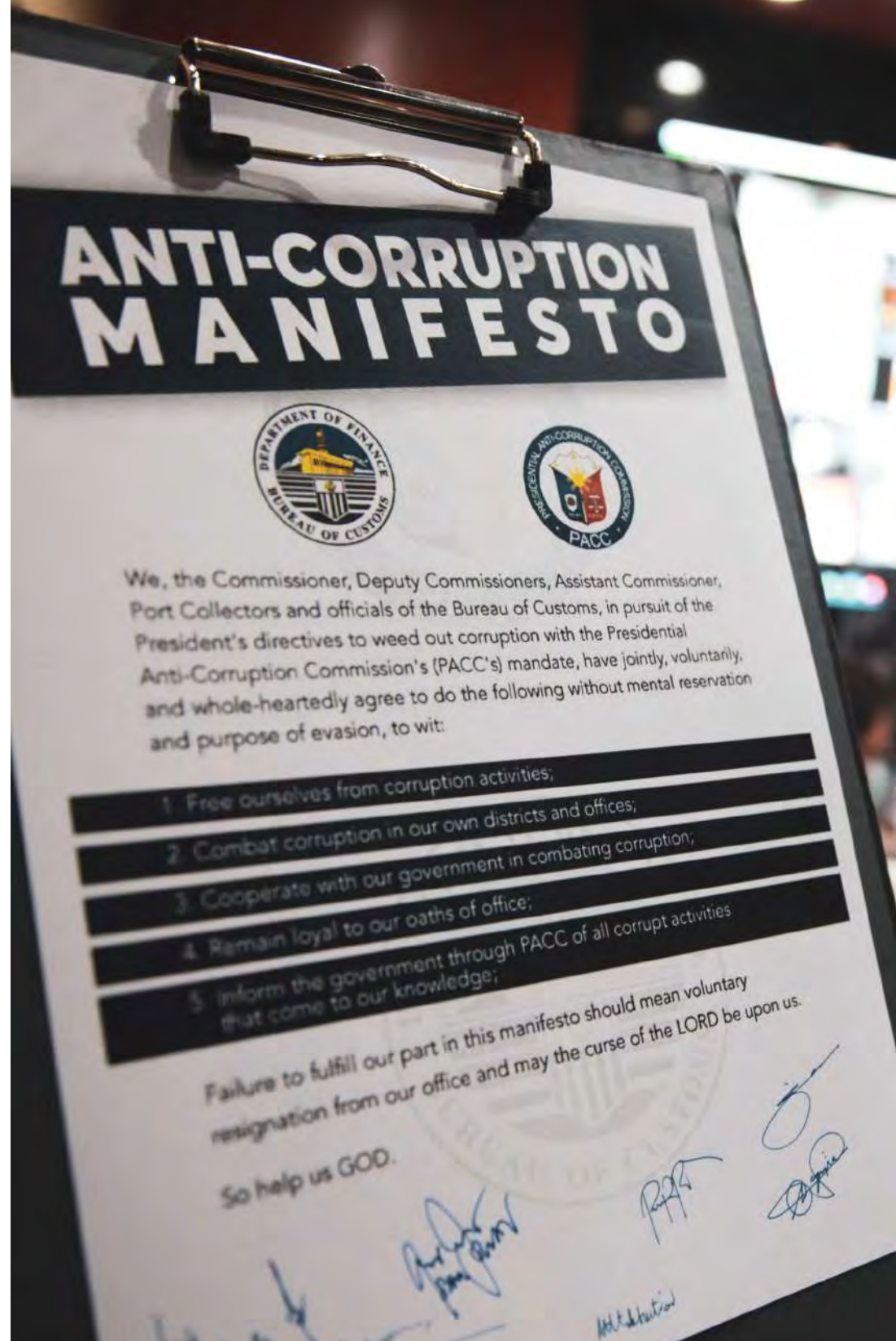
Establishment and major repairs on facilities were also made to create a more conducive working environment. Additionally, BOC ensured that its personnel were equipped with state-of-the-art tools revolutionizing the customs operations.







To rid the bureau of unscrupulous individuals, BOC intensified its anti-corruption campaign through the operationalization of Special Text Hotline 8484, partnership and signing of Anti-Corruption Manifesto with the Presidential Anti-Corruption Commission (PACC), and the creation of the Anti-Corruption Command Group which is further cascaded down the line with the establishment of local committees in all customs collection districts.





» *The COC is the central facility that houses the monitoring of intelligence, enforcement, risk management, and scanning systems of the BOC, to name a few.*

TRANSFORMATION AT WORK

The Customs Computerization Program has led to the digitization of 82% or 139 out of 170 customs processes as of March 2022—a huge improvement from the baseline of 38% in 2018. In 2020, the Customs Operations Center (COC), which houses the monitoring of systems, was launched.

Through the inclusion of PayMaya to other payment methods and the relentless efforts of the collection districts, BOC has been consistent in hitting and even surpassing the revenue collection targets every year.

Meanwhile, the heightened operations against smuggling resulted in the seizure of Php 63.5 billion worth of illegal goods in the last three years. In addition, a total of Php 5.58 billion worth of revenue was recovered through improved post-clearance audit verifications from 2019 to 2021.

The CCC in the Port of Manila (POM) became the first ISO-certified CCC. Subsequently, ISO 9001:2015 QMS Certification was awarded to the ports of Manila, Legaspi, Clark, NAIA, Davao, Batangas, Tacloban, as well as the sub-ports of Dumaguete, Mactan, and Iligan. In addition, three CCCs also have been ISO-certified, namely, CCC-Port of Manila, CCC-Port of Subic and CCC-Port of Limay. BOC is targeting the certification of all ports, sub-ports, and offices.

VACCINATED
COVID-19

RESBAKUNA
KASANGGA NG BIDA

SINOVAC

SINOVAC

IN3091

CUSTOMS
PROTECTING THE BORDERS

DEPARTMENT OF CUSTOMS
BUREAU OF CUSTOMS



CUSTOMS

CUSTOMS





As of December 2021, a total of 21 Trade Regulatory Government Agencies (TRGAs) have been onboarded onto the TRADENET platform, the new NSW. In the regional level, BOC is now exchanging electronic Certificate of Origin (e-CO) and the ASEAN Customs Declaration Document (ACDD) with other countries.

More than just the numbers, these performances have already translated to actual positive impact on the stakeholders. Accordingly, the application and renewal of accreditation for importers, exporters, and customs brokers have been cut down to 3 days compared to 7 days in 2018.

Moreover, Time Release Study of the Manila International Container Port (MICP), the largest customs collection district, showed that it now takes 1 day, 22 hours, and 9 minutes on average for imported cargoes to complete customs processes. This has served to minimize port congestion and enhance trade facilitation.

BOC has also contributed to the government effort to manage the COVID-19 pandemic by facilitating the expeditious clearance of 244,594,920 doses of vaccines and 16,154 Personal Protective Equipment (PPE) shipments as of April 2022.

In its unrelenting journey of transformation, the Bureau's determined efforts to transform were rewarded with conferment in all four PGS Stages and Gold Trailblazer Awards, the highest recognition given to PGS partner-organizations, for every stage. More importantly, the BOC was also recognized by the Institute of Solidarity in Asia (ISA), the proponent of the PGS and a nonprofit organization working to empower public institutions, as an Island of Good Governance.

Hard work and uncompromising commitment have been essential to the many innovations and varied accomplishments that have marked the BOC's journey of transformation. Beyond the numbers and the results, the details that matter most are the how and the who of the journey, the stories of our journey to reform, perform, and transform.

This story of transformation is made possible by the men and women of the Bureau who put time and effort to make change a reality.





CHAPTER 01

THE AGE OF CHANGE, THE JOURNEY OF TRANSFORMATION

With its 120-year history intermittently shrouded in clouds of graft scandals and corruption hearings, the Bureau of Customs made a game-changing decision to change, to reform, to transform.

Since 1947, there have been 40 Commissioners of the Bureau of Customs, serving under 12 Presidents. Under different leaderships, presidencies, and circumstances, many an effort or program had been crafted to enable the Bureau to perform its functions amid the continuing tide of growth and development.

In June 1975, then Customs Commissioner Rolando G. Geotina headed the creation of a new customs office charged with handling the operations of the Port of Manila and other Philippine ports serviced by container vessels in

view of the increasing number of containers that were landing in the country's major ports at that time.

Former Commissioner Guillermo Parayno Jr, who served for six years from 1992 to 1998, implemented a program called Customs Reform and Modernization Program, geared towards enabling major improvements by the year 2000. Dubbed SPACE Program, it was anchored on 5 major principles: Selectivity System. Post-entry Clearance. Advance Clearance. Client Self-assessment. Electronic Data Interchange.





Former Commissioner Napoleon M. Morales (2006-2010) had to contend with the effects of The Great Recession of 2007-2009 which led to an economic downturn and the global financial crisis. In the first two decades of the new millennium, the changing of the guard had become more frequent, with a total of 13 officials appointed to head the Bureau. The reasons for the leadership changes include politics and unsatisfactory performance, with smuggling and corruption issues always in the background.

The cycle of leadership change, reform initiatives, and corruption scandals was one that needed major, decisive moves if the Bureau of Customs was to break out of the unending series of unfortunate events.

The early 21st century edition of the Bureau of Customs was not modernized, not equipped, not

trained, not primed to work at full capacity. These inadequacies rendered its operations incapable of responding to the fast-changing times, as well as fulfilling its mandates to the fullest. There were a lot of negatives and problems that needed to be turned into pluses and opportunities.

These realities were the backdrop for the monumental move to reform and transform. Given the marching orders to “double the zealotry” in stopping corruption in the Bureau of Customs, the 40th Commissioner of the Bureau of Customs dug in to do just that.

The Age of Change had finally dawned. With a clear grasp of the challenges facing the Bureau, Commissioner Rey Leonardo B. Guerrero set the wheels of change in motion by reengineering the organization.



...“double the zealotry” in stopping corruption in the Bureau of Customs.

- President Rodrigo Roa Duterte





TEN STEPS FORWARD IN 2019

The 10-Point Priority Program (10-PPP) that was launched in 2019 set the focus and the framework for the reforms that would jumpstart the transformation journey. Anchored on improving organizational efficiency, upgrading individual proficiencies, and strengthening institutional capabilities, the Bureau aimed to deliver results over the short- and medium-term, while also building the foundation for long-term systemic improvements.

One of the most basic of processes that was first tackled was the manual processing of documents, which had opened chances of corruption to take place. To resolve this, the enhancement of the BOC Information Technology System became the topmost activity of the 10-PPP. It aimed to promote zero contact policy for the stakeholders through the establishment of online platforms for document processing.

The processing and submission of import and export documents and accreditation applications had been weighed down by the many documentary

requirements which in turn resulted in time-consuming steps in an already long-drawn-out process. Harnessing new technology and out-of-the-box thinking, the BOC embarked on a massive digital transformation of its operations in 2019. This move ensured that a variety of systems that allowed the shift of customs transactions to automated systems were already in place prior to the start of the COVID-19 epidemic. Since then, the Customer Care Portal was established, where these processes could be accomplished online, starting with the uploading of soft copies of documents.

Next on the upgrade agenda was beefing up the manpower complement and building up the skills and capabilities of the work force. In late 2018, the Bureau had filled up less than 50% of its authorized manpower of 6,200 personnel, with only 2,800 personnel on record. Aside from *filling up vacant plantilla positions, incentives for customs employees such as merit-based promotions and good performance rewards were implemented* to raise morale and encourage improved work output. Towards this end, the appropriate bills were filed with the appropriate government offices, the Personnel Legal Assistance was implemented, and the competency-based Learning and Development (L&D) program was established.

The road to reform was also made more doable by the provisions of Republic Act No. 10863,

otherwise known as the Customs Modernization and Tariff Act (CMTA) which provided for the *restructuring of the BOC organization*. Through the creation of relevant new offices and positions, overlapping functions were eliminated. To provide the proper and productive work environment, the *enhancement of facilities* was also undertaken.

Among the most critical of these first steps was the *enhancement of cargo clearance and examination capabilities*, as well as the Bureau's *intelligence and enforcement capabilities*. This included the deployment of a total of 58 x-rays all over the Philippines in 2019, bringing the total number of scanning equipment to 117. At the same time, X-ray Inspection Project (XIP) personnel were also given the appropriate training.





The *codification and harmonization of all Implementing Rules and Regulations* was another priority action to provide clear and accessible guidelines to stakeholders. By digitizing Customs Administrative Orders and Customs Memorandum Orders from 2000 to the present time and releasing manuals on Cargo Clearance for Airports and Seaports, stakeholders were better informed, making illegal actions or shortcuts unnecessary. The updated Citizen's Charter was also crafted and submitted as part of complying with the Anti-Red Tape Act.

Setting quality standards as the foundation for integrity development was concretized in the *creation of a Quality Management System and Integrity System*. The Interim Internal Quality Management System Office (IIQMSO) was

established to conduct internal audits and ensure the alignment of BOC offices with the ISO Quality Management System (QMS) standards. The Bureau also enrolled in the Performance Governance System (PGS) which would be the framework for cascading the reform mindset throughout the Bureau.

The need to pursue the *passage of customs-related legislative measures* was also deemed essential to building and strengthening a dynamic customs administration. A total of seven bills were filed in the House of Representatives in 2019.

Ten priority actions that started the journey of transformation in the BOC and ushered in the age of change.



BUILDING UP, MOVING FORWARD IN 2020

From a year of working on the basics, the Bureau zeroed in on building on the gains of 2019. The 10-Point Priority Program for 2020 aimed to build up the organization and prepare the way for transformation.

Providing the momentum for the next stage was the successful reválida for the Initiation Stage of the Performance Governance System, with a Gold Trailblazer Award to boot.

Among the many proactive moves, the innovations introduced into the Bureau's core processes provided the driving force to rev up the reform efforts. One of the priority targets was the full automation of frontline transactions, and this was

done by installing computerized systems. A key result was easy access to the accreditation process to further enhance the ease of doing business transactions with the Bureau's many offices.

Customer Care Centers (CCC) became the norm, with each of the 17 Collections Districts establishing its own CCC, a modern-day solution to the face-to-face transaction system of old which had provided opportunities for illegal activities.



Then came Covid-19. After the pause that came as the world grappled with the pandemic's impact, the Bureau implemented appropriate measures to ensure the unhampered delivery of its services as well as the protection and safety of its frontline personnel.

The spread of the pandemic inspired suitable actions to ensure that the services would be accessible and timely. As part of the national government program, Joint Administrative Order No. 20-01 was implemented, providing the guidelines for the expeditious release of goods under community quarantine restrictions. This also contributed to the further reduction in customs processing time.

The 2020 Time Release Study conducted in MICP resulted in an overall average customs processing time of 1 day, 22 hours, and 9 minutes, from Single Administrative Document (SAD) lodgment to Release for Import. This is approximately 3 days faster than the 5-day customs processing time in the baseline assessment.

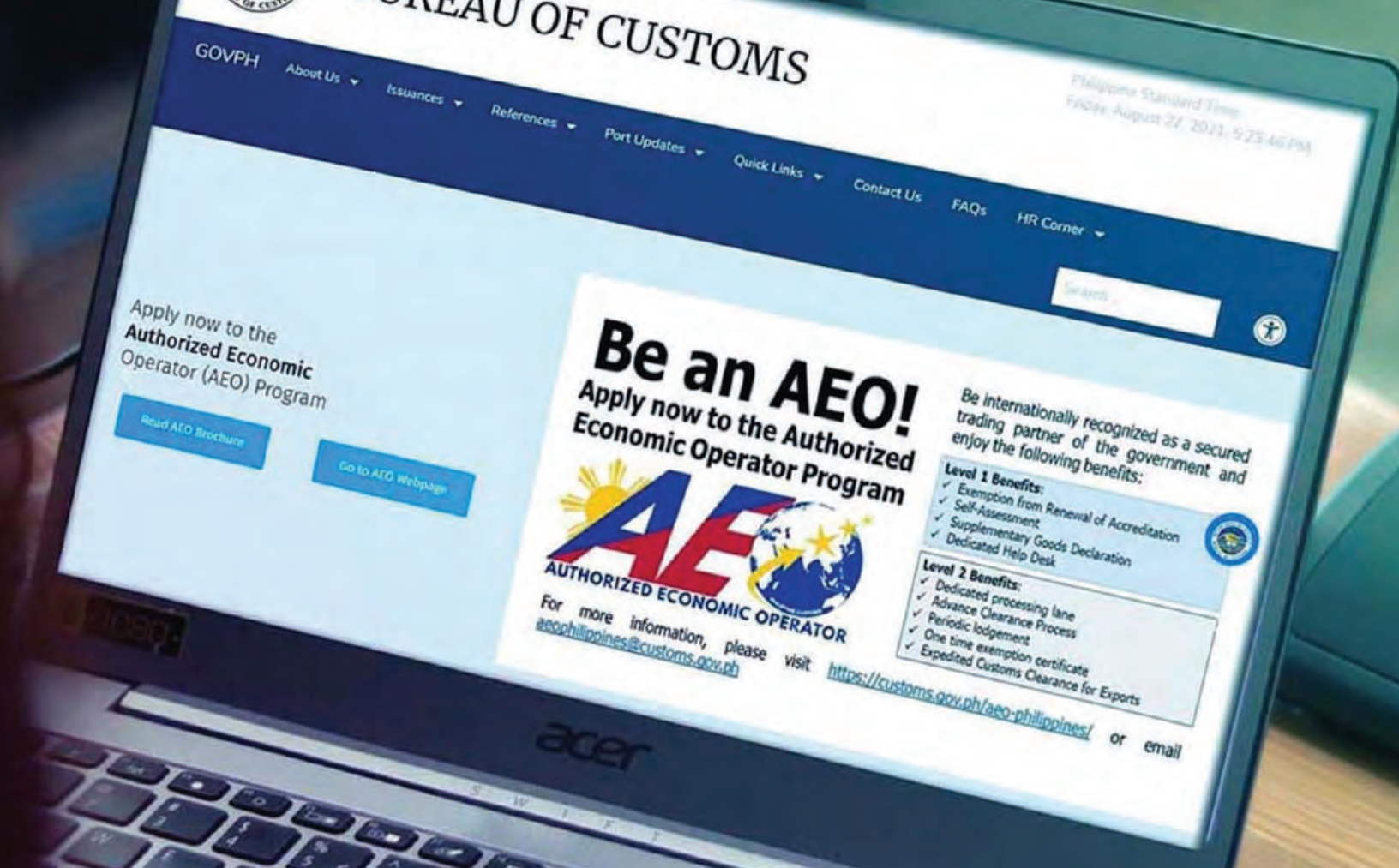
Despite the lockdowns, the Bureau was able to sustain its quality management and integrity system through *ISO certification of customs offices and PGS Compliance*. Online platforms were optimized to continue with the activities and the Subport of Dumaguete and the newly established Customer Care Center-Port of Manila were able to attain their ISO certification.

Another key move in 2020 was the Improvement of the Risk Management System as a means to deter the entry of illegal drugs in the country. To operationalize the *improvement of Risk Management System*, BOC introduced another color to the selectivity system: the Orange Lane. Though the new selectivity lane caused birth pains of congestion in examination areas in some ports at first, it provided an extra shield for the agency in the fight against the entry of illicit goods.

The *implementation of Customs Modernization Program* further enhanced the information technology infrastructure of the Bureau. The creation of the Internal Administration



» *Even amid the COVID-19 pandemic, the Bureau sustained its quality management and integrity system through its PGS Compliance and ISO Certification of customs offices.*



Management System (IAMS) has been instrumental in the efficient management of administrative and financial processes.

In *enhancing trade facilitation*, the Bureau implemented the Authorized Economic Operators (AEO) Program. Companies which intended to be accredited as an AEO member would have access to benefits such as but not limited

to exemption from renewal of accreditation, dedicated processing lane, advance clearance processing, expedited customs clearance for exports, and dedicated help desk. Furthermore, the Bureau adopted the international best practices in customs administration through the World Customs Organization (WCO) Mercator Programme.



Against errant brokers and customs employees, the penalty regime was rationalized through the issuance of the Manual of Penalties. With such stringent rules and penalties, delinquencies have been identified and eliminated, bringing about increased compliance rates.

On the manpower development front, more vacant plantilla positions were filled up, with 86% of the positions filled up by year-end. The activation of the Competency-Based Human Resource Management (CBHRM) and established training guidelines was a key innovation for the *enhancement of management and technical skills* of BOC personnel.

To reach a wider network and *enhance stakeholder engagement*, the Bureau crafted its communication plan and enhanced its website. The daily posting of customs news and updates

was able to reach more audiences on various social media platforms.

The Fuel Marking Program which curbed fuel smuggling across the country was implemented as part of the *intensification of border protection*. The BOC's operational and preventive measures paved the way for successful operations on seizure, drug busts, warehouse, and vessel inspections.

The extraordinary circumstances of 2020 served to fast-track the implementation of more innovations in operational procedures. And while these were meant to facilitate the work of the Bureau during the pandemic, it also provided the necessary urgency to make the changes that would translate into both tangible output and lasting reform.



SUSTAINING THE MOMENTUM OF REFORM AND TRANSFORMATION IN 2021

In the face of the unfolding events of the pandemic, the resolute actions undertaken helped sustain and even elevate the tempo of the transformation process. Staying on the course defined by the 10-Point Priority Program, results and improvements were seen in various areas of operation.

Most significant among these was the automation of 82% or 139 of 170 processes of the Bureau, as part of the implementation of the customs modernization program. Another equally meaningful result was the additional revenues of PhP 1.2 billion arising from the intensification of

Post Clearance Audit and Post-Entry Modification measures. These additional revenues were a major factor in the accomplishment and surpassing of the 2021 collection target, even under decreased global economic activity.



2ND NATIONAL SINGLE WINDOW - TECHNICAL WORKING GROUP MEETING

18 DECEMBER 2020 | 9:00AM - 12:00PM | OCOM CONFERENCE ROOM
ZOOM CONFERENCE



A total of 21 Trade Regulating Government Agencies (TRGAs) were *onboarded to the National Single Window (NSW)* for an interoperable platform for processing of import and export permits, licenses, and clearances. This resulted in reduced costs, faster transactions, increased transparency, and enhanced security, among others. In providing for the seamless movement of goods across borders through secure international trade supply chains using risk management systems and modern technology, BOC also *fully implemented the AEO Program.*

In addition, public awareness and engagement on the uses and benefits of *advance ruling on classification, origin, and value* increased.

In its *pursuit of Integrity Development and Quality Management*, the Bureau has been consistent in providing quality service that meets customer and regulatory requirements through its compliance with ISO Quality Management System standards. Seven additional BOC offices were ISO certified while the certification of three BOC offices was maintained.

BUREAU OF CUSTOMS



Seven additional BOC offices were ISO certified.





The sustained *strengthening of Port Surveillance, Marine, Interdiction, and Water Patrol Capability* resulted in the significant seizure and apprehension of PhP 28.274 billion worth of misdeclared, undervalued, illegal, and anti-social goods.

Government revenues were protected while possible customs fraud in Customs Facilities and Warehouse (CFW) was prevented through the development of a seamless CFW Management System. Moreover, export clearance and informal entry processing were both simplified through automation.

As a result of these innovative enhancements, the Philippines' overall

performance in the latest United Nations Global Survey on Digital and Sustainable Trade Facilitation report continued to improve—with a score of 86.02% in 2021 compared to 80.65% in 2019—ranking third among ten other Southeast Asian nations. Moreover, among the 1,000 external stakeholders surveyed in October 2021, 100% responded that they were aware of the mandates of BOC, 94% expressed institutional trust in the agency, while 93% were satisfied with the Bureau's performance.

These affirm that the decisions and actions to push reform have been felt and have benefitted both the internal and external stakeholders.

September CY 2021

59.93bn
MONTHLY COLLECTION

1.95%
DEVIATION

1.15bn
DIFFERENCE

PORT	TARGET	COLLECTION	DIFFERENCE	DEVIATION
LEGASPI	25,680,000	46,328,832.90	20,648,832.90	80.41%
SAN FERNANDO	469,560,000	615,741,558.76	146,181,558.76	31.13%
LIMAY	5,670,880,000	7,332,974,997.55	1,662,094,997.55	29.31%
CLARK	101,350,000	126,445,845.42	25,095,845.42	24.76%
ZAMBOANGA	575,240,000	672,577,691.34	97,337,691.34	16.92%
ILOILO	279,110,000	320,703,138.37	41,593,138.37	14.90%
POM	5,563,000,000	6,134,115,184.91	571,115,184.91	10.27%
DAVAO	3,217,000,000	3,273,329,894.10	56,329,894.10	1.75%
PCAG	0	167,376,271.68	167,376,271.68	
TEF	0	1,636,417,646.00	1,636,417,646.00	
MICP	15,611,140,000	15,279,978,001.08	-331,161,998.92	
NAIA	3,466,510,000	3,291,835,750.51	-174,674,249.49	
BATANGAS	12,662,780,000	11,925,143,472.45	-737,636,527.55	
CAGAYAN DE ORO	3,471,290,000	3,224,493,607.93	-246,796,392.07	
SUBIC	3,375,000,000	2,628,684,183.69	-746,315,816.31	
CEBU	3,662,680,000	2,816,939,047.61	-845,740,952.39	
TACLOBAN	583,960,000	435,626,756.70	-148,333,243.30	
SURIGAO	3,400,000	1,154,759.00	-2,245,241.00	
APARRI	44,270,000	130.00	-44,269,870.00	
Total	58,782,850,000	59,929,866,770.00	1,147,016,770.00	1.95%





STRENGTHENING THE FOUNDATION IN 2022

The real challenge of transformation is not only in achieving the desired results but more importantly, in sustaining the momentum as well as the mechanisms that enabled the journey.

The three Gold Trailblazer Awards PGS from 2019-2021 are both symbolic and historic, fitting testament to the BOC's milestones in transformative and accountable governance. The fourth Gold Trailblazer Award which came with the conferment of the Institutionalization stage is a

triumph of the collective will to perform, reform, and transform. Committed to faithfully working for the Vision, BOC achieved not just digital transformation but also the real 'internal cleansing' that had long been dreamt of but had always stayed out of reach.





With the World Bank loan for *customs computerization approved*, BOC will continue to deploy computerized systems. More so, the requirements such as the activation of the Customs Processing System to replace the old E2M system would be fulfilled.

Secondly, the Customs Training Institute (CTI) is set for operationalization in 2022 to enhance the learning and development program and elevate the competencies of BOC employees.

The Bureau will continue to *fully-operationalize and promote the AEO Program* to trade partners. Furthermore, emerging e-commerce industries will be supported by the BOC through *implementation of the Customs E-Commerce Program* which aims for more simplified and transparent commercial transactions in the country.



The endeavor to propagate and sustain good governance internally in the Bureau will be consistently pursued through the *Integrity and Quality Management System*. The ISO QMS Certification of various offices will continue.

At the same time, compliance with international commitments and the alignment with international best practices will be maintained to enhance trade facilitation. To revitalize and fortify the economy, the Bureau will *improve revenue collection through non-traditional sources*.

To keep its most valuable assets motivated and driven, BOC will *enhance the Employee Welfare Program* to recognize deserving and well-performing personnel with various incentives. *Organizational restructuring* will be the means to improve organizational effectiveness. To sustain the success and to progress even further, BOC aims to *enhance the performance management system*.





Overall, Planning and Policy Research Division (PPRD) Acting Chief Atty. Noemi Garcia recounted, “I have witnessed first-hand how the identification of priority programs can be a very important and effective tool at ensuring that the programs will be given the necessary focus and importance thus ensuring its successful completion.”

“Since the time the Commissioner started his 10-Point Priority Program in 2019, a lot have been accomplished in the areas of computerization, trade facilitation, border protection, revenue generation, performance governance system, integrity, and several others. I can say that the programs that have been included in his priorities really propelled the Bureau to attain the status of a competent, professional, and modernized agency of the government,” Atty. Garcia added.

In fact, one of the panelists in the reválida conducted by the Institute for Solidarity in Asia (ISA) for BOC’s PGS, Kenneth Isaiah Abante, who also conducted research on BOC for his master’s thesis, noted that, “so many systems in customs need to change—this is a hard and risky



endeavor—but it’s important to celebrate progress where committed officials have made it better. Let us not allow conversations about corruption to devolve into ‘let’s fire officials’ while ignoring the systemic factors and incentives for corrupt behavior.”

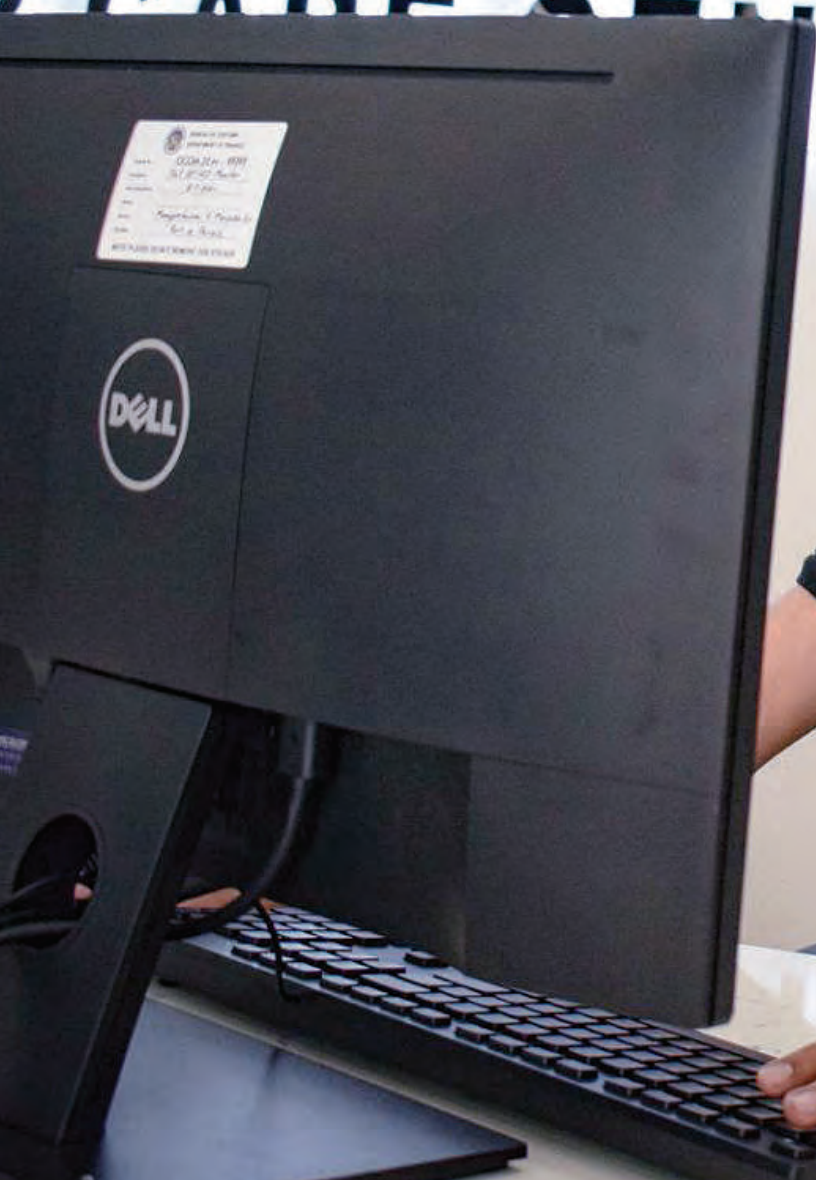
Looking back, BOC has come farther than ever before, achieving major reforms in three years, turning the tide to pave the way for a transformed BOC. Daunting goals which seemed impossible have become actual accomplishments. These milestones reflect the collaborative effort of all BOC personnel, and the power of people working with purpose and unity.

Since the time the Commissioner started his 10-Point Priority Program in 2019, a lot has been accomplished.

*- Atty. Noemi Garcia,
Acting Chief, PPRD*



CADRE CENTRE





CHAPTER 02

CUSTOMER CARE IS THE NEW NORMAL

Customer experience. Customer service. Customer care. Buzzwords that signify the all-out investment poured by institutions into its relationships with customers, clients, or stakeholders. Be it giving advice or assistance, or taking care and listening to the needs of customers, or the total journey of a customer's interaction with an institution or a brand, the focus is putting the customer front and center.

In the BOC, revitalizing customer care was the antidote to its perennial problem of graft and corruption. Arising from the Zero-Contact Policy which was first enforced in 2019, the establishment of the Customer Care Center (CCC) was intended to eliminate face-to-face transactions between the transacting public and customs personnel. Opportunities for several forms of corruption and the *suki* (regular customer)

system were finally plugged using digital means.

As part of the on-going modernization of systems and processes in the Bureau, the CCC is also a key component in the Organization and Integrity Development Roadmap of the BOC Strategy, fostering a culture of transparency and accountability in the delivery of customs services.



CCC - APARRI



CCC - LEGAZPI



CCC - BATANGAS



CCC - CAGAYAN DE ORO



CCC - CEBU



CCC - ILO-ILO



CCC - MICP



CCC - NAIA



CCC - CLARK



Through the CCC, stakeholders may now inquire, follow up, and submit documentary requirements for goods declaration through electronic means and digital portals.

Formally inaugurated during the BOC's 118th Founding Anniversary in February 2020, the CCC serves as the main focal point for all customs-related inquiries, including services such as receiving & releasing of documents, resolving queries & concerns, accepting payments for BOC miscellaneous fees, and issuing access passes to stakeholders with approved appointments inside BOC premises.

The CCC is “a one-stop-shop for all customs transactions therefore limiting the face-to-face transaction between stakeholder and employees. It has also minimized the temptation for graft and corruption,” added Special Agent II Cipriano Bernabe, Chief of Pass Control Office.

The convenience offered by this one-stop-shop concept is also

aligned with key government directives under the Ease of Doing Business Act, the Anti-Red Tape Act, and the Customs Modernization and Tariff Act (CMTA).

“Our work became easier because of the CCC, especially in reviewing the documentary requirements. During the manual days, the processing of accreditation was slow. With the CCC, I felt the improvement in and streamlining of the process,” said Liza Nepomuceno, evaluator in Accounts Management Office (AMO).

The full guidelines are laid out in Customs Memorandum Order (CMO) No. 08-2020 which took effect on March 23, 2020, right after the first lockdown was enforced. By January 2021, in less than a year and despite the strain brought by the COVID-19 pandemic, all 17 collection districts nationwide had activated and fully operationalized their local CCCs.

Our work became easier because of the CCC, especially in reviewing the documentary requirements.

- Liza Nepomuceno



The CCC is a one-stop-shop for all customs transactions. It has also minimized the temptation for graft and corruption.

- Special Agent II
Cipriano Bernabe



A JOURNEY OF TRANSFORMATION
CUSTOMER CARE IS THE NEW NORMAL



CCC - SUBIC



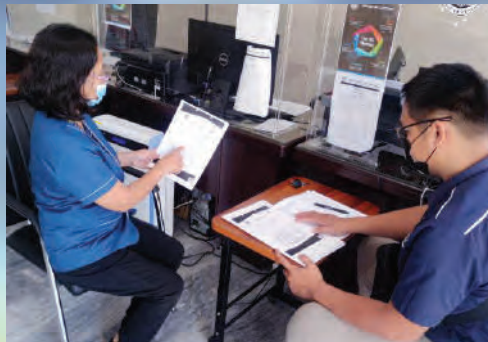
CCC - TACLOBAN



CCC - ZAMBOANGA



CCC - LIMAY



CCC - LA UNION



CCC - SURIGAO



CCC - PORT OF MANILA



CCC - DAVAO



The CCC's value was most tangible under pandemic conditions as it helped to enable unhampered operations during the most difficult times: ensuring that transactions progressed like it was business as usual.

Maria Necerita A. Garado from Philippine Economic Zone Authority (PEZA) shared, "we are thankful that the CCC provided PEZA an office space for our transactions; consequently, the processing relative to PEZA-bound shipments did not stop and became more accessible to our BOC stakeholders."

The road to delivering truly responsive customer care service

was made more interesting by the challenges that molded the CCC. The key hurdles were raising awareness about the CCC within the organization and breaking down the resistance of stakeholders to electronic document processing. Accustomed to the tradition of manual processing, both customs personnel and the transacting public underwent tremendous adjustment under the new system.

Emphasizing the benefits vis-à-vis the discomfort brought about by a radical change paved the way for acceptance. The hard work is now delivering streamlined customs services with every transaction.



We are thankful that the CCC provided PEZA an office space for our transactions.

*- Maria Necerita A. Garado,
PEZA*



We must accept that we continue to evolve, hence processes and practices in Customs also evolve.

*- Elvie Naranjo,
Elvie Naranjo Customs
Brokerage*



Even long-time brokers like Elvie Naranjo, owner of Elvie E. Naranjo Customs Brokerage, who has been in the service for 33 years, has felt how technology has improved the processes of the Bureau. According to him, their aim to please their clients was attained because of the services of the CCC through the BOC Portal.

“We must accept that we continue to evolve, hence processes and practices in Customs also evolve. You don’t have to physically go to Customs to start processing your entry, we only need to

work at the Portal in the convenience of our homes, especially during the pandemic,” Naranjo added.

Committed to continuous improvement, eight of the 17 local CCCs have been successfully accredited with the ISO 9001:2015 Quality Management System certification. The pursuit of ISO certification aligns the CCC policies and procedures with the standards and aids in embodying best practices, hence, providing seamless frontline services for stakeholders.



“It is easier to track the status of our documents because CCC can monitor which office processes our papers ... As far as CCC is concerned, we have no complaints,” shared Charmaine C. Garcia, Executive Vice President of Chamber of Customs Brokers Incorporated (CCBI)-Cebu Chapter.



It is easier to track the status of our documents because CCC can monitor which office processes our papers.

*- Charmaine C. Garcia,
Executive Vice President
CCCBI-Cebu Chapter*





BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY

BOC

KUNG MAY KATIWALIAN
I-REPORT AGAD!

8484

BUREAU OF CUSTOMS
ANTI-CORRUPTION HOTLINE

BREAK NOT THIS SEAL UNDER PENALTY OF LAW



REF ID: 0001359

HOTLINE NUMBERS

☎ 02- 8705-6000

☎ 0905-299-7977 (Globe)

☎ 0929-503-5138 (Smart)

Reference : _____

BOC Team Leader: _____

BOC/Units : _____

BOC ID: _____ Signature: _____



On the other hand, Nino Angelo Gonzales from NYK Trading, Batangas said, “this [CCC] is really a good program as... things are centralized specially when sending concerns. All movements are minimized.” NYK Trading, acting as a document processor for multinational corporations such as Toyota, Nissan, Ford, and other large automobile manufacturers, has been doing business with BOC for a decade.

Meanwhile, after consecutive successful entrapment operations in May 2019, the Intelligence Group found a means by which the public could relay information so the BOC could act on complaints immediately. This ignited the eureka moment for the Special Text Hotline Number 8484. It is the channel for “receiving, processing, and responding to corruption-related incidents experienced by individuals transacting business with BOC,” Deputy Commissioner Raniel Ramiro explained.

Since its launch in August 2019, Special Text Hotline 8484 has been instrumental in the anti-corruption campaigns of the Bureau. It has resulted in several notable

cases, including the entrapment of customs personnel in November 2021.

While the nature of complaints varied, designated follow-up investigators filtered those that merited investigation and those that were motivated by malicious intent. “We also have to protect our personnel who are just doing their job from harassment,” said Atty. Jonathan Mengullo, Chief of Internal Inquiry and Prosecution Division (IIPD).

In another development, the Presidential Anti-Corruption Commission (PACC) Command Group in BOC was formed as part of solid steps following the signing of the Anti-corruption Manifesto with PACC. “The anti-corruption committee does not only have a grievance mechanism, we also endorse programs to promote and maintain the integrity of our processes and our people,” Assistant Commissioner Atty. Vincent Philip Maronilla shared. It also serves as a coordinating committee that courses the anti-corruption complaints from other agencies.



This [CCC] is really a good program as... things are centralized specially when sending concerns. All movements are minimized.

- Nino Angelo Angeles,
NYK Trading



“We required each and every port to submit their composition and the legal document as the basis of their own local anti-corruption committee so locally, the stakeholders in that port can complain or pass on any issue,” Assistant Commissioner Maronilla explained.

To gauge the sentiment of the general public towards BOC, the Bureau partnered with a third-party research

agency to conduct the Awareness, Institutional Trust, and Satisfaction (AITS) Rating Survey in 2021. Dexter Buted Jr., project head of AITS, shared that the survey would “serve as a reference for points and room for improvement, development, and corrections... This will provide the stakeholders with a platform to rate the BOC and give his or her comments anonymously.”

...the red tape and palakasan (use of connection) systems were reduced because face-to-face transactions were avoided.

*- Dexter P. Mondidu,
Kerry Logistics Phils. Inc.*



These efforts have been felt in and out of the Bureau. Paul V. Abordo, who has been in the Bureau for nine years, said, “There is a very big change from the BOC of before, now each office is active in making policies to improve their public service. In the internal culture, among the employees you will see a sense of pride and care for the work that they do.”

Dexter P. Mondidu of Kerry Logistics Phils. Inc., who has been transacting with the Bureau for 20 years, observed that “the red tape and *palakasan*

(use of connection) systems were reduced because face-to-face transactions were avoided.” He also added that because of the online processing, “a lot of time or days are saved in the processing and release of shipments.”

Customer care never ends. BOC is well aware that it can only be sustained with clear intentions and relentless effort to stay in step with the ever-changing needs and expectations of the stakeholders.



» *The first Customer Care Center was established in February 2020 at the Port of Manila which served as the focal point for all processing of customs-related inquiries, both walk-in and online, in compliance with ease of doing business law.*



VACCINATED COVID-19
RESBAKUNA
KASANGGA NG BIDA

Dry Ice
UN1845
20.5kg
UN3481

UN1845
20.5kg
UN3481

Dry Ice
UN1845
20.5kg
UN3481
WWW.SOI

OH

CUSTOMS



CHAPTER 03

AT THE FRONTLINES OF THE PANDEMIC

BOC personnel are frontliners too. The work of the Bureau of Customs did not stop when COVID-19 caused lockdown after lockdown in the face of threats of the evolving virus.

As non-medical frontliners, BOC enabled the expeditious clearance and release of goods, especially medical supplies and other commodities essential in combatting the virus.

In the second week of March 2020, when a nationwide Enhanced Community Quarantine was declared, Dr. Sigrid Duclan, Chief of BOC Medical and Dental Division (MDD) recalled, “we were all faced with a new disease that we had not encountered before, it was hard to predict how things would develop, and new protocols were changing rapidly.”

The national government encouraged all organizations to adjust their Standard Operating Procedures (SOPs), but for government agencies the duty was also clear: ensure the unhampered delivery of key public services even as the country grappled with the global health and economic crisis.



As the second highest revenue generating agency of the government, the BOC's basic duties remained: expediting shipments, ensuring compliance with clearance procedures, and collecting lawful revenues.

Since the declaration of the state of public health emergency, a total of 16,154 shipments of Personal Protective Equipment (PPE) and 244,594,920 doses of vaccines were cleared as of April 27, 2022. The release was hastened through online filing of entries, online payment of duties and taxes, and the creation of the BOC COVAX

Importation Unit which coordinated with other government agencies.

Mark Jhon Almase, Acting Sub-port Collector, Central Mail Exchange of Port of Ninoy Aquino International Airport (NAIA), recounted that the night before the arrival of the first shipment of COVID-19 vaccines, the Port of NAIA engaged in a series of meetings, consultations, and simulations with other government agencies. These preparations were necessary to ensure the security and safety of the arriving vaccines.



“Over the months, we experienced a lot of struggles and hardships, but overcame these through communication and direction. As of this writing, we have successfully cleared about 200 vaccine batches of 230 million doses for all Filipinos,” Almase added.

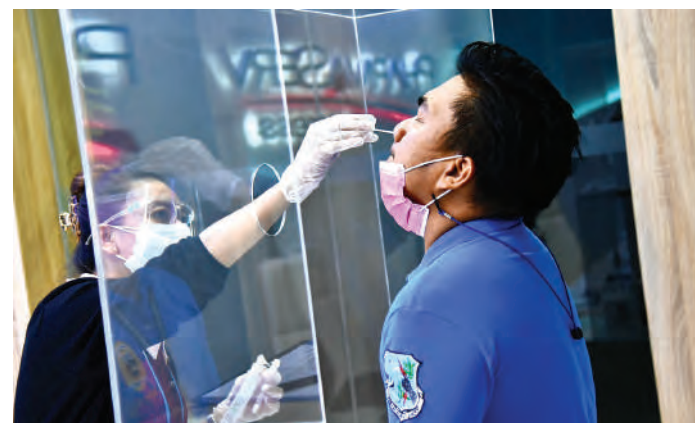
Meanwhile, the day after Christmas of 2021, the Port of Davao expedited the release of 526,500 doses of Pfizer-Biotech COVID-19 vaccines.

But COVID-19 has not spared the BOC frontliners. In June 2020, 49 personnel tested positive after RT-PCR tests were done. In the following month, 40 tested positive again and in the succeeding months, a number of BOC personnel at the frontlines tested positive as well. Despite the increasing number of positive cases, BOC operations were not hampered as the

necessary adjustments were made.

Confirmed positive cases dropped when BOC started vaccinating its employees in May 2021 along with their dependents and staff working inside the BOC premises, such as security guards and Alert General Services personnel. As of March 2022, 99% of BOC employees had been fully vaccinated.

For MDD, considering the lack of medical frontliners in the Bureau, the goal is to ensure that personnel do not get infected and to manage the pressure from uncertainty, so they can continue to function at their posts. Dr. Duclan shared, “it is challenging to keep our mental health and the mental health of others. And not to contaminate our loved ones who are also depending on us.”







In addition, Annedreia Beatriz Elevado, who is assigned at Piers and Inspection Division of MICP, said that it was difficult to connect with a colleague for work-related matters during the height of the pandemic because a lot of adjustments were happening. But eventually, she was relieved that they were able to learn “the proper way to communicate to avoid misunderstandings when it comes to shipments and other documentary-related works.”

She cites the handling of the crisis and its impact within the Bureau by its leaders. “The management assured us employees that amidst this pandemic heightened security would be implemented and, most especially, hotlines would be always available to respond quickly and comprehensively. They enlightened us on what to do and what not to do,” Elevado added.

Furthermore, the management ensured that necessities for a safe workplace were provided without fail. This included regular disinfection; provision of service vehicles, alcohols & face masks; RT-PCR & Antigen testing, vaccination drives; skeleton workforce arrangements, strict implementation of health protocols; and guidance, especially for those who had been infected by COVID-19.

The efficiency and thoroughness of the COVID-19 response to ensure unhampered operations was felt and appreciated by stakeholders. Robert Chua, President of Ben Line Agencies Philippines Inc., said, “the exemplary commitment of the Bureau to maintain uninterrupted operations, particularly during this unprecedented and challenging period, has allowed the international shipping companies to keep the delivery of much needed supplies not only in response to COVID-19 but also in pushing forward the Administration’s Build Build Build program as an integral element of nation-building.”

In the new normal that has been established from the lessons of COVID-19, the BOC has remained focused on its drive to improve its systems and streamline its procedures. The unusual conditions of the pandemic and the corresponding actions that the Bureau’s personnel were able to do to help contain the virus have underscored the role and value of the service that the BOC continues to deliver.

“We are at the frontlines helping humanity, especially our countrymen, the Filipinos, and we draw strength from the little moments. The ‘thank you’ we get from our colleagues, from our





» *Since the onset of the COVID-19 pandemic, the BOC has been facilitating the expeditious release of various Personal Protective Equipment and COVID-19 vaccines.*



partner agencies, and from our stakeholders, and therefrom the very fact that it is through customs, the first border of safety and clearance, that the vaccines have been processed and are now being distributed nationwide, to be used by our citizens,” said Almasse.

To the BOC, the pandemic was a reminder of what public service means: always on call, always ready to deliver, for country and people.





CHAPTER 04

INVESTING IN OUR PEOPLE

“The first priority was to boost the organization’s manpower component to ensure efficiency and professionalism in the delivery of services,” said Commissioner Rey Leonardo B. Guerrero (*An Overview of Philippines Customs’ Journey Towards Transformation, June 2021, WCO News*).

Meritocracy and professionalism, skills development, learning and development programs. These were the anchors of the human resources development push that was intended to optimize the Bureau’s investment in its people.

The changes took into account every aspect and step of human resource management, exposing problem areas and weak links. Before, human resource management processes were long, tedious, and exposed to irregularities. Interested applicants for vacant positions had to wait in long lines just to submit their documentary requirements. At the same time, Daily Time

Records (DTRs) and leave credits balance of employees were prepared manually. Individual

Performance Commitment and Review (IPCR) were accomplished subjectively instead of objectively. Moreover, statistical workforce data were manually extracted.

Despite various attempts to revitalize the Human Resource Management Division (HRMD), the processes remained inadequate and at times, controversies that emerged would highlight the need to do more.

With the institutionalization of meritocracy and excellence in the Human Resource Management Systems as a top priority of the 10-Point Priority Program in 2019, reform initiatives began to take real shape and bring tangible changes.

“Before, the recruitment process was not just tedious and time-consuming, it also involved a lot of man-hours. When IAMS was fully implemented, the human effort and time spent in recruitment were significantly reduced. The publication of list vacant positions, submission of application, and even evaluation of application were more efficient and simpler,” said John Paulo

Jimenez, Chief of Recruitment, Promotion, and Placement Section, HRMD.

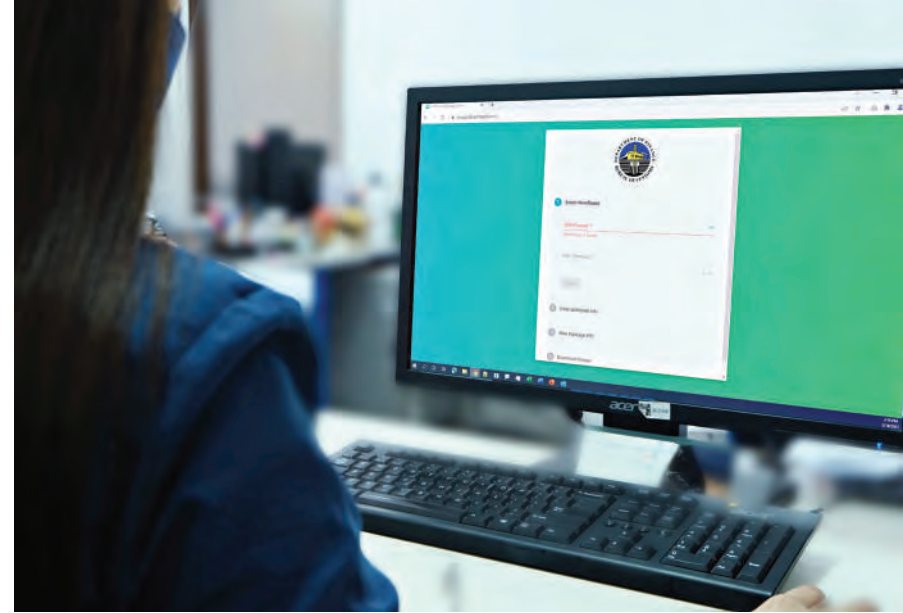
In line with the strategic goals of the agency, BOC is currently developing a modernized Competency-Based Human Resource Management (CBHRM): aligning the workforce development program with the organizational mission and strategic plan, government priorities, and budget resources. The modernized CBHRM aims to cultivate an environment of equal opportunities for professional growth, designed to attract, develop, and retain a highly competent workforce.





» *BOC aligns its workforce development program with the organizational mission and strategic plan, government priorities, and budget resources through its Competency-Based Human Resource Management (CBHRM).*

“In executing organizational strategy, CBHRM can contribute by providing insights related to talent, capacity building, development of competencies, cultivation of culture of commitment and motivation, among others, that may facilitate performance of individual employees and in turn, organizational outcomes. In the context of Customs Administrations, appropriate and balanced management of HR will equip the organization in its continuous pursuit of meeting the demands of a changing Customs environment. CBHRM also facilitates systematic HR planning based on analysis of critical competency gaps, future selection and placement of candidates with superior qualifications, that breeds competent organization strength with the end view of providing efficient Customs services, and proactively participating in the international trade arena,” said Khristine Jane Melencio, Chief of HRMD.



Different modernization programs were implemented including but not limited to Internal Administration Management System (IAMS), online training portals, and online rating portal.

Through IAMS, HR processes have now been automated. Employees have also been provided with virtual access to their employment records. Applications for vacant positions are submitted through the said system.

At the onset of the pandemic, the Online Learning Portal (OLP) was launched. It serves as a readily accessible in-lesson training platform, providing various tools for e-learning such as videos, discussions, exams, and interactive videoconferencing which promotes collaboration among employees.



» *The BOC Online Learning Portal is an initiative that aims to provide continuous support to new and existing employees by providing them with training modules from their office desks or mobile phones.*



“The OLP promotes independent learning of employees, an efficient way of conducting blended learning interventions as the resources are available from anywhere and at any time, and the training materials can be disseminated and accessed easily,” said Nicole Anne Atienza, Training Specialist from Interim Training and Development Division (ITDD).

The online rating portal is also a key platform for the integration of the PGS into the performance management system of the Bureau. This rating tool encourages the advancement in the professional aspect of the employees and the improvement in the personal life of employees.

Aside from monitoring the performance of employees against the targets assigned to them, this system also introduced the Personal Scorecard wherein employees determine their personal goals to achieve.

“The online rating portal helped me identify where I am right now in my professional and personal life. It also enabled me to set strategic attainable objectives to further my career in the Bureau. The personal scorecard (PSC) encourages me to achieve my personal goals I set for myself like living a healthier lifestyle,” said Lorraine Villegas, Customs Operations Officer I at Port of NAIA.



When a State of Public Health Emergency was declared in March 2020, the implementation of the modernized CBHRM system had to be restudied to adapt to the new normal. To enforce health protocols and minimize virus transmission, other recruitment activities were done through online platforms. Announcements of vacant positions were published on the Bureau's website and social media accounts. Panel interviews were conducted via virtual conference. In addition, central and local Personnel Selection boards convened online for deliberations.

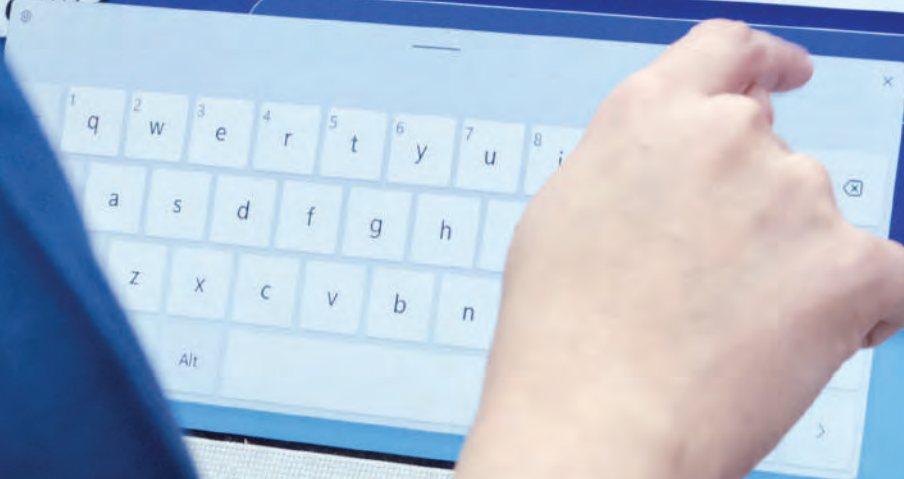
“When the pandemic hit the country, efficient transition to online recruitment was crucial to meet the strategic goal of the organization to institutionalize meritocracy and professionalism through continuous filling of vacant plantilla positions with qualified and competent personnel. The recruitment faced a number of challenges in the transition, such as older applicants not being technologically adept to use the system. However, the HRMD persevered and cascaded to ports and offices the guidelines of utilizing the IAMS,” Jimenez recounted.





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 Password



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Moreover, trainings conducted through blended learning methodologies were also provided so employees could attend capacity-building activities, either face-to-face or online. Training materials were also made accessible to employees to enable them to study at their own pace.

Indeed, the modernized CBHRM is the most comprehensive means of concretizing the BOC's investment in people development. The institutionalization of modernized CBHRM will maintain the Bureau's pace toward achieving its vision of transforming the organization's level of competitiveness to be at par with its global counterparts, by continuously adopting international best practices in its systems and processes.

“The BOC can only become a credible and world class customs administration if the employees are competent. Competency among Customs personnel can be attained by adopting or implementing a competency-based human resource management system. The Competency Based Human Resource System (CBHRS) is also prescribed by the World Customs Organization (WCO) because it is among the hallmarks of a world-class customs administration,” said Atty. Maria Lourdes Mangaoang, Collector of Customs V, Office of the Deputy Collector for Passenger Services at Port of NAIA.

With a workforce that works better and works together, the Bureau is in a stronger position to deliver professional and result-oriented service, day in and day out.



MAERSK

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NUCTECH

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CHAPTER 05

BUILDING SUSTAINABLE INFRASTRUCTURE AND TOOLS

In construction, a strong and effective structure begins with a solid foundation—a truth which also applies to organizations. The stronger the foundation of an organization, the sturdier it becomes. This maxim has guided the Bureau's thrusts in building the structures that would represent the physical progress being made towards a modernized customs administration.

Through its 120 years of service to the nation, the Bureau's facilities have withstood the test of time, as seen in many of decades-old buildings and offices, with some even acknowledged as

historical landmarks. But the opportunity to build strong and build better has encouraged repair, renovation, and construction projects in the last few years.



• BUREAU OF CUSTOMS •

BFP

EASTWOOD
FIRE
STATION



Port of Manila (POM) Prefabricated Building. After the raging fire that left the historic POM Building with extensive damage and displacing numerous employees last February 22, 2019, a new office space for the occupants was urgently needed to keep its vital operations running.



Given the urgency, a prefabricated building was the most suitable option, mostly because of the time consideration. To avoid disrupting day-to-day operations, POM personnel were placed in different buildings. The displacement only underscored the reality that they did not just lose a space for work but also the home of their POM family. Despite the devastation, they had to carry on with their duties.

» *The BOC inaugurated the Port of Manila Prefabricated Office on 12 October 2020 which houses the collection district's operations and administrative offices.*





In less than two years, the new prefabricated office building was ready and finally inaugurated on October 12, 2020. The 1004-square-meter office space now houses the different operations and administrative offices of the collection district. The building incorporates a newly designed space that maximizes the flow of transactions, thereby enhancing the efficiency and coordination among the personnel involved.

“It’s great that we now have something to call home. After the incident, we were just hoping to

get back and continue our duties. We are hoping that this will be the start of new experiences and lessons that will also help us move forward”, said Adrian Tuazon, Administrative Officer of POM.

When the historical POM building was damaged in the flames, the collection district created a slogan “*Bangon POM*” (Arise POM) which then changed to “*Bagong POM*” (New POM) when the new building opened. While it is true that the damaged POM building considerably has a longer and more storied history, the new prefabricated building will no doubt make its own history.



» *The Prefabricated Office is a 1004.8 sqm bi-level structure designed to be quickly assembled and disassembled as needed and is intended to maximize the flow of transactions, thus enhancing efficiency and coordination among the occupants.*



Customs Operations Center (COC). From a simple CCTV room to a spacious workspace with high-tech equipment and improved aesthetics, the Customs Operation Center is another showcase building.

In 2020, it was determined that the Command Center beside the burned POM Building would be renovated and converted into an Operations Center. All the monitoring and communication systems of BOC would be consolidated into one space, manned by personnel of the Enforcement Group (EG). The simple CCTV Room of old

now houses different important systems for intelligence, enforcement, risk management, and scanning.

Situation Room and Conference Room. The convergence of technology and aesthetics characterizes the much-improved Situation Room and Conference Room. The combination of state-of-the-art equipment, multiple LCD screens, futuristic technology, and functional furniture are intended to provide the environment for productive meetings and discussions.



“High-tech and amazing are the transformation of our meeting rooms, as an office who are frequent users of the Situation Room, we are really in awe of how aesthetically it looks, truly professional and world-class,” said Japhet Bohol from External Affairs Office (EAO).

These new facilities are the embodiment of the vision to modernize and build a world-class organization, especially its most utilized facilities.

Infrastructure does not only speak of the physical foundation of the building but of the agency itself. An improved building plays a big role in providing a healthier and happier working environment. A sustainable working environment cultivates more efficient, effective, and high-morale employees, as seen in the motivated POM employees who have found a new home in the prefabricated building.





Hytera

Video Preview



Logout



TOOLS TO REVOLUTIONIZE OPERATIONS

The value of cutting-edge tools to improve capacities and capabilities within the BOC is a key consideration in the acquisition of new and modern equipment. Each of the latest additions to the BOC toolbox enables the units and the personnel to double up in action and in results.

Body-Worn Cameras. Primarily intended for use by Enforcement and Security Service (ESS) personnel in container inspection and other enforcement procedure, these devices can record video and voice as well as serve as a communication device between the user and the monitoring facility. Recorded data is transferred

through the 17 docking stations and can be monitored remotely by the Customs Operations Center (COC). Usage of these tools aids the BOC in promoting transparency and efficiency in the fulfillment of its mandates, especially border protection.



Mobile Container X-ray Machines. These additional assets have features that allow non-intrusive scans at a rate of 120 containers per hour and can produce clearer pictures of items being scanned. Their high-performance scanning capability will significantly improve the capacity to identify smuggled commodities within containerized shipments in a short period.



These capabilities were demonstrated by X-ray Inspection Project (XIP) and the Nuctech Company after the blessing of the procured units. With the utilization of 124 existing x-ray machines, the additional procurement of the advanced machines is expected to further enhance operations.

“With these new and highly advanced x-ray machines, we are hoping to improve our services to the public. X-ray has always been eager to be part of the transformation of the BOC and this major breakthrough will play a very important role,” said Matt Pacasum, XIP personnel from NAIA.





04

 **BUREAU OF CUSTOMS**
ENFORCEMENT AND SECURITY SERVICE 

01

 **BUREAU OF CUSTOMS**
ENFORCEMENT AND SECURITY SERVICE 

BUREAU OF CUSTOMS



Patrol Boats. 20 units of 12.7-meter boats equipped with three engines capable of doing over 45 knots top speed will be utilized for maritime patrol, sea interdiction, conversion of vessels, and border search. With these patrol boats, the BOC's contribution to the national efforts of maritime security and border protection will be even more substantial.

On these state-of-the-art patrol boats, James Mendieta from the Water Patrol Division is optimistic that BOC is now ready to be at par with other government agencies. "We will be able to carry on with our duties with pride and confidence with the help of these highly technological equipment," he added.

Special Police Major Danielo Gonzales, the first commander of the Water Patrol Division, shared that he is grateful to be among the first to use these patrol boats which are bound for operationalization this year.

Mendieta added, "if before, we were already proud to be BOC employees, we are even prouder now."

Trace Detection Systems. Nuctech TR3000DE features instant detection and identification of traces of explosive and drug substances that can

be found from different types of surfaces and boasts a 3x+ throughput as opposed to traditional systems.

In an era where the campaign against drugs and terrorism is a top priority, these systems enable the BOC to perform its role in keeping our borders safe from the entry of illegal drugs and dangerous persons.

The progress in systems and personnel training requires parallel developments that will not only support the changes and innovations, but more importantly, provide the cutting-edge difference that can only lead to even better operations and more significant results.





**CUSTOMS
POLICE**

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CHAPTER 06

PARTNERS IN SERVICE

In collaboration, there is synergy and strength.

Combining capabilities of different units of government has worked well in solving different challenges, be it in internal security, economic development, or even disaster relief. The Bureau of Customs has put the power of synergy to work through collaborative agreements with various government counterparts, particularly in its anti-smuggling campaign.

The aim is to join hands and work together towards the suppression of the seemingly relentless smuggling of goods in the country.

This problem does not only encourage corruption but also results in a significant decrease in government revenues due to uncollected taxes and duties.



BETTER TOGETHER

The concept of a cooperative relationship with partner agencies was the keystone in the Bureau's drive to strengthen the anti-smuggling campaign and boost border protection capabilities.

Philippine Coast Guard (PCG). In order to develop and strengthen the capability in implementing its border security function pursuant to the CMTA, BOC acquired 20 units of "fast boats" for use in the conduct of joint operations with PCG. The Memorandum of Agreement (MOA) defined the relationship and the working arrangement between BOC and PCG in the spirit of inter-agency coordination and cooperation to operate, navigate, and perform law enforcement missions

onboard the 20 fast boats of BOC. The PCG also provided augmentation through deployment of PCG personnel and K9 assets, as well as technical and training assistance to BOC personnel.

The continued collaboration and cooperation between the BOC and PCG have enabled a more efficient enforcement of laws under the maritime jurisdiction of the Philippines.



Armed Forces of the Philippines (AFP). Taking into consideration the primordial concerns essential to protecting the interest of the country as well as other factors, such as the large-scale smuggling and proliferation of illegal importation of dangerous drugs, Controlled Precursors and Essential Chemicals (CPEC) and anti-social commodities, the BOC forged a cooperation agreement with the AFP and PCG, aligned with their respective mandates.



The MOA was based on the directive of the President of the Philippines for the AFP and the PCG to extend security assistance to BOC and Section 214 of the CMTA which allows the authorization of the members of the AFP and national law enforcement agencies to effect search, seizure, and arrest involving acts in violation of the CMTA and other customs laws, rules, and regulations.



» *Combined elements of the Bureau of Customs-Port of Zamboanga, Armed Forces of the Philippines (AFP), Philippine Navy, and the Philippine Coast Guard (PCG) seized smuggled cigarettes amounting to Php 35 million on 9 April 2019.*



Under the MOA, the following areas of cooperation shall be pursued: (1) Capacity-building; (2) Monitoring; (3) Support Mechanism; (4) Exchange of Information; (5) Operating protocols and parameters; (6) Identifying opportunities and channeling of resources for research activities to develop effective strategies; and (7) Exploring other forms of cooperation.

A Joint Monitoring Committee (JMC) was created

to carry out the terms of the Agreement with the power, among others, to create Monitoring Teams (MTs) for each port to render assistance in the implementation of the MOA.

Through BOC's strengthened intelligence and enforcement efforts in coordination with the AFP and PCG, a total of 59,661,541,230.93 billion pesos worth of smuggled goods was seized from 2019 to 2021.



Philippine Drug Enforcement Agency (PDEA).

In view of the Philippines' campaign against the entry and distribution of dangerous drugs, a MOA between BOC and PDEA was signed with the intention to work together to end the smuggling, importation, exportation, or transshipment of dangerous drugs, controlled precursors, and essential chemicals. This also covers instruments, paraphernalia, apparatus, and equipment used in the administration and manufacture of the same without authority of law.



» *The BOC and PDEA presented 276 kilos of shabu with an estimated value of Php 1.8B on 27 March 2019. The illegal drugs were placed inside Chinese tea bags and were seized at the Manila International Container Port.*



PDEA, as the lead agency in the investigation of violations of the said Act, is responsible for enforcement of provisions on dangerous drugs and related commodities. BOC, on other hand, exercises border control to prevent the entry of smuggled goods as well as prevention and suppression of smuggling and other customs fraud.

This partnership has led to the seizure of 5,676,045,699.42 billion pesos worth of illegal drugs in 274 joint operations.

Department of Agriculture (DA). In line with strengthening border protection and enhancing trade facilitation, the Data Sharing Agreement (DSA) between BOC and DA was signed on January 27, 2022. It facilitates data and



information sharing between BOC and DA's Trade Remedies Unit (TRU) on the importation and exportation of agri-fishery products under the ASEAN Harmonized Tariff Nomenclature (AHTN) Chapters 1-24.

The DSA also improves the regulation and implementation of the trade remedy measures and customs processes with respect to customs duties, safeguard duties, anti-dumping duties, general safeguard duties, countervailing duties, and other duties.



Bureau of Treasury (BTr) and Land Bank of the Philippines (LBP). Pursuant to policies mandating the protection of government revenue, a MOA between BOC, BTr, and LBP was signed to create an Inter-Agency Auction Committee to handle the disposal of luxury vehicles. The MOA was based on the instruction from the DOF Secretary to sell all luxury motor vehicles declared abandoned and forfeited through public auction.

Under this Agreement, two public auctions involving five luxury vehicles have already been conducted.



COMMODORE ROY VINCENT T TRINIDAD PN
Commander, Littoral Combat Force
Philippine Navy

The littoral combat force was among those Navy Units that have been affected by the COVID-19 pandemic. During the early phases of the initial lockdown, we have experienced extreme shortages in living spaces as they were converted to quarantine areas. As such, we are in dire need of areas to convert into barracks to be provided to our personnel. This prompted our unit to request your good Office, the Bureau of Customs, for the availability of six (6) empty cargo containers that will be used as barracks or what we call “Billeting”.

Last 14 October 2021, the Commissioner, Bureau of Customs himself virtually turned over these containers to use with the initial release of three (3) with the remaining still undergoing the necessary administrative procedures.

I would like to take this opportunity to personally thank and commend the Bureau of Customs headed by its Commissioner, GEN REY LEONARDO B GUERRERO (AFP Retired), for acting on our humble request and for the continuous support to us in the Littoral Combat Force and the Philippine Navy.

Anti-Money Laundering Council (AMLC). The main purpose of cooperation is to enhance various efforts aimed at removing the Philippines from the List of Jurisdictions Under Increased Monitoring or the grey list of the Financial Action Task Force International Cooperation Review Group. In line with several MOAs between the BOC and AMLC in 2005, 2006, 2007, and 2018, BOC and AMLC strengthened its collaboration, particularly in cross-border measures against money laundering and terrorism financing. The

key actions include stricter scrutiny of foreign currency declaration and interdiction in all international airports and seaports.

Among the operational coordination efforts of the BOC and AMLC is the execution of a Letter of Authority (LOA)—akin to a search warrant—for investigations on smuggling, which is a high-risk predicate crime. The AMLC has joined the implementation of at least three LOAs.





Atty. Mel Georgie Racela, Executive Director of AMLC said, “through [the] initiatives of the BOC, the security measures implemented in all main air and seaports of the country have improved relative to the cross-border declaration of the physical transport of foreign currencies and bearer negotiable instruments, particularly the detection of false declaration and its resulting confiscation.”

The AMLC also conducted the Targeted Intelligence Packaging Workshop for BOC to increase the technical capability of BOC personnel in the investigation of smuggling cases related to money laundering as well as improve information-sharing between the agencies.



ATTY. MEL GEORGIE B. RACELA
Executive Director
Anti-Money Laundering Council (Philippines)

The Anti-Money Laundering Council (AMLC) and the Bureau of Customs (BOC) have always been allies in combatting money laundering and terrorism financing in the region.

Pursuant to the memoranda of agreements, signed in 2005, 2006, 2007, and 2018, the BOC shares with the AMLC information on physical cross-border transfers of currencies and other monetary instruments through submissions of duly accomplished currency declaration forms. These forms become part of the AMC's database for intelligence purposes, and the AMLC investigates declarations deemed suspicious by intelligence information.

Further, through [the] initiatives of the BOC, the security measures implemented in all main air and seaports of the country have improved relative to the cross-border declaration of the physical transport of foreign currencies and bearer negotiable instruments, particularly the detection of false declaration and its resulting confiscation.

Interagency cooperation has also been enhanced through the creation of the BOC and AMLC Coordination Center at the Ninoy Aquino International Airport in 2021 and the conduct of Targeted Intelligence Packaging Workshops between the agencies. Moreover, one of the operational coordination measures of the AMLC and BOC is the implementation of the Letter of Authority (LOA), which is similar to a search warrant, on investigations related to smuggling, which is a high-risk predicate crime. The AMLC has joined the implementation of at least 3 LOAs.

These are just some of the highlights of our agencies' engagement, and the AMLC deeply appreciated the steadfast commitment of the BOC in strengthening the Philippines' anti-money laundering and counter-terrorism financing regime.



The BOC and AMLC Coordination Center was launched on December 14, 2021 to serve as a quick-action center which houses joint meetings, case conferences, and road-mapping, among others. *Bangko Sentral ng Pilipinas (BSP)*. The BOC, as a regulatory agency, implements the policy of the BSP on Cross-Border Transport of Currencies. To assist the BOC in implementing the cross-border declaration/reporting requirements under the rules on physical cross-border transfer of currencies and other monetary instruments,

particularly in checking possible misdeclarations, the BSP donated 13 multi-currency counters and conducted a workshop for the BOC's frontline personnel.

The BOC, BSP, and AMLC are also jointly developing the Electronic Customs Baggage and Currency Declaration System to streamline and automate the declaration of local and foreign currencies brought in and out by travelers to and from the Philippines.





» *The Enforcement and Security Service (ESS) and the Fuel Marking Team conducted checkpoints at Roman Highway, Brgy. Daang Pari, Orion Bataan, to sternly verify the compliances of Oil importers and stakeholders.*

Bureau of Internal Revenue (BIR) and Department of Energy (DOE). The BOC, BIR, and DOE signed a MOA on Information Exchange and Reconciliation on May 27, 2021 to support BOC's Fuel Marking Program and curb smuggling and misdeclaration of imported fuel products through data reconciliation. Under the MOA,

an information exchange and Reconciliation Committee was created. The committee monitors any discrepancy in the reports created and gathered by the agencies regarding the supply, import, and consumption of fuel products nationwide.



PAYING IT FORWARD

Central to its commitment to support other government agencies in providing social service, various donations were made by BOC as part of its disposition of abandoned and forfeited goods. BOC was able to extend assistance to partner-recipients in line with their respective mandates.

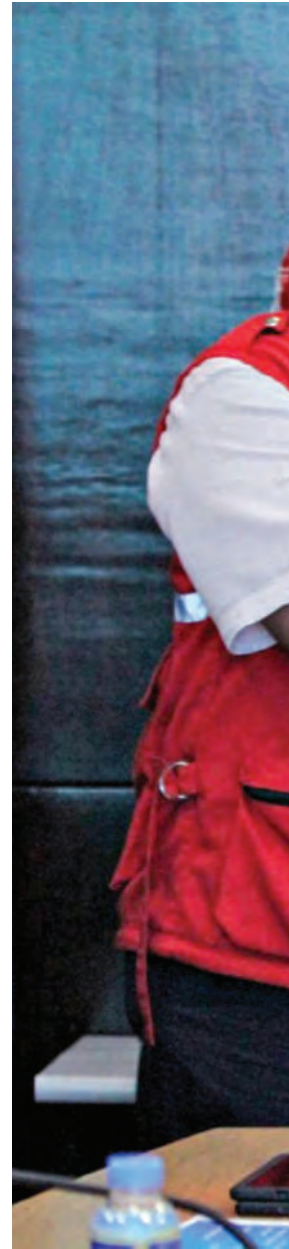
The Department of Education (DepEd) received 198 units of Huawei Matebook D15 Notebooks; 1,600 units of Oppo A92020; and 3,240 units of Oppo A31. They also received 74 units of V7 monitors, 50 units of Fuji Xerox multifunction printers, 14 ZTE pocket WIFI, Lenovo tablets, computer monitors, routers, flash drives, school bags, educational books, and children school shoes. This donation is intended to assist DepEd in their blended learning program.

The Cities of Mandaue and Lapu-Lapu, the Provincial Government of Cebu, the Department of Social Welfare and Development (DSWD) and the Technical Education and Skills Development Authority (TESDA) Region VII were provided with varying sizes of containers of twine, yarn, droppings, and cuttings. On the other hand, the Provincial Government of Surigao received

eight drums of unregistered oil to be used as raw material for the production of vases.

The Port of Davao also turned over to the Barangay Council of Sasa 125,000 pieces of medical gloves in addition to 40 drums each containing 200 liters of mold remover. Meanwhile, various toiletries such as classic bathroom collection, toilet roll holders, and soap dispensers were turned over to the City Government of Iloilo.





Additionally, DSWD received boxes of face shields, assorted apparel, stretch tents, canvass tents, and accessories, some of which were distributed during DSWD relief operations for victims of Typhoon Odette.

A 3x40 container with Libby's Vienna Sausage and 4x20 container with Tulip Jamonilla were donated to the *Office of Civil Defense (OCD)*, while 1x20 container of Muslim Books was donated to the *National Commission on Muslim Filipinos* and 1x40 container of used medical supplies and equipment to the *Southern Philippines Medical Center (SPMC)*.

The Philippine Coast Guard will also be receiving 6,357 liters of forfeited diesel fuel for use in its operations.

The many partnerships that the BOC has forged with various government agencies have been instrumental in fulfilling its mandate, as well as contributing to the national government objectives in the areas of border security, economic development, and stopping illegal activities.

The power of collaboration has been put to good use and will continue to serve the country well.



» The BOC turned over imported foodstuff and footwear to the Department of Social Welfare and Development (DSWD) as donations to the victims of typhoon 'Odette' on 24 December 2021.



GARMIN

02

BOC
BUREAU OF CUSTOMS
ENFORCEMENT AND SECURITY SERVICE



CHAPTER 07

INTENSIFIED BORDER CONTROL FOR SUSTAINED ANTI-SMUGGLING OPERATIONS

Large-scale smuggling and proliferation of markets for dangerous drugs, controlled precursors, food and non-food commodities have been a constant challenge for the Philippines through the decades. Smuggled goods come through not only via sea ports and airports but also the unguarded coast lines of the country.

The unabated inflow of smuggled goods and dangerous drugs have adversely affected local industries with relatively low-priced original and counterfeit imported commodities, diminishing opportunities for revenue collection.

Acting on the definitive directions of President Rodrigo Roa Duterte to address this unabated illegal activity, Commissioner Rey Leonardo B. Guerrero led the Bureau's multi-pronged approach and innovative programs.





INNOVATIVE PROGRAMS AND POLICIES

The Fuel Marking Program was launched in 2019 with the objective of suppressing oil smuggling. Prior to its implementation, data from United Nations Conference on Trade Development (UNCTAD) shows that the import value of oil exports to the Philippines was 20.6% higher than the total import value reported by BOC in 2016. This variance started to decline significantly from 2018 to 2020 with the Fuel Marking Program in place and the signing of the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

Through the issuance of Alert Orders (AO), BOC intensified its examination and port inspection on the basis of derogatory information against shipments alleged to contain undeclared, misdeclared, misclassified, and undervalued goods.

The physical examination of the alerted shipment is done by personnel from the Philippine Coast Guard (PCG), Philippine Drug Enforcement Agency (PDEA), and other agencies.



» *The BOC Port of Davao, through the IG and EG, prevented four (4) 40-footer container vans of illegally imported cigarettes worth Php 96,698,298.81 from entering the domestic market.*

In addition, intensified intelligence and enforcement operations were conducted through the implementation of Letters of Authority (LOA) issued by the Commissioner authorizing customs officers to inspect establishments and demand evidence of payment of duties and taxes on imported goods that are openly for sale or kept in storage. Personnel from the AFP, PCG, and other agencies work with BOC in the implementation of LOA.

The Universal Risk Management System (URMS) enhanced the risk management capabilities of BOC. The system introduced the Orange Lane as a new selectivity color together with the existing Green, Yellow, and Red Lanes.

With the new color lane—dedicated to medium to high-risk cargoes—goods declarations tagged “Orange” are passed through the x-ray scanner. If the image is found to be suspicious, the cargo will be subjected to physical examination.

On the other hand, goods declarations tagged “Red”—covering high-risk cargoes—must undergo both x-ray scanning and physical examination. The “Yellow” lane is intended for cargoes with low to medium risk which are subject to document-check. While “Green” lane is for cargoes classified as without risk to low risk.





» *The Port of Cebu seized, on August 24, 2021, a container of unmanifested goods from China found to contain uncooked Mechanically Separated Chicken.*



» The Port of NAIA seized six (6) shipments containing 146,600 boxes of medicine with no FDA clearances at Paircargo. The cargoes originated from Hongkong and were estimated to have a value of Php 29,328,000.





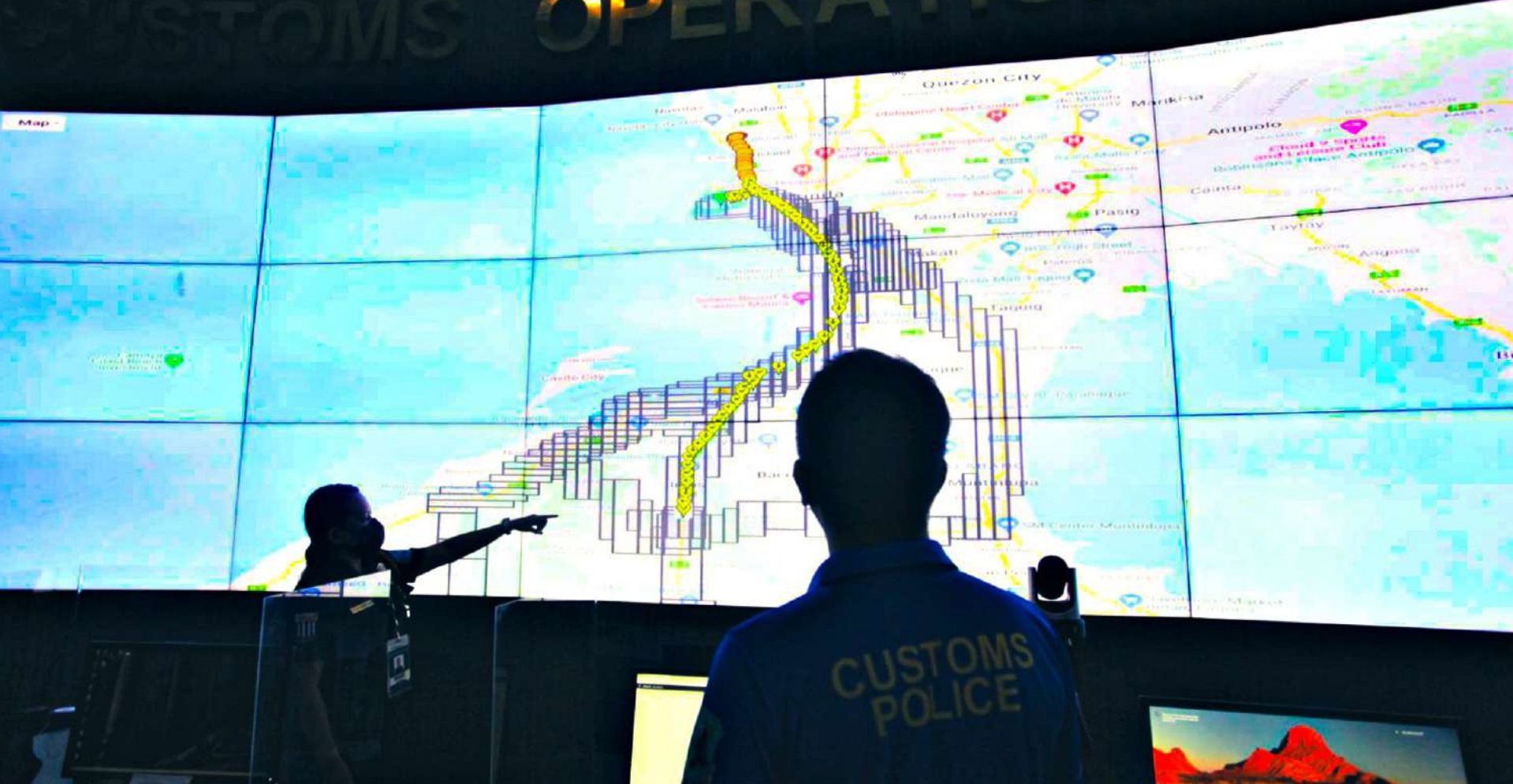
The URMS also has a feature called Memory-Based Reasoning (MBR) that enables risk and compliance prediction as an Artificial Intelligence Tool promoting automation and lesser human intervention.

Meanwhile, Consignee Site Inspections are conducted to check whether the importer requesting accreditation with BOC has a legitimate establishment and not hole-in-the-wall operations. This activity is geared towards

eliminating the “Consignee for Hire” scheme which was previously used in the importation of illegal drugs and other smuggled goods into the country.

To patrol the unguarded coastlines of the Philippines, BOC procured fast patrol vessels utilized by the Water Patrol Division of the Enforcement and Security Service (ESS). These vessels are sea-proven high-speed interceptors with sleek and aggressive design.





THE CUSTOMS OPERATIONS CENTER (COC)

To monitor the operations of BOC, the COC was launched on December 16, 2020. The facility is designed to house different intelligence, enforcement, risk management, and scanning systems of the agency gathered from various sources.

The COC features a highly modernized Intelligence Database capable of sorting out and managing various port-related information such as customs clearance for exports and imports as

well as ship entries and departures. This database further allows BOC to command and control intelligence and enforcement operations of its 17 collection districts nationwide.



The COC's Intelligence Database utilizes Information and Communications Technology (ICT) systems designed to streamline import and export processing and to improve trade facilitation and revenue collection. Among these ICT systems are the Electronic Tracking of Containerized Cargo System (E-TRACC) System which is designed to generate real-time and accurate information for monitoring

the movement of containerized cargo sealed with GPS-enabled tracking devices.

Another system is the Vessel Tracking System which tracks the movement of vessels within the Philippine Exclusive Economic Zone (EEZ). Through this system, the position data in terms of its geographical coordinate, history of movements, and other vessel details can be monitored and visualized.

ACT-CIS PARTYLIST

“We are grateful to the BOC who has consistently stepped up their surveillance operations to secure the country's national borders and protect the government revenue. We appreciate that they heeded our appeal for them to intensify their operations so we can protect our local farmers. We also laud the BOC for their heightened efforts in the seizure of other smuggled items, particularly cars. The local car industry, including the legitimate car dealers, remain at the losing end when smuggled cars enter the country without proper documentation and payment of taxes. We are confident that under the leadership of Commissioner Guerrero, the BOC can sustain these intensified operations to protect our local economy.”



Meanwhile, in the objectives of intelligence fusion, predictive analysis, fraud detection, expanded data-sharing & data-mining, and improved quality of information, COC utilizes two data sources: the Cargo Targeting System (CTS) and the National Customs Enforcement Network (NCEN).

CTS is a system provided by the World Customs Organization (WCO) and is designed to facilitate the advance submission of cargo documents. It also provides information to the Universal Risk Management System (URMS), a risk-management tool of BOC against illegal importations and exportations.

NCEN, on the other hand, is a system that assists BOC in the collection and storage of law

enforcement information on a national level. It has the additional capability to exchange information at the regional and international levels. It serves as a data bank on consignees with a record of seizures and suspicions. The system is utilized by COC in monitoring actual inspection of containerized goods, among others.

The COC also provides remote access to the X-ray Inspection Project (XIP). This allows real-time monitoring of the generated images from x-ray scanners of various ports nationwide. To enhance BOC's non-intrusive examination, new and advanced x-ray machines were procured. The additional assets have features that allow non-intrusive scans at a rate of 120 containers per hour.





In addition, it can produce clearer pictures of items being scanned and capable of material discrimination aiding x-ray image analysts to distinguish organic and inorganic materials. The high-performance scanning capability of these assets significantly improves the capacity of the BOC in identifying smuggled commodities by allowing non-intrusive detection of goods within

containerized shipments in a shorter period.

The Trace Detection System is also a significant addition to the non-intrusive inspection capability of BOC as it is designed to detect explosives and narcotics of small magnitude. The detection is accomplished by sampling non-visible “trace” amounts of particulates.

GOLDEN ABC

“Golden ABC, Inc. (GABC), a leader in the Philippine fashion and retail industry, recognizes the important role of customs enforcement in combating cross-border counterfeiting and smuggling activities. As home to known brands like Penshoppe, Regatta, OXGN, Memo, ForMe and Bocu, GABC has partnered with BOC to enhance the border protection efforts of the company against infringers at the ports level.

GABC’s legal team, led by Atty. Suzie A. Fernandez, and its IP enforcement manager, Atty. Kristian Nico C. Acosta, have effectively tailored strategies in strengthening and protecting the company’s intellectual properties. More particularly, the team focused on streamlining customs recordation as a first step in its enforcement strategy. Intensified market surveillance operations and closed coordination with the customs operatives have been institutionalized. Notably, the duo proactively conducted product familiarization and identification sessions with the customs operatives to help them spot infringing imports.

The foregoing initiatives of GABC have been positively realized thru the dynamic, prompt, and transparent actions of the BOC’s Intellectual Property Rights Division (IPRD). Thru the sincere encouragements and assistances of the IPRD, the company became one of the top-filers and registrants when it comes to customs recordations. Significantly, GABC’s partnership with the IPRD has led to cost-effective raids, prosecution of infringers, and expeditious condemnation of seized counterfeits. Hence, the company gratefully commends BOC for their credible, reliable and stellar service in (a) strengthening the border control efforts of stakeholders like GABC and (b) intensifying the anti-counterfeiting operations of the BOC.

GABC is committed to continue its long-standing cordial partnership with the BOC in all major areas of customs practice: (a) importation, (b) exportation and (c) customs enforcement. Our company is one with the BOC in its missions of ‘transforming, performing, and modernizing towards a world-class customs service’. More power to the BOC, the IPRD, its leaders and employees.”



The Nuctech TR3000DE of the Trace Detection System is a novel high throughput ETD model based on Ion Mobility Spectrometry (IMS) and patented multi-inlets design. It enables personnel to instantly detect and identify traces of explosive and

drug substances sampled from passenger and cargo surfaces with three times or more throughput than other conventional systems. The monitoring of this system is handled by Enforcement and Security Service (ESS) personnel at the COC.





Hytera





Relative to Supreme Court Administrative Matter No. 21-06-08-SC, BOC institutionalized the mandatory use of 200 newly-procured Body-Worn Cameras. These devices record events in customs operations such as but not limited to controlled delivery operation; guarding duty at customs import gates; hot pursuit; inspection of consignees' offices; search of persons arriving from foreign countries; search of vehicles and other carriers, persons, and animals; search on vessels or aircrafts and persons or goods conveyed therein; and regular customs operations.

Recorded data of video and audio recordings are transferred through the 17 docking stations that can be monitored remotely by the COC. Moreover, body-worn cameras can also serve as a communication device between the user and the monitoring facility.

IMPACT AND FEEDBACK

The implementation of these comprehensive strategies has led to improved enforcement activities against smuggled goods and illegal drugs that have been passing through the Philippine borders. The decisive and determined thrust to stop smuggling has not only racked up positive results but positive feedback as well.

The anti-smuggling campaign has resulted in the seizure of 63.5 billion pesos worth of illegal goods, amidst challenges encountered during the COVID-19 pandemic. The strengthened inter-agency coordination with other government agencies has been a major factor in achieving success.

During his interview on February 23, 2022, Agriculture Secretary William Dar commended the BOC for its sustained efforts against smuggled food items, citing the “...continued intelligence gathering and vigilance to prevent smuggling and apprehend offenders.”





Hon. Eric Go Yap, Representative of ACT-CIS Partylist, expressed his gratitude for the intensified anti-smuggling operations of the BOC:

“We are grateful to the BOC who have consistently stepped up their surveillance operations to secure the country’s national borders and protect the government revenue. We appreciate that they heeded our appeal for them to intensify their operations so we can protect our local farmers. We also laud the BOC for their heightened efforts in the seizure of other smuggled items, particularly cars. The local car industry, including the legitimate car dealers, remain at the losing end when smuggled cars enter the country without proper documentation and payment of taxes. We are confident that under the leadership of Commissioner Guerrero, the BOC can sustain these intensified operations to protect our local economy.”

GBP

“The GBP is a leading and independent power producer in Visayas with presence in Mindanao and Mindoro Islands. As a Security Corporate Manager of GBP, one of my tasks includes overseeing the management and ensuring the security of our company’s import and export operations. Hence, it is very crucial for me that our transacting partner, which is the BOC, be credible and reliable enough to perform at par with global standard in welfare of legitimate companies such as GBP.

Further, being adherent with laws, rules, and regulations that were imposed by the BoC, it is very important to us that all illegitimate/errant entities transacting with the Bureau be eliminated as they become threats in our business continuity.

I am also satisfied with the implementation of their modernization projects such as the Vessel Tracking System to further intensify port security.

I am grateful that Customs is putting the interest of its stakeholders as one of its top priority.”



BUREAU OF CUSTOMS
CIIS

NBI



We, in the NBI Special Action Unit, count ourselves privileged that we are able to work shoulder-to-shoulder with our counterparts.

*- Atty. Jerome R. Bomediano,
Chief, NBI-SAU*



One of the BOC's trusted partners in border protection, Atty. Jerome R. Bomediano, Chief of National Bureau of Investigation-Special Action Unit (NBI-SAU), conveyed that "law enforcement is a shared responsibility. This enduring principle is most evident in the solid cooperation between the Intelligence Group of the Bureau of Customs and the Investigation Service of National Bureau of Investigation."

In addition, Atty. Bomediano said, "the relentless operations spearheaded by the BOC's Customs Intelligence and Investigation Service (CIIS)

and the NBI's Special Action Unit (SAU), especially in recent years, have resulted in numerous high-profile arrests of customs law violators and the consequent seizure of millions upon millions of pesos worth of smuggled goods."

"We, in the NBI Special Action Unit, count ourselves privileged that we are able to work shoulder-to-shoulder with our counterparts from the nation's anti-smuggling agency in ensuring that no quarter is left for criminals who introduce contraband into our country's borders," he added.

Further, the intensified border control of BOC is not limited to the prevention of smuggling activities but also includes the monitoring of foreign vessels that have deviated from their navigational paths and entered the Philippine Exclusive Economic Zone (PEEZ) and seaports of the country. The heightened monitoring has resulted in the inspection of 755 foreign vessels.

Since its initiation in September 2019, the Fuel Marking Program tagged 39.3 billion liters of fully paid imported petroleum products which is equivalent to 374.13 billion pesos in taxes collected. This serves as a major improvement from the reports that the government lost 357 billion pesos in revenue from 2010 to 2019 due to fuel smuggling.

Accordingly, Congressman Joey Sarte Salceda of the 2nd District of Albay expressed, “I am



thankful to the Bureau of Customs for complying with this committee’s request to strengthen the country’s anti-smuggling efforts on petroleum. I noted earlier this year that the gap between exports to the country and imports of the country is narrowing, a sign that anti-smuggling efforts are getting more effective. I urge the BOC to go harder against smuggling as oil price increases.”

Stakeholders have also expressed their satisfaction in the programs and the results that have come about. Ted Belza, Jr., Vice President for Human Capital & Corporate Affairs of Golden ABC, Inc. (GABC), pinpointed the dynamic, prompt, and transparent action of the BOC’s Intellectual Property Rights Division (IPRD). He noted that the initiatives of GABC “through the sincere encouragements and assistance of the IPRD, the company became one of the top-filers and registrants when it comes to customs recordations. Significantly, GABC’s partnership with the IPRD has led to cost-effective raids, prosecution of infringers, and expeditious condemnation of seized counterfeits. Hence, the company gratefully commends BOC for their credible, reliable, and stellar service in (a) strengthening the border control efforts of stakeholders like GABC and (b) intensifying the anti-counterfeiting operations of the BOC.”





I am also satisfied with the implementation of their modernization projects.

*- Allen S. Valenton,
Corporate Security Manager,
Global Business Power
Corporation*



Likewise, Alfonsito Santos from I-Data Consolidators, Inc., agent of NIKE in the Philippines, also expressed his gratitude: “We wish to relay our appreciation to the Bureau of Customs (BOC) for its pro-activeness in addressing violators of the Intellectual Property (IP) Rights of the brands we represent wherein, in our experience, any concerns we bring to the attention to the IP Rights Division (IPRD) of the BOC are swiftly acted upon. Such BOC

actions have resulted in the seizure of billions of pesos worth of counterfeits that protects both the brand owners and the consuming public as well. We thus have good wishes for the BOC as it continues to exert such efforts and actions in securing our borders against infringing products and all sorts of contraband, which eventually benefit the entire Filipino people.”



Another BOC stakeholder and representative of Global Business Power Corporation, Allen S. Valenton, Corporate Security Manager, conveyed his gratitude to the effort of BOC to protect and secure the interests of its stakeholders.

“It is very important to us that all illegitimate or errant entities transacting with the Bureau be eliminated as they become threats in our business continuity. I am also satisfied with the implementation of their modernization projects such as the Vessel Tracking System to further intensify port security. I am grateful that Customs is putting the interest of its stakeholders as one of its top priorities,” shared Valenton.

On the other hand, Marides Distor, HRD Manager and Legal Officer of 90 DEGREES NORTH, commended the BOC for the

expeditious processing of their application for accreditation.

During an interview, Albert Pasicolan, President of 1BlueJay Corporation, observed that BOC “has been able to transform itself to the right attitude in addressing challenges in trade facilitation, suppressing smugglers, and curbing corruption which tremendously aids in re-stabilizing the Philippine economy.”

The operationalized systems, strengthened structures, and implemented strategies have greatly contributed to the transformation and modernization of BOC—ready to brave new frontiers as a world-class customs service.



BOC “has been able to transform itself to the right attitude.”

*- Albert Pasicolan,
President 1BlueJay
Corporation*



CY 2021

650.26bn
JAN.1-DATE COLLECTION

4.28%
DEVIATION

26.68bn
DIFFERENCE

PORT	TARGET	COLLECTION	DIFFERENCE	DEVIATION
APARRI	601,760,000.00	403,435,691.72	-198,324,308.28	-32.96%
BATANGAS	134,520,340,000.00	140,996,166,843.66	6,475,826,843.66	4.81%
CAGAYAN DE ORO	34,517,900,000.00	35,471,114,183.35	953,214,183.35	2.76%
CEBU	38,120,900,000.00	32,023,394,169.12	-6,097,505,830.88	-15.97%
DARAO	1,875,490,000.00	2,782,676,567.10	907,186,567.10	51.41%
DAO	36,449,340,000.00	37,971,649,468.65	1,522,309,468.65	4.18%
LOILO	2,793,500,000.00	3,185,540,888.80	392,040,888.80	14.03%
LEGASPI	268,400,000.00	415,327,693.03	146,927,693.03	44.01%
LIMAY	33,521,760,000.00	31,979,490,027.47	-1,542,269,972.53	-4.60%
MICP	164,008,270,000.00	160,970,776,153.96	-3,037,493,846.04	-1.85%
NAIA	35,478,000,000.00	35,884,891,527.92	406,891,527.92	1.15%
PCAG	0.00	1,318,305,118.15	1,318,305,118.15	>100%
POM	144,000.00	64,800,766,420.70	64,656,766,420.70	>100%
SAN FERNANDO	10,000.00	5,495,961,584.27	5,485,961,584.27	>100%
SUBIC	36,116,455,971.86	38,116,455,971.86	2,000,000,000.00	5.54%
SURIGAO	31,800,000.00	42,636,054.04	11,036,054.04	34.69%
TACLOBAN	5,185,800,000.00	5,379,910,881.02	194,110,881.02	3.74%
TEF	0.00	0.00	0.00	0%
ZAMBOANGA	6,118,880,000.00	6,118,880,000.00	0.00	0%
Total	623,578,020,000.00	650,257,000,000.00	26,680,000,000.00	4.28%

BUREAU OF CUSTOMS

MISSION
TO STRENGTHEN BORDER CONTROL, ENHANCE TRADE FACILITATION AND IMPROVE COLLECTION OF LAWFUL REVENUES

VISION
A MODERNIZED AND CREDIBLE CUSTOMS ADMINISTRATION THAT IS AMONG THE WORLD'S BEST

CORE VALUES
PROFESSIONALISM
INTEGRITY
ACCOUNTABILITY

A screenshot of a web-based dashboard for the Bureau of Customs. It features a navigation menu on the left, a main content area with a line graph showing trends over time, and a data table on the right. The interface is clean and professional, typical of a government information system.

A woman in a dark blue uniform and face mask is pointing at the 'NAIA' row in the table on the screen. She has a lanyard with a 'BUREAU OF CUSTOMS' ID badge around her neck.

Another woman in a dark blue uniform and face mask is looking at a tablet device. She also has a 'BUREAU OF CUSTOMS' ID badge.

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CHAPTER 08

REVENUE COLLECTION KNOWS NO PANDEMIC

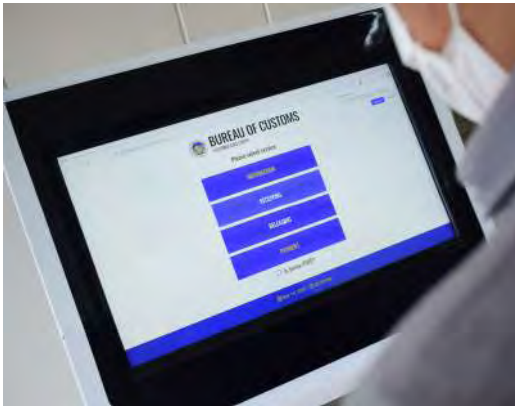
In the time of COVID-19, when economic activity slowed down, collection revenue numbers exceeded set targets.

In 2021, a total of PhP 643.56 billion was generated in revenue collections, a 4.4% increase over the target of PhP 616.75 billion.

In 2020, the total collection was PhP 537.68 billion, 6.23% more than the revised target of PhP 506.15 billion.

In relation to these milestones, Deputy Treasurer Eduardo Anthony Mariño III of Bureau of Treasury (BTr) commended BOC: “We wish to congratulate Commissioner Guerrero, as well as the men and women of the Bureau of Customs in surpassing your 2021 collection target of 616.49 billion pesos. The pandemic has imposed an enormous fiscal burden on the national

government and the Bureau of Customs has risen to meet the challenge head-on. Every single peso of collection in excess of your target meant additional resources that were dedicated to the pandemic response. The Bureau of the Treasury is looking forward to another successful year for the BOC in 2022.”



Due to lower gross domestic product (GDP) growth and macroeconomic assumptions brought about by the COVID-19 pandemic, BOC's collection target in 2020 was revised twice by the Development Budget Coordination Committee (DBCC) of the Department of Budget and Management (DBM). This was done to reflect the economic realities resulting from a pandemic-driven global growth slump. Accepting the higher targets, the BOC worked harder to hit the adjusted target, exceeding the same by more than 6%.

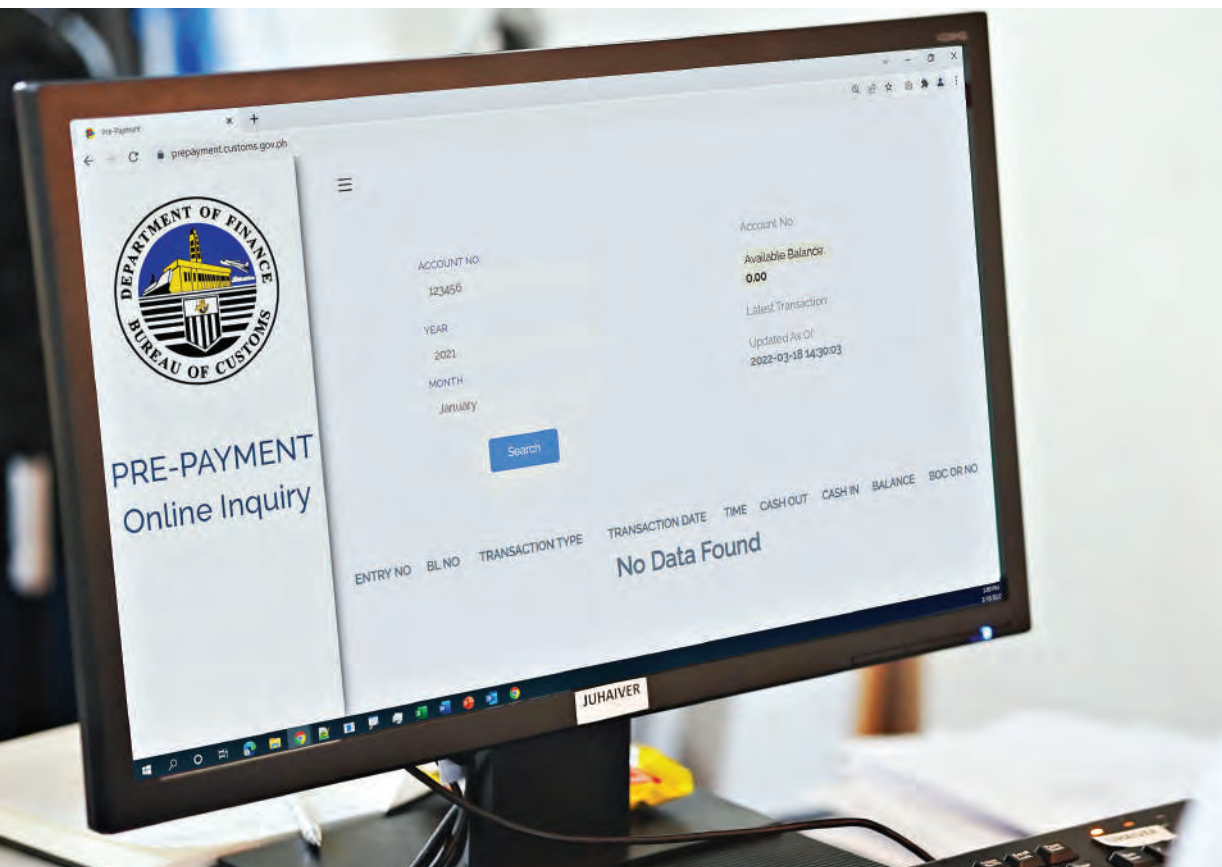
Through the combined efforts of customs personnel and stakeholders, the gradual increase and improvement in revenue collection was realized notwithstanding the severe economic slowdown. Several programs like online payment systems and Electronic Tracking of Containerized Cargo (ETRACC) were prioritized and implemented which resulted to revenue collection milestones.



At the top of the list of these innovations, the automation of customs processes was the most crucial as it streamlined systems and processes, boosting the effort to modernize operations. That the automation efforts were done pre-pandemic made it possible for alternative ways of conducting operations to be implemented despite the limited movement and restrictive measures under lockdown.

The use of online payment systems was another major innovation that was much appreciated by stakeholders. The sentiment of stakeholders

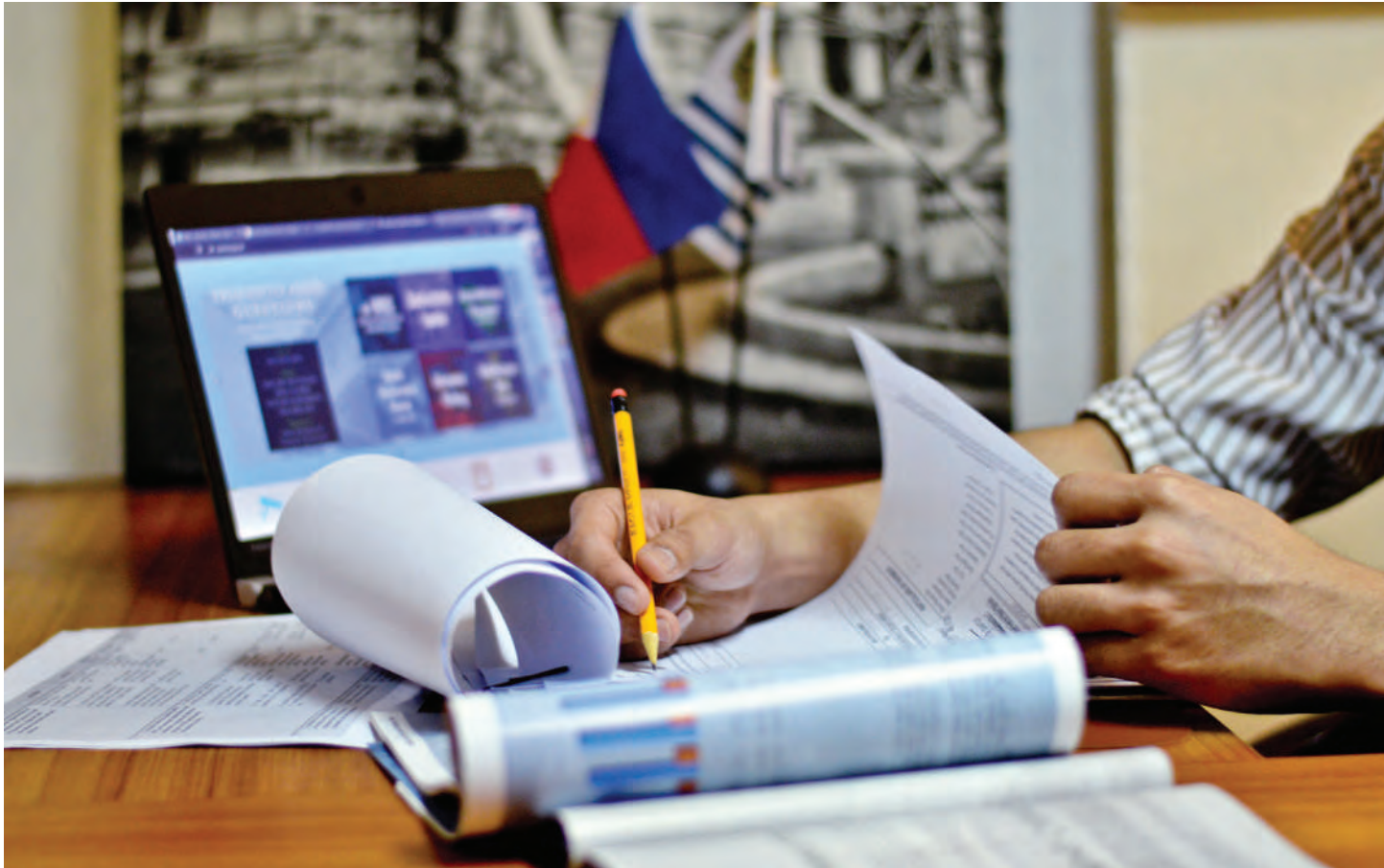
is represented in this testimonial from Mark Gerald Manalo, a licensed customs broker: “I would like to commend the Bureau of Customs for launching PayMaya Payment System last June 2020. Payment of the accreditation fees and other miscellaneous fees has never been this convenient. Wherever I am, I can already make payments through my mobile phone. Indeed, this is another accomplishment for the Bureau of Customs. On top of it, the online payment of customs fees will aid in increasing revenue collection especially during this pandemic where we, stakeholders, are very hesitant to transact face-to-face.”



» *Stakeholders may now take advantage of several online payment and inquiry systems which promote convenience and limit face to face transactions.*

Further, BOC and the Ateneo School of Government embarked on a joint project titled Improving Customs Governance through Data Analytics and Citizens' Engagement. This project is a policy research collaboration which seeks to assess, analyze, and process customs data to recommend reform initiatives aimed at enhancing governance outcomes and greater awareness of reforms. The collaboration builds up on the initial successes and progress arising from the different modernization and automation programs.

The upward trend in BOC's collection efficiency in the recent years also reflects the efficiency of the Post-Clearance Audit Group (PCAG). Prior to its restructuring, then Post-Entry Audit Group (PEAG) posted its highest annual collection of 950 million pesos in 2007. On the other hand, PCAG collected 2.06 billion pesos in 2019, 1.2 billion pesos in 2020, and 1.5 billion pesos in 2021. BOC, through PCAG, is optimistic that there will be more collections of lawful revenues from post-clearance audits with pending status from 2019 to 2021.





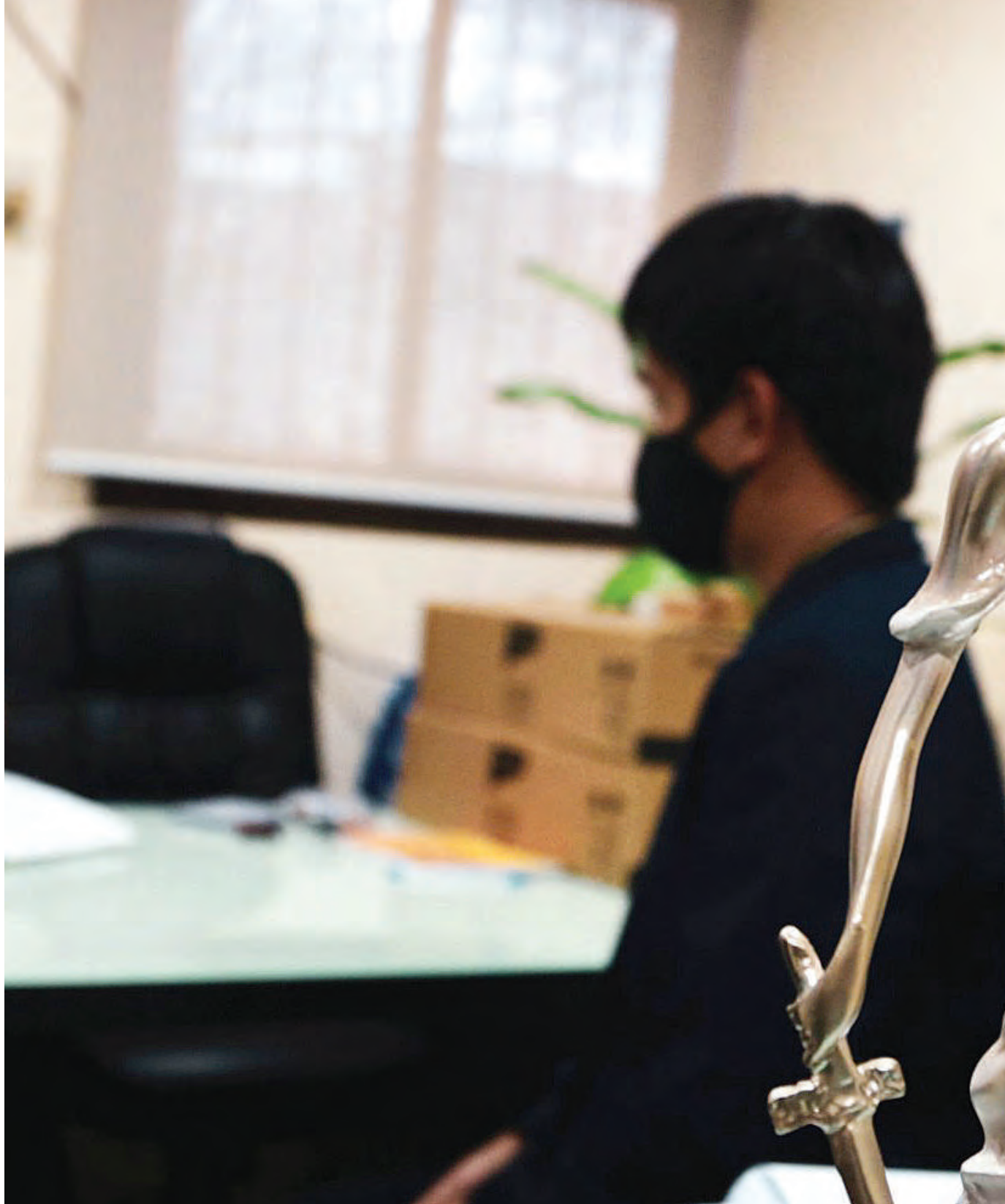
In addition, the revenue generated from the disposition of goods through public auction has increased tremendously. From 2018, BOC collected a total of 2.95 billion pesos from auction proceeds. Evidently, the disposition of the overstaying containers not only brings additional revenue but also further facilitates trade. Aiming to eliminate port and yard congestion, it ensured smooth flow of business between the agency and its stakeholders.

The contribution of the customs collection districts to the overall BOC collection effort is another key factor as they ramped up revenue collection from non-traditional sources. For the first time in the history of the BOC, a real-time

dashboard system is being utilized, resulting in effective aggregation and analysis of data on revenue collection contributing to the monitoring of all collection districts and sub-ports. This was achieved through the efforts of the Revenue Collection Monitoring Group (RCMG), among others.

The dashboard system was introduced to ensure that the district collectors would be constantly updated about BOC's overall collection performance. It also details the latest analysis on unpaid entries, daily collection, rates of assessment for each commodity, and factors affecting the collection.

» *The BOC-Bureau's Action Team Against Smugglers (BOC-BATAS) filed criminal cases before the Department of Justice against unscrupulous importers and customs brokers for violation of Customs laws.*





Yet another factor is the role of enforcement, as the Bureau has filed a growing number of criminal complaints against unscrupulous individuals violating customs laws, rules, and regulations.

Even the Bureau of Internal Revenue (BIR) has recognized the efforts and revenue milestones of BOC. In a statement, Assistant Commissioner for Assessment Service Ma. Luisa Belen congratulated the agency: “Our warmest congratulations to the men and women of Bureau of Customs for surpassing its annual collection target for 2021 collecting a total of P643.56 billion, which is even higher than the BOC’s pre-pandemic collection in 2019. This only shows that dedication, enthusiasm and hard work have paid off, not to mention the good leadership within the organization. As the top tax-collecting agencies of the country, the BIR and the BOC both faced many challenges through the pandemic and were able to overcome all the difficulties to achieve milestones in collecting revenues for the government for the upliftment of the lives of the Filipino people. Best wishes for a promising future!”

With the programs, processes, and measures that were put in place under the administration of Commissioner Guerrero, the Secretary of Finance has been vocal about his confidence that BOC will be able to sustain these remarkable accomplishments.



“I must say that the Bureau of Customs has never been as sophisticated, transparent, and modern as before because of these initiatives led by Jagger [Commissioner Guerrero] under the Duterte administration. I commend the proactive leadership of Commissioner Guerrero and his team for continuing to transform the Bureau into a highly efficient agency. I am happy to transition to the next administration a modernized customs

administration at par with global standards. This will be one of the lasting legacies of President Duterte. As the agency moves into its 120th year of serving the Filipino people, I am optimistic that the reforms already in place and the dedication of the professionals serving the Bureau will ensure that the revenue targets will be more than met,” Secretary Dominguez stated.



The rewards of a persistent push for reform and innovation in operations are most visible in the outstanding revenue collection efforts that have been delivered in the most unusual of times. With all hands and minds working with one goal, the Bureau of Customs continues to rise up to the challenge to perform with professionalism and results.



30th

MEETING OF THE
**ASEAN DIRECTORS -
GENERAL OF CUSTOMS**

08 - 10 June 2021 | Philippines
Virtual Conference





CHAPTER 09

ACHIEVING WORLD-CLASS EXCELLENCE

World class: of or among the best in the world; of the highest class internationally; the best of the best.

To stand alongside the foremost among the customs administrations in the world is the vision of the Bureau of Customs. To have systems, processes, and facilities that are ranked among the best in the world is the end-goal of a steady and focused march towards international standardization.



WORKING ON ISO CERTIFICATIONS

The move began in 2013, as the BOC embarked on implementing a quality management system. The goal was to have all offices and their processes recognized and certified to be up to the standards set forth by the International Organization for Standardization (ISO).

Successfully, the Port of Batangas attained the ISO 9001:2008 Quality Management System (QMS) Certification in the same year. In 2018, the said Port undertook the mandatory transition audit

from ISO 9001:2008 to the ISO 9001:2015 QMS Certification. But the rest of the Bureau's ports and offices had yet to receive the ISO certification.



With the resolute commitment to reforming internal systems made at the end of 2018, the quest for ISO Certification got back on track. The following year, the creation of a Quality Management System and Integrity System was included in the 2019 10-PPP. The goals, included among others, are the recreation of the process for internal audit, the reestablishment of the internal audit team & the Interim Internal Quality Management System Office (IIQMSO), and the re-development of the quality management system manuals and process manuals for processes & procedures.

The ISO Certification of customs offices remained in the Bureau's 10-PPP for 2020. Despite the

enduring effects brought upon by the COVID-19 pandemic, the IIQMSO remained staunch in the preparation of the newly established Customer Care Center of the Port of Manila (CCC-POM) and the Sub-Port of Dumaguete in their pursuit of securing the ISO QMS certification.

Following the easing of health protocols in late 2020, TÜV SÜD PSB Philippines Inc. conducted an external audit on CCC-POM and Sub-Port of Dumaguete. Both offices were successful in achieving their ISO 9001:2015 QMS Certification. The CCC-POM and Sub-port of Dumaguete now hold the distinction of being BOC's first ISO certified CCC and sub-port, respectively.



“The ISO journey of CCC is like a hero’s journey. Just like any hero in a story, we embarked on a dream with a leap of faith, and we have had several setbacks but arrived at our destination in perfect timing. The satisfaction of succeeding in areas, among others, the establishment of standard processes, provision of quality customs relations services, as well as the achievement of high-level customer satisfaction is unparalleled. As such, the CCC-POM takes pride in setting the bar towards the goal of certifying the remaining BOC Customer Care Centers,” said Joel Espejo, Supervising

Customs Service Officer of CCC-POM.

“The Bureau’s transformation journey through ISO improved our systems and processes to meet global standards, as well as institutionalized reforms to promote its fundamental values—professionalism, integrity, and accountability—throughout the organization,” he added.

BOC remains relentless in its goal as it has secured ISO QMS Certifications for several of its ports, sub-ports, and offices. In 2021,





IIQMSO was able to conduct five Internal Quality Management System audits; 26 Internal Quality Audits for ports, sub-ports, groups, offices, and CCCs; and ensure the maintenance of three ISO Certificates through the conduct of surveillance audits.

In 2021 alone, the Ports of Manila, Clark, Davao, and NAIA, as well as the Sub-Ports of Mactan and Iligan, were awarded the ISO 9001:2015 QMS Certification. In the same year, the Port of Batangas maintained the Quality Management System requirements of the ISO 9001 Standard as a result of passing its 6th surveillance audit, which includes the processes of their CCC. Moreover, the CCC-POM and the Sub-port of Dumaguete

maintained the standard requirements for the first surveillance of their certificates.

In 2022, CCC-Subic, CCC-Limay, and the Ports of Legazpi and Tacloban were ISO-certified, achieving the targets set by the IIQMSO. Entering the 2nd quarter of 2022, the BOC currently maintains a total of 13 ISO certificates.

As ISO Certification continues to be a core program of the 10-PPP for 2022, it is evident that the sustainment of a quality management system remains to be a matter of great importance in BOC's journey towards becoming a world-class customs administration.



A grid of video conference windows on a MacBook Air screen. The windows are arranged in a grid and show various participants. Some windows show individuals, while others show group photos or logos. The text "MacBook Air" is visible on the laptop's bezel below the screen.

Participant Name	Participant Name	Participant Name	Participant Name	Participant Name
ASRC - Rama	ASRC - Ihsan	Chair - Gumbardhman	BN- SOPHIA SENG	LA-Amara
Tudy NGUYEN, VIETNAM Customs	BN_Tiv Polin	MY- Audrey	ID_ded	MO- Mi Khin Meung Lynn
ID-AJ AMB	TH-Prasen	PH	MY HABIL	MY - Spaul
SG - Fauziah	ID - Arif	MY Mashta	ID-Novan	MY-Asma-husni
MY-ADILAH	LA-Soupassad	BN - Amalina	VN - Tam Minh Vo	P...A



» *The World Customs Organization (WCO) and the BOC held the third (3rd) Capacity Building Workshop for the National Customs Trade Facilitation Champions (TF Champions) from 21 to 25 March 2022 in Manila, Philippines.*

FORGING COMPETENCE THROUGH PARTNERSHIPS

Having joined the 184-member World Customs Organization (WCO) in 1980, the Bureau has since been exposed to and has adapted internationally recognized customs standards and best practices. The WCO, as a repository of customs best practices, plays a key role in supporting its members in successfully pushing towards becoming effective and efficient customs administrations.

In May 2018, the WCO Asia-Pacific (A/P) convened the regional heads of the customs administrations of Asia-Pacific in Nadi, Fiji. On that occasion, the WCO A/P Regional Office for Capacity Building (ROCB A/P) ushered the Philippines' enrollment in the WCO Mercator Programme: A Navigational Map for Trade

Facilitation. Established in 2014, the WCO Mercator Programme was developed to ensure the uniform implementation of the World Trade Organization-Trade Facilitation Agreement (TFA) through the application of WCO tools and instruments.



Forging ahead, in August 2019, the WCO conducted the Mercator Diagnostic Support Mission to gauge the BOC's compliance to the TFA, which was made possible through financial support from the Customs Cooperation Funds (CCF) Japan. The conduct of the said diagnostic was undertaken under the framework of the multifaceted WCO-BOC Mercator Programme, which is supported by the United Kingdom-funded trade facilitation and capacity-building programmes.

A comprehensive assessment of the BOC's performance with respect to its implementation of the TFA was conducted and several areas of improvement were highlighted, which include the organizational development and technical trade facilitation measures. Positive developments in the said areas would ultimately lead to the fulfillment of the Bureau's mission to enhance trade facilitation, strengthen border security, and improve collection of lawful revenue.

“Venturing on the multi-year WCO-BOC Mercator Programme is a rarity. We have had piecemeal diagnostic missions in the past, but the said Programme is like no other. The past two years have provided diagnostics not only of the Bureau's adherence to the TFA, but more importantly, the Philippines' customs processes

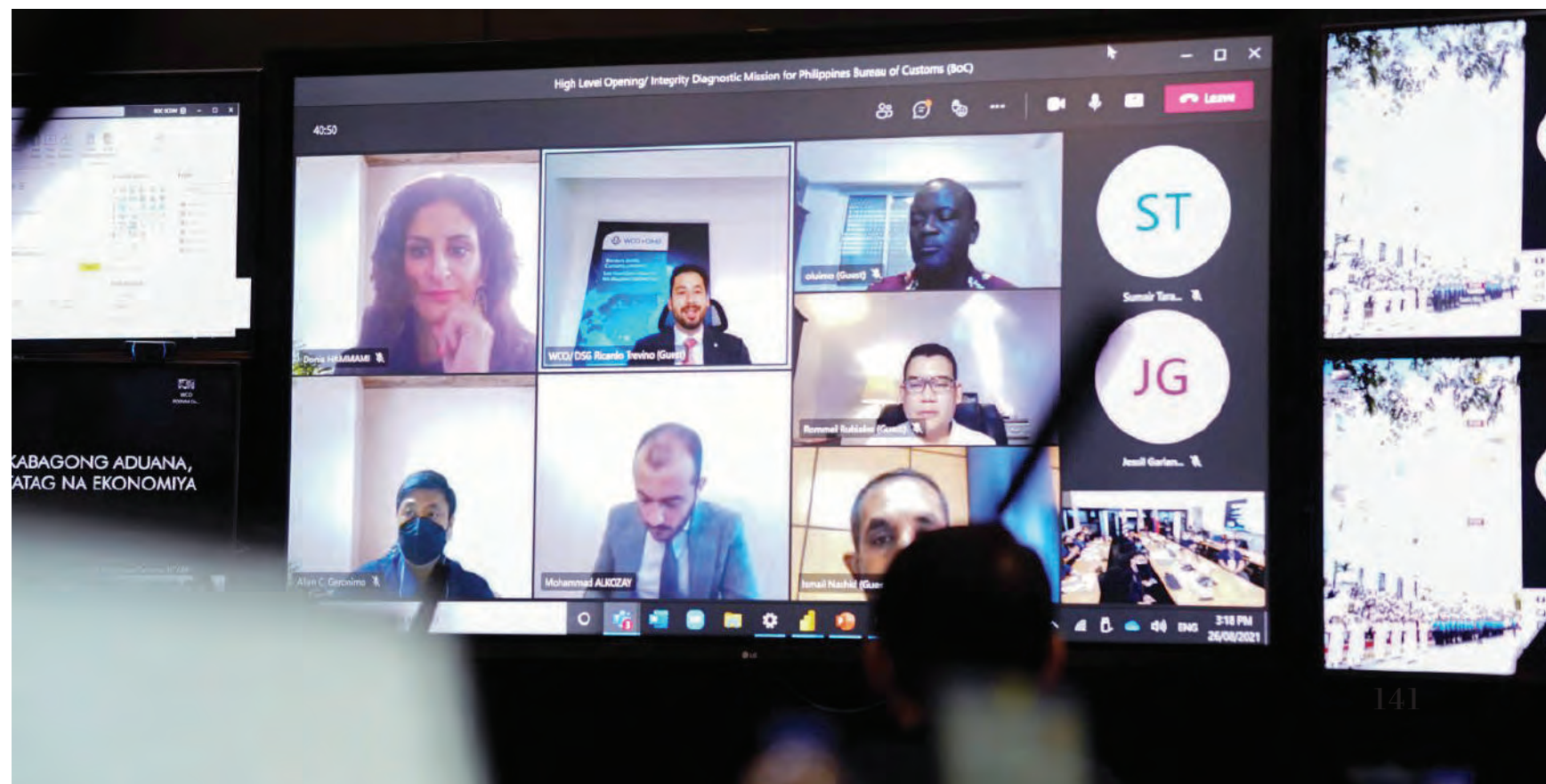


and procedures. Our goal is not only to align our functionalities to be consistent with the TFA and to be a key driver of trade facilitation, but to make lasting and impactful developments within the Bureau, in the service of our stakeholders and the betterment of the country,” said Atty. Marietta Zamoranos, dubbed as the mother of the WCO-BOC Mercator Programme.

Since 2019, the Bureau’s Mercator Team, headed by Atty. Julito L. Doria, with the support of the WCO, has kept an eagle eye on the BOC’s implementation of the TFA, through a self-assessment of the BOC’s

implementation status of the TFA, otherwise known as the WCO-BOC TFA Maturity Model, an instrument designed to determine and objectively measure the performance of the Bureau with respect to the Agreement.

According to the Mercator Stocktaking Report, the BOC’s TFA implementation maturity level is at 85%, which is similar to the score of the Self-Assessment conducted by the BOC earlier the same year. The initial assessment, which was conducted in August 2019, provided a baseline implementation maturity level of 49%.



Meanwhile, Donia Hammami, WCO's Executive-In-Charge of UK supported Trade Facilitation Capacity Building Programmes, who has been at the helm of the WCO-BOC Mercator Programme since 2019, had this observation: "It is impressive to see the progress and transition that has been made in the last two years by the BOC, despite the significant challenges of the current global health crisis, and while working on difficult circumstances. It has been truly inspiring—not only for me but also for other Customs administrations."

"Effective border management is key for the national competitiveness and the investment climate of the Philippines. With the financial support of the United Kingdom, and as part of the multi-year strategic partnership, the WCO remains committed to support the BOC on its transformational journey to be a modernized and credible Customs administration," she added.

The WCO Customs Integrity Perception Survey conducted remotely from August 27 to September 24, 2021 was intended to provide strategic and technical advice to the BOC on how to develop and promote Integrity within the institution. In the findings that were presented after the activities which were participated in by BOC representative, the private sector and the World Bank Group, the report stated that: "The BoC has done remarkable work to modernize the department by improving systems and procedures in the past few years. The BoC leadership followed the WCO Mercator Implementation Plan that was developed in 2019. In this context, the BoC has already worked on some critical issues that related to the possible improvement of the overall integrity and transparency within the department."





BUREAU OF CUSTOMS

MISSION
To strengthen border control, provide trade facilitation and improve collection of lawful revenue

VISION
A modernized and credible customs administration that is among the world's best

CORE VALUES
PROFESSIONALISM
INTEGRITY
ACCOUNTABILITY

ADMINISTRATIVE SERVICES
(MAGASANGGAGANAN SA SERBISYO)

ADMINISTRATIVE SERVICES
(MAGASANGGAGANAN SA SERBISYO)





The report on the findings also cites the “well-established strategy, road map and KPIs related to the promotion of integrity and the fight against corruption.” It also recognizes the improved transparency and accountability within the BOC, as well as the improved morale within the organization over the last two years as a result of the appreciation of the modernization journey.

On the way to modernization, BOC’s innovations have helped boost the Philippines’ overall capabilities in the area of digitalization and sustainable trade facilitation.

The 2021 data from the United Nations Global Survey on Digital and Sustainable Trade Facilitation showcases the Philippines’ progress in implementing trade facilitation measures since 2019. The Philippines’ 2021 overall implementation rate of core measures in the survey was registered at 86.02%, higher than the Southeast Asia average of 74.29%. It has improved significantly compared to the Philippines’ implementation rate in 2019 which was at 80.65%.

In leading the efforts to facilitate the implementation of the Paperless Trade Agreement, the Bureau co-published the “Readiness Assessment for Cross-Border Paperless Trade: Philippines” together with the United Nations

Economic and Social Commission for Asia and the Pacific (UNESCAP) in March 2022.

“The Philippines has made significant progress in implementing trade facilitation measures in recent years, with its implementation level now significantly above the Asia-Pacific regional average. It has already demonstrated strong political will in accelerating cross-border paperless trade, becoming the first ASEAN country to accede to the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific in 2019,” cites the ESCAP report.





“I have collaborated with the Bureau mainly for the readiness assessment for cross-border paperless trade. The Bureau has supported the national study through liaising with all relevant agencies. As the lead of the NSW-Technical Working Group (NSW-TWG), the Bureau also presented the findings, recommendations, and action plan from the study to effectively support the strategies and planning of the Philippine Government in the area of cross-border paperless trade. The Bureau has been proactive and has constantly strived to achieve the best outcomes from the collaboration,” said Soo Hyun Kim, Economic Affairs Officer, Trade Policy and

Facilitation Section of the Trade, Investment, and Innovation Division, UNESCAP.

The International Trade Centre (ITC), a multilateral agency which has a joint mandate with the UN and WTO, has supported the BOC in implementing the Integrated Risk Management (IRM), e-Commerce, and the Authorised Economic Operator (AEO) Programme. It also conducted capacity programs for the PTFC. This partnership has emerged as a key factor in helping BOC achieve international trade efficiency and competitiveness.



“The ITC is very pleased to work in partnership with the Bureau within the framework of the ASEAN Regional Integration Support by the European Union (ARISE Plus). Our joint work has already led to concrete results in support of the Philippine Trade Facilitation Committee (PTFC), and key trade facilitation areas particularly integrated risk management, the AEO, and e-Commerce. I look forward to our continued and strengthened partnership for creating a conducive business environment for the benefit of the Philippine small and medium-sized enterprises,” said Xuejun Jiang, Chief, Office for Asia and the Pacific, ITC.

BOC has also been working with other international funding agencies particularly the United States Agency for International Development (USAID) and the World Bank Group (WBG) on multiple trade facilitation and modernization initiatives. Likewise, Japan International Cooperation Agency (JICA), has been a long-standing partner of the Bureau. For years, the BOC has coordinated with JICA and Japan Customs in the provision of capacity-building in areas that need improvement in the BOC, particularly in Customs Modernization.



THE QUEST GOES ON

From one feat to another, while BOC positions itself as a contributing member to the collective efforts of the Philippines in the international scene, the Bureau has also created a distinct footprint on a regional level.

Despite being a rookie in a league of seasoned customs leaders in the ASEAN regional bloc for many years, the Bureau was quick to pivot the passive participation of the Bureau in the ASEAN after gaining full support from the administration.

“Having been in the Bureau of Customs for roughly 30 years, I have witnessed the glorious days of the Bureau in the international arena, but at some point, it was understandable for the onlookers to conclude that the international relations of the Bureau were its least priority,” said Collector Wilnora Cawile, Head of External Affairs Office (EAO).

“We were in a state of non-appearance and non-compliance in the ASEAN for years. Although a member of the ASEAN Customs community, the Philippine Customs was not paying enough attention and importance to regional commitments. In fact, during one of the high-level meetings of the ASEAN Customs, the ASEAN Secretariat addressed the frequent non-attendance and laxity of the Philippine Customs. It was a wake-up call for the Bureau,” Atty. Zamoranos said.

“Disheartened but enlightened by the circumstances, the bureau immediately took





» *BOC officials, composed of members from the Philippine Delegation, attended the 35th Meeting of the ASEAN Coordinating Committee on Customs (CCC), which took place via Video Conference from 23-25 November 2021. The event was chaired by Collector Wilnora L. Cawile, Head of the External Affairs Office.*

action and ensured commitments under the ASEAN and other international undertakings were met and given importance to. We have grown so much since then. The Bureau has been receiving warm approval for sparing no effort in excelling in the field of diplomacy and international relations,” she added.

Since 2018, the EAO has been relentless in its goal to fulfill all ASEAN commitments and

deliverables under the various ASEAN Customs working groups, namely: the ASEAN Customs Procedures and Trade Facilitation Working Group (CPTFWG), the ASEAN Customs Enforcement and Compliance Working Group (CECWG), the ASEAN Customs Capacity Building Working Group (CCBWG), the ASEAN Single Window Steering Committee (ASWSC), and their respective sub-working groups.

ASEAN-Australia Customs Workshop on Infringing IPR Goods and Risk to Consumer Health and Safety

20 - 22 March 2014, Manila, Philippines



DOMINIC GARCIA

Chief, Intellectual Property Rights Division



Sam Ten

Chief, Air Liaison



Moreover, the ASEAN also works with the private sector namely the ASEAN Joint Business Council (JBC), the European Union-ASEAN Business Council (EU-ABC), the United States-ASEAN Business Council (US-ABC), and the ASEAN Business Advisory Council (ASEAN-BAC). The ASEAN also cooperates with notable ASEAN Dialogue Partners namely China, Japan, Korea, and Australia. ASEAN Consultants, USAID, and EU-ARISE Plus among others, also provide support and technical assistance to boost ASEAN Customs integration.

In June of 2021, the Myanmar Customs Department formally turned over the Chairmanship of the ASEAN Directors-General (DG) of Customs to the Philippines in the person of Commissioner Guerrero. The Bureau accepted the responsibility of spearheading ASEAN Customs and its strategic plans for 2021-2022. As the driving force of the ASEAN Customs community, the Bureau was able to revitalize its rapport in the ASEAN—building new relationships and strengthening old ones.

In his opening address at the 30th Meeting of the ASEAN DG of Customs, the Commissioner said, “Customs’ role has greatly evolved through the years, arising from a fast-changing landscape,



brought about, among others, by globalization of business and trade, fiscal necessities, fast evolving technologies, and increase in transnational threats, including revenue fraud. Thus, customs shall seek to attain the delicate balance of its role as revenue generator, trade facilitator and protector of society.”

In November 2021, the 35th Meeting of the ASEAN Coordinating Committee on Customs (ASEAN CCC) was likewise led by the Philippines. In April 2022, the 36th Meeting of the ASEAN CCC was hosted and chaired by the Philippines.





GOING THE EXTRA MILE

As BOC works towards achieving world-class excellence, indeed, it can be said that the Bureau and its workforce have collectively taken every step in transforming the organization into a credible and modernized administration that is among the world's best.

“Our leaders stand firmly among us on this journey. It has been and always will be an honor to walk along the halls of this Bureau knowing I stand among the men and women who work day in day out, faithfully ‘performing’ our duties and persistently ‘transforming’ this Bureau,” said Collector Cawile.

Atty. Zamoranos, on the other hand, concluded that “we are now in sync with international standards and best practices. We have toiled tirelessly for the pursuit of our goals, and we can already see the fruits of our labor. If we continue to strive for excellence, at the pace that we are going now, we are looking at a bright future for the BOC and the Philippines in the international scene.”

Achieving world-class will continue to be a priority and a goal of the Bureau of Customs, putting its new learnings and modern thinking to work with its counterparts in the global village.



» *Customs Commissioner Rey Leonardo B. Guerrero attended the three-day 28th ASEAN Meeting of Directors General (DG) of Customs on June 11-13, 2019 in Vientiane, Lao PDR.*





CHAPTER 10

REFORM AND TRANSFORM

The push for reform has been uncompromising, the results have been noteworthy, leading to a chain of innovations and solid results.

In recent years, BOC has gone through monumental changes to improve its operations and to be recognized among the world's best through its reformed policies and processes. In turn, the internal transformation is changing public perception about the BOC.

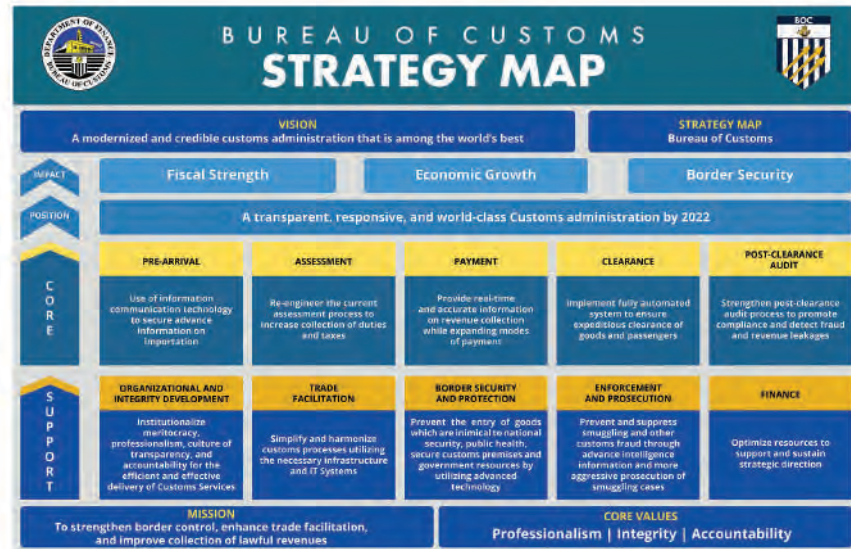
The BOC implemented various projects that encouraged quality, integrity, and efficiency within the Bureau, effectively laying down the framework for both the current and future administration to work towards better and integrity-driven governance.

Throughout its history, the Bureau has been plagued by numerous controversies that led to low approval and trust ratings. The most recent scandals on drug smuggling and the “TARA” (payola) system, as well as unmet collection targets and outdated systems and procedures added to the negative public perception of the BOC. The list of weak points in its operations included the delay in the processing and approval of applications, accreditations and clearances of importers and other clients as well as the lack of capability to effectively enforce border protection.

The appointment of a new Commissioner in October 2018 became the turning point for a departure from the old ways. The Bureau enrolled in the Performance Governance System Pathway, administered by the Institute for Solidarity in Asia (ISA), in August 2019 and prepared for the next stage.







INITIATION STAGE

The BOC began to complete the basic requirements for the 1st Stage of the PGS. Having made that decision, the Bureau took the first step by conducting a Strategy Workshop where it crafted the 4-year Strategic Road Map. The goal: to transform the BOC into a transparent, responsive, and world-class Customs administration by 2022, providing fiscal strength, economic growth, and border security. Integral to this roadmap were the core and support functions that were critical in achieving their objectives.

The initial core functions included Pre-shipment, Assessment, Payment, Clearance, Post-Clearance Audit. On the other hand, the five support functions during this stage were Organizational Development, Integrity Development, Trade Facilitation, Security and Protection, and Financial Management. All these functions were needed to be integrated for the BOC to perform, reform, and transform.

Through the integration of these functions, BOC was able to comply with the requirements of the Initiation Stage. The highlights of these requirements were the first set of Basic Governance Documents which clearly outlined the BOC's Core and Support Processes; organized and formulated the PGS Core Team; and linked the agency's budget to their strategy. Additionally, personnel were made aware of the PGS through



various cascading and workshop sessions/ activities and implemented and automated processes that reduced face-to-face transactions.

More importantly, BOC was able to complete Breakthrough Activities for this stage: the creation of the Office of Strategy Management (OSM), a Memorandum of Understanding (MOU) with the Ateneo School of Government, and the launch of the “8484” text hotline for corruption complaints.

By the end of the Initiation Stage, the Agency was also able to complete additional activities like the formulation of the Commissioner’s 10-Point

Priority Program based on the Strategy Roadmap and Governance Scorecard, the ISO Certification for ports, and achieved zero backlog in the processing of accreditation of importers and exporters.

All in all, the BOC was able to move forward and effect tangible changes within their systems and processes to be able to complete the Initiation Stage of the PGS. In addition, the significant milestones which included increased collection of duties and taxes and decreased number of fraudulent transactions earned their first Gold Trailblazer Award.



COMPLIANCE STAGE

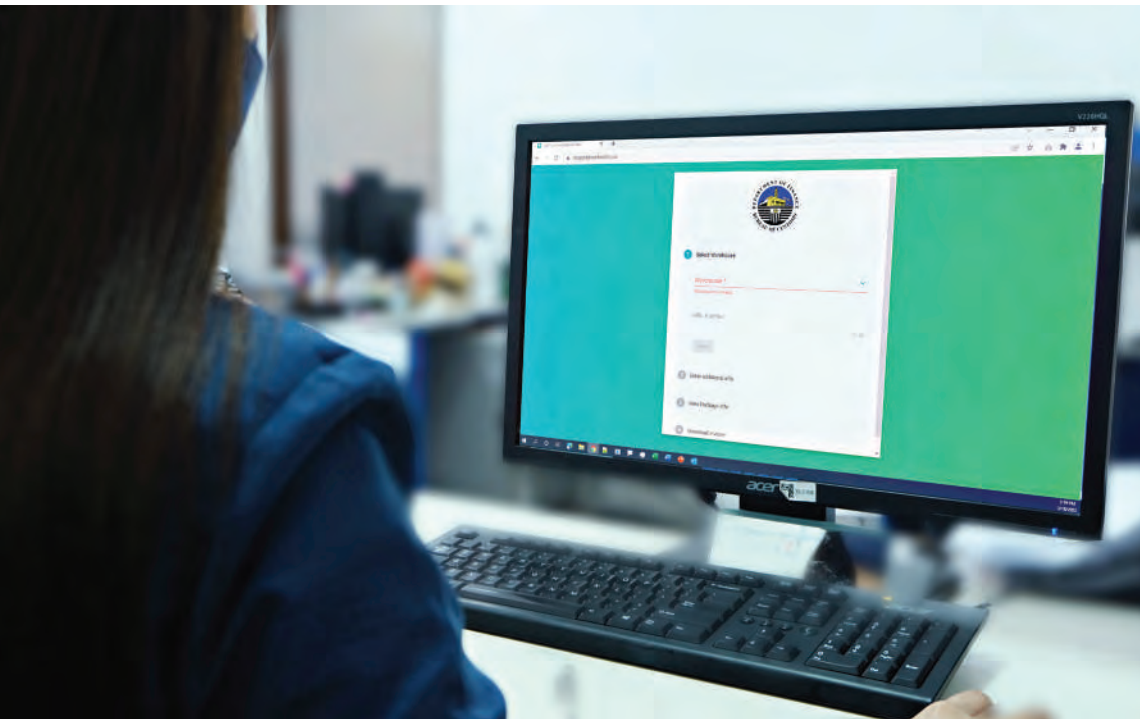
The BOC was able to assign different committees for the Multi-Sector Governance Council to improve cohesiveness when it comes to strategic direction for different customs processes and operations, aligned themselves with the WCO Mercator Programme, and sought out best practices and good governance sharing with other government institutions to promote the core values of transparency and professionalism within the institution, all part of the innovations and activities for the Compliance Stage.

During this stage, the BOC was also able to accomplish and surpass its revenue collection targets for the year, as well as strengthen their border security operations by improving their detection and intelligence capabilities.

In addition, BOC also integrated three major programs: the improvement of the Risk

Management System, strengthened Internal Administration capabilities, and the automation of frontline processes. All these tangible results in the compliance journey were a direct outcome of the full automation of six frontline processes which aimed to make customer contact points faster, more convenient, more modern, more responsive, and more corruption-free.





Jose M. Cruz, SJ, VP for University and Global Relations (2012-2021) of the Ateneo de Manila University observed that the “key to the Bureau’s transformation is the adoption of systematic, science-and-technology-assisted tools of data collection and analysis; the automation of customs processes exemplified by the replacement of person-to-person transactions with online platforms; the digitization of the Individual Performance Commitment and Review and the Enhanced Value Reference Information

System (e-VRIS) that addresses revenue leakages caused by the deliberate misclassification and undervaluation of imported goods; and data analytics tools to track variances in the value and volume of import products. The shortened clearance time of goods translates to considerable cost savings. The sustained effort to coordinate with organizations such as the World Customs Organization is another decisive action to upgrade capacity.”

PROFICIENCY STAGE

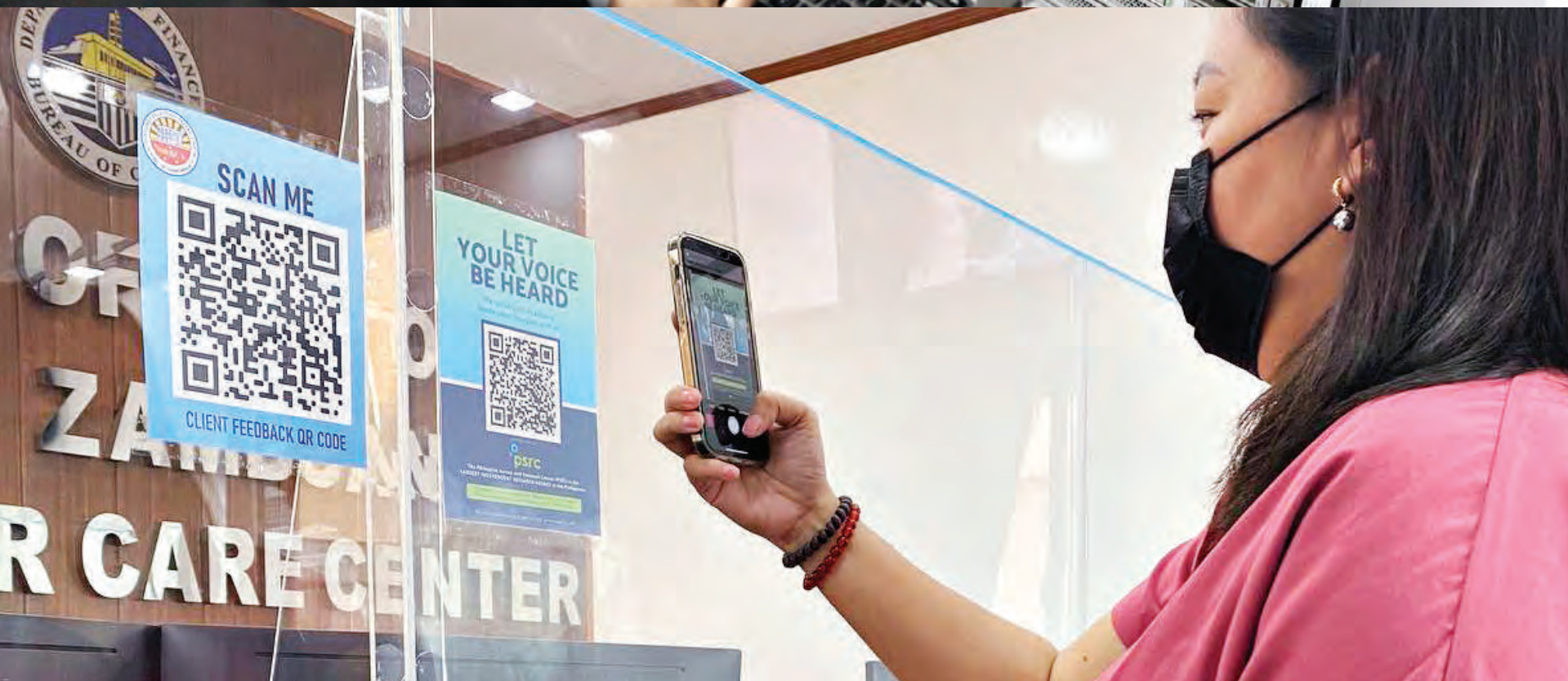
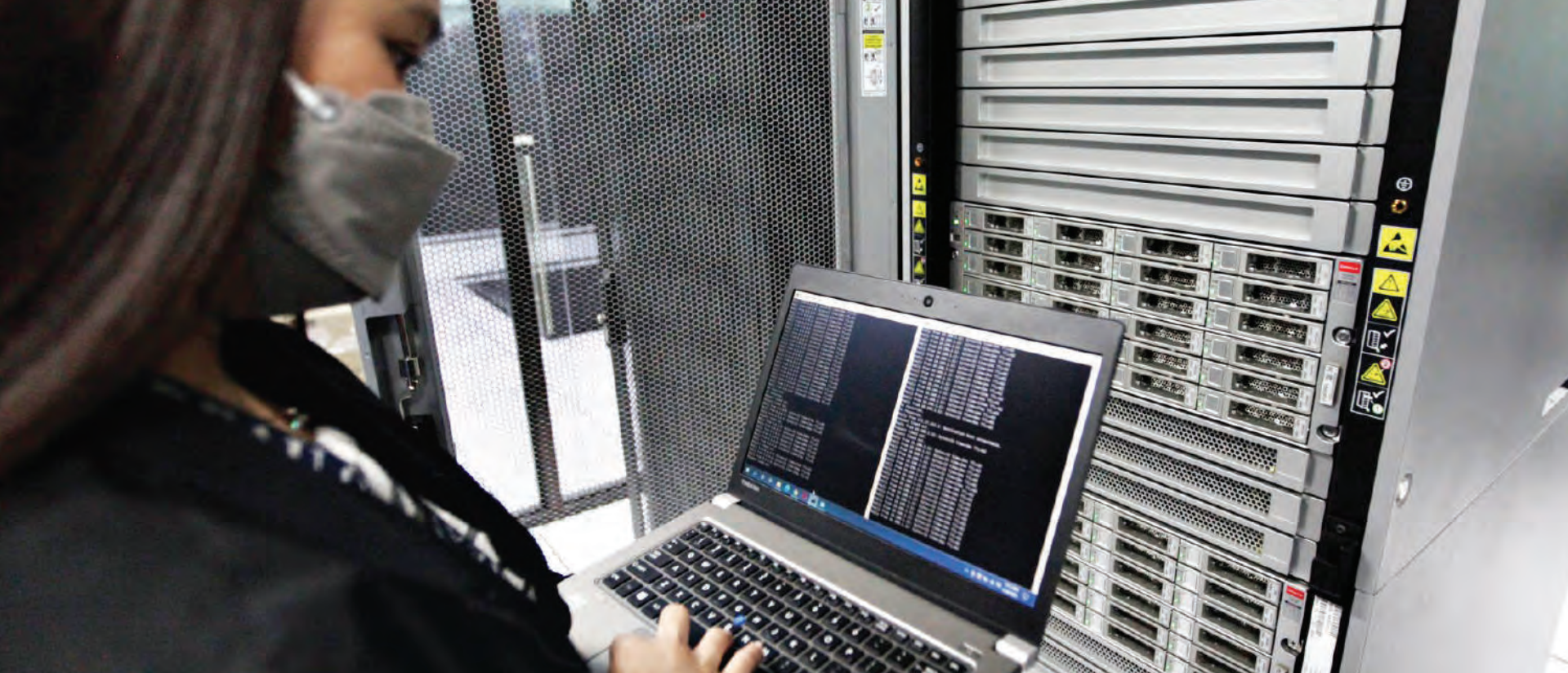
Once again, BOC emphasized its transformation program in its journey to proficiency: to modernize the BOC through systems improvement and automation, and the values reformation of their personnel. At this point, the BOC was undoubtedly making its best effort to correct its systemic problems and inefficiencies, as well as address the public's cynicism and stakeholder distrust.

Former Customs Commissioner Guillermo Parayno recounted that he “had been involved in the automation project for many years and thereby had an insider's view as to the state of the e2m System which has been the main Customs automation system since 2006. In 2012, I recommended that immediate measures be undertaken to replace the Asycuda ++. However, no concrete program materialized, not until 2019 when Commissioner Rey Leonardo B. Guerrero took the helm. A host of other developments allowed important systems to get automated thereby facilitating trade. It was this swift action on automation that contributed mainly to the actualization of the BOC's strategic plan.”

For its PGS Proficiency Stage, BOC continued to refine strategies by conducting strategy reviews based on ongoing and accomplished deliverables that are monitored through the OSM dashboard at the BOC-, group-, and port-levels.

Additionally, BOC implemented the Time Release Study to be able to determine and track the improvement in speed in which port operations are conducted. It procured the services of Philippine Survey and Research Center (PSRC) for a survey on net trust, awareness, and satisfaction ratings among the BOC external stakeholders and the general public.

Most notably however, the Bureau implemented more programs to promote good governance and further instill the core values among their personnel. Among these programs were the Values Transformation Program (VTP), the Governance Culture Code, the Anti-Corruption Manifesto, and the Zero-Contact Policy. The BOC was able to implement all these requirements and activities with the same quality and progressiveness they showed in the first stage. Hence, earning two more Gold Trailblazer Awards.







INSTITUTIONALIZATION STAGE

In 2022, BOC passed the final stage of the PGS, the Institutionalization Stage. BOC has been able to review, refresh, and update the Basic Governance Documents, extending the time horizon to 2028, which further promotes the element of sustainability in case a change in leadership takes place.

Furthermore, the BOC has also continued its cascading activities and recognized units that accomplished good wins and breakthrough results. Coupled with the other activities and breakthroughs, the Bureau was able complete the final stage of the PGS Pathway in April 2022, and received its fourth Gold Trailblazer Award.

More importantly, the Bureau was also recognized as an Island of Good Governance by the ISA, which identifies the Bureau as one of the models of sustainable transformation at par with global standards of governance.

Bishop Noel A. Pantoja, National Director of the Philippine Council of Evangeline Churches (PCEC), As a religious leader, shared “I was initially surprised and hesitant to join the Bureau of Customs’ Multi-Sector Governing Council (MSGC). First, it was because of the public’s negative perception of the BOC which has been

known for many years as one of the most corrupt government agencies. Second, I know it would be time-consuming for a person like me whose plate is already full as a Church leader and concurrent president of the Church’s Relief and Development Office. However, after prayers and introspection, God led me to respond to the invitation positively. I realized that the new Commissioner, Ret. Gen. Rey Leonardo B. Guerrero, has a strategic plan in mind to counter the negative perceptions and charter a course of transformation for the Bureau.”

After many breakthroughs and milestones that have improved the BOC’s performance in the areas of revenue collection, border protection, and trade facilitation during the three years of partnership with the ISA, the satisfaction, trust, and confidence of the people in the Bureau and its employees have improved significantly.



God led me to respond to the invitation positively.

*- Bishop Noel A. Pantoja,
National Director, PCEC*



The Bureau has been undergoing a transformation both internally and externally.

*- Atty. Federico C. Pascual,
Independent Director, PNB*



In relation to this, Atty. Federico C. Pascual, Independent Director of the Philippine National Bank (PNB), noted that an Ernst and Young survey among the Bureau's internal and external stakeholders shows a positive 78% trust rating.

“Without doubt, the Bureau has been undergoing a transformation both internally and externally. The independent trust rating survey is the best evidence of this ongoing transformation. Indeed, the Bureau should be grateful that its current head and leader, Commissioner Rey Leonardo B. Guerrero, is a tech-

savvy agent of change. That he can transform a perceived corrupt agency into a trustworthy enterprise composed of accountable professionals is truly a hard act to follow,” Atty. Pascual said.

Gabriel Pimentel, Chief Executive Officer of ASIA Broadcast Satellite, shared that as a member of the MSGC, “(I) have seen the sincerity of the BOC to persevere with the PGS, the ISO Certification of its field offices, the automation of processes, including real time connectivity and X-Ray viewing, and Values Transformation.”



Likewise, Nathan Kinsella, President of VMoney, was grateful that a leader like Commissioner Guerrero, having a bemedaled military career, has chosen to serve the public in this capacity. Some sectors may have criticized President Duterte's Generals and their roles, but Mr. Kinsella believes that "the country is fortunate to have someone like General Guerrero to lead the Bureau of Customs during this time, especially during the pandemic."

The country is fortunate to have someone like General Guerrero to lead the Bureau of Customs.



*- Nathan Kinsella,
President, VMoney*



The public needs to know that changes of epic proportions have been transforming the Bureau.

*- Gina Dela Vega-Cruz,
Crisis Communications
Consultant and Professional
Speaker & Trainer*



Gina Dela Vega-Cruz, Crisis Communications Consultant and Professional Speaker & Trainer, believes, “it is an enormous injustice to continue to label in sweeping derogatory labels the public servants who work at the Bureau of Customs. The public needs to know that changes of epic proportions have been transforming the Bureau. The changes involve automation to eradicate corruption, innovation to speed up processes, and

an overhaul of values to bring out professionalism, integrity and excellence. In the last two years, stakeholders and the public alike have started to witness tremendous improvements.”

However, some apprehensions about the changes have become more apparent, specifically with regard to the sustainability of all the on-going changes. BOC has prepared for this by including



sustainability as an overarching principle guiding the agency's programs, plans, and activities then, now and in the years to come.

Specifically, BOC has been continually investing in people; developing future managers and leaders who are advocates of good governance and have actual experience with the PGS. The agency also built lasting physical and digital infrastructures that would allow for continuous and seamless operations. Additionally, BOC also enlisted stakeholder support and embedded third-party experts to help monitor the BOC's implementation of reforms.

“The University of the Philippines commends the men and women of the Bureau of Customs for adopting and implementing the reforms introduced by Commissioner Rey Leonardo B. Guerrero resulting to the remarkable improvement of the operations of the BOC, particularly in the processing of the importation of COVID-19 medical equipment, medicines and protection gear for use by the health workers of UP-PGH,” said UP President Atty. Danilo L. Concepcion.



The University of the Philippines commends the men and women of the Bureau of Customs for adopting and implementing the reforms.

*- Atty. Danilo L. Concepcion,
UP President*







Dr. Jesus P. Estanislao, founder of ISA, said that “even as we applaud the BOC for the transformative outcomes it has already delivered, we also express the fervent hope that the BOC can sustain its transformation program. What it must put in place now so it can continue its transformation journey beyond June 2022; until 2025 when it can complete its WB-supported modernization program; and beyond 2025 when its transformation processes and practices shall become virtually irreversible.”

BOC has made the conscious effort to incorporate sustainability as a key priority to ensure that all the reforms that have been implemented will take root, and last as long as practically possible. By so doing, the groundwork has been laid to ensure that the values of excellence, quality, and integrity define and direct the progress of the Bureau of Customs.



What it must put in place now so it can continue its transformation journey beyond June 2022.

*- Dr. Jesus P. Estanislao,
Founder of ISA*

ISLAND OF GOOD GOVERNANCE





BUREAU OF CUSTOMS GOVERNANCE CENTER



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in search of development

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For your tireless pursuit
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For your courageous
efforts to lift the standards
of governance in the public sector

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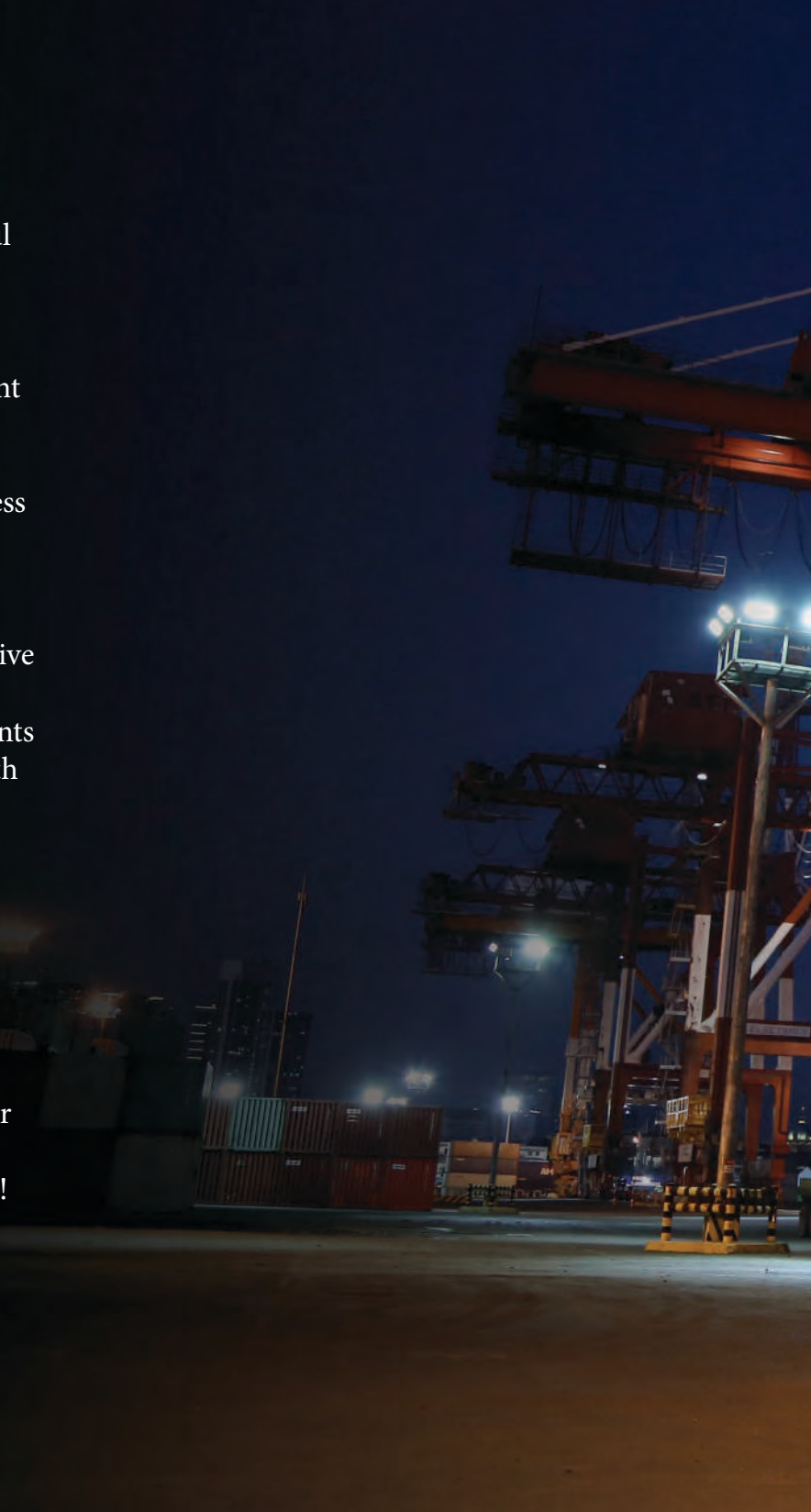
We recognize you as a
GOVERNANCE TRAILBLAZER



No award or medal of the Bureau of Customs' journey of transformation could be as meaningful as the recognition as an Island of Good Governance (IGG) by the Institute of Solidarity in Asia.

The IGG is given to institutions as an acknowledgement of the reforms that they have undertaken by implementing good governance programs that are transformative and sustainable. The certification process is intended to increase the competitiveness of the Philippines by installing key governance mechanisms in both public and private sector institutions. In turn, these governance mechanisms will enable transformative breakthroughs that will impact and be felt by every single Filipino. By recognizing the positive developments that are the result of crucial reforms in institutions both public and private, the standards and culture for good governance will be spread throughout the country.

“After careful deliberation, the panel has decided that the Bureau of Customs, which aims to elevate the bureau into a transparent, responsive, and world-class customs administration by 2022, shall be conferred the PGS Institutionalized status. With this, they shall also be recognized as an Island of Good Governance or IGG. We are also pleased to announce that the Bureau of Customs is a Gold Governance Trailblazer Awardee! Congratulations to the Bureau of Customs!”, said Guillermo Luz, Panel Chair & ISA Trustee.





Among the members of the panel were Guillermo Luz, ISA Trustee, Asec. Greg Pineda, Assistant Secretary of Regional Development Group-NEDA, Asec. Mary Jean Pacheco, Assistant Secretary of DTI, Kenneth Isaiah Abante, Managing Director for Practice and Partnerships of WeSolve Foundation, Inc. and Eduardo Anthony G. Mariño, Deputy Treasurer of Bureau of Treasury.

“It has been a long journey, but the journey is not yet over. In fact, it’s far from over. The passing of the Bureau of Customs in the last and final stage of the PGS pathway is not the end goal of our journey of transformation, but merely a means to the real goal, which is the realization of our vision of becoming a modernized and credible Customs administration that is among the world’s best,” Commissioner Guerrero said.





In the reválida for Institutionalization, the BOC emphasized the invaluable guidance of the PGS in its transformation journey: The implementation of good governance measures by the Bureau under the PGS has transformed the agency into one that is Transparent, Responsive, and

Competent. With the PGS as the cornerstone of our reform initiative, the Bureau was able to achieve real and positive impact in terms of improving Fiscal Strength, promoting Economic Growth, strengthening Border Security, and building Public Trust and Confidence.



THE VALUE OF A STRONG MSGC

The Bureau has been aided in great measure by a very dynamic and committed Multi-Sector Governance Council (MSGC), a body of distinguished and driven external stakeholders who are both advisers and partners.

Chairperson:

Dr. Jesus P. Estanislao, Founder and Chairman Emeritus, Institute of Corporate Directors

Core Process Committee Chairperson:

Former BOC Commissioner Guillermo L. Parayno Jr., Chairman and President, E Konek Pilipinas, Inc

Communications Committee Chairperson:

Nathanial R. Kinsella, President, VMoney

Members

- **Gina Dela Vega-Cruz**, Crisis Communication and Leadership Coach, John Maxwell Team
- **Bishop Noel A. Pantoja**, National Director, Philippine Council of Evangelical Churches
- **Atty. Federico C. Pascual**, Independent Director, Philippine National Bank
- **Benjamin R. Punongbayan**, Founding Chairman, Punongbayan & Araullo (P&A)
- **Jose M. Cruz, SJ**, Vice President for University and Global Relations, Ateneo De Manila University
- **Atty. Danilo L. Concepcion**, President, University of the Philippines
- **Michael K. Raeuber**, Chief Executive Officer, Royal Cargo
- **Gabriel Z. Pimentel**, Chief Executive Officer, Asia Broadcast Satellite
- **Arch. Rommel C. Gavieta**, Economic & Financial Intelligence Resource Person, Armed Forces of the Philippines and ODA-PPP Adviser, Office of the Chairman, Philippine National Railways
- **Congresswoman Sharon S. Garin**, member House of Representatives

The hard-working Multi-Sectoral Governance Council has been instrumental in sustaining and advancing the progress of the BOC throughout the transformation process.





A number of the breakthrough projects that were recognized in each of the PGS Stages were recommendations from the MSGC. These include initiatives in communications such as the creation of the BOC Viber Community (2019 to present) which provides a channel for interaction and exchange of information and the crafting of the BOC Battlecry of “*Makabagong Aduana, Matatag na Ekonomiya*” (Modernized Customs, Strong Economy).

The MSGC also pushed for partnerships and cooperative action to achieve distinct objectives: the Ateneo School of Government (ASOG) for the Data Governance Tools; the conduct

of a Third Party Survey (by Philippine Survey and Research Center) in 2020 and 2021 to determine Awareness, Trust and Satisfaction rating of the Bureau of Customs; and the Import Data Harmonization Project with the Inter-Agency Committee on Trade & Industry Statistics (IAC-TIS), a round table discussion with other fiscal agencies to harmonize the definitions and reporting of import statistics. The game-changing Summit for the Business Community in March 2022 was another MSGC idea to promote engagement with external stakeholders, create awareness of BOC programs and accomplishments, address concerns from the business community and gather feedback.



Another key project from the MSGC was the Pilot Testing of VSAT linked x-ray machines to the Customs Operations Center which was aimed at improving transparency in our X-ray operations by enabling the Customs Operation Center (at the head office) to have remote access to the scanned images at the port (currently only the port has viewing access). Through this project, the BOC can build a centralized database of x-ray images and develop a catalogue of scanned images for different import articles which can then be used as training materials for x-ray image analysts.

The dynamism and commitment of the MSGC were also manifest in the specific initiatives of its different sub-committees. The Core Committee headed by former Commissioner Guillermo Parayno took the lead in the efforts to monitor the automation of processes and the establishment of a data-sharing agreement with the LTO. The joint project with the LTO is intended to curb vehicle smuggling, with the LTO and BOC dashboards linked to ensure that only duty-paid motor vehicles can be registered with the LTO.



The Integrity Committee under the leadership of Bishop Noel Pantoja pushed for the Values Transformation Program for BOC personnel, aimed at promoting self-reflection on the understanding and application of core values in both work and personal lives. The development of the BOC Governance Culture Code was also an initiative of this committee.

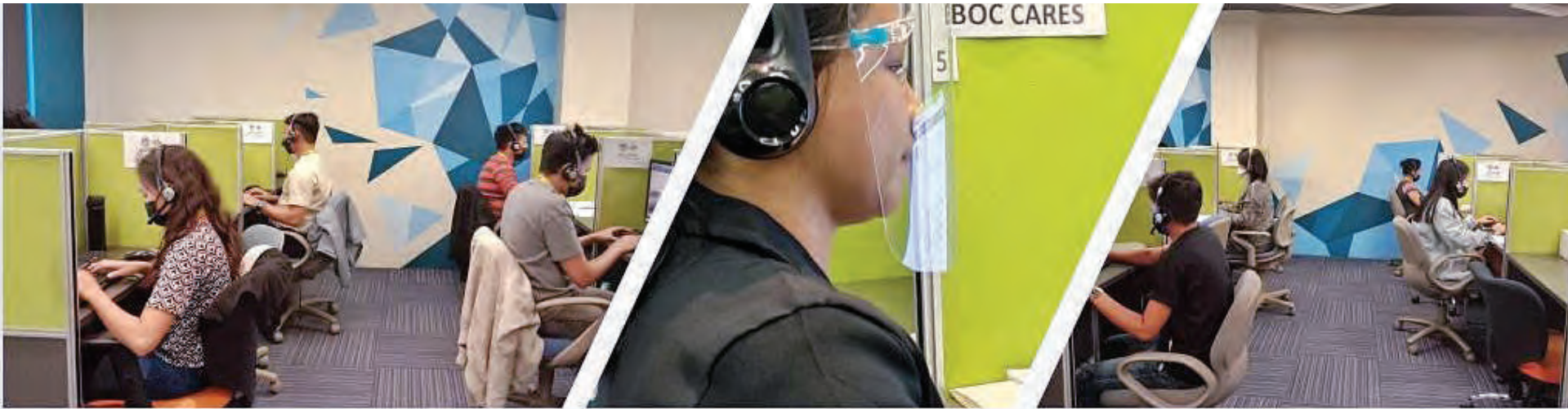
In the area of communications, the MSGC Communications Committee headed by Nathan Kinsella was instrumental in the engagement of a third-party service provider (Digital Minds) for the BOC Call Center; the crafting of the BOC Communications Plan 2021 and 2022; and the

monitoring of Client Feedback Forms (Physical and Digital) Report at the District Collection Level.

Every milestone that has led to completing the PGS Pathway is testament to how much the BOC has benefitted from the critical eyes and the innovative thinking of the MSGC. The journey would not have been as game-changing or successful without them.

The collective will and energy of every member of the Bureau of Customs will continue to be the key to achieving new milestones and reaching the realization of the vision.





A NOD TO THE INSTITUTE OF SOLIDARITY IN ASIA

In a span of a little over three years, the Bureau of Customs has embarked on a change agenda that has not only reformed systems and processes but has transformed thinking and perception, both internally and externally. All that have been done and accomplished are the work of many hearts and minds, the personnel, the stakeholders, the partner-agencies, and the Institution of Solidarity in Asia.

The guidance and the push that they gave the Bureau when these were needed not only kept us going but provided fresh insights that helped us hurdle the challenges and bumps along the way to transformation.

The framework of the PGS has been a solid guide in the road to reform, with clear parameters and exacting standards that encouraged breakthroughs and accomplishments. Equally as important, the commitment of ISA in sharing our journey of transformation motivated us to stay with the process and work for the breakthroughs every step of the way.

All that we have learned in lessons and insights and all that we have earned in accomplishments and recognitions are shared with the noble and visionary partners in ISA.



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GLOSSARY OF ACRONYMS

10-PPP - 10-Point Priority Program

ACDD - ASEAN Customs Declaration Document

AEO - Authorized Economic Operators (AEO) Program

AFP - Armed Forces of the Philippines

AHTN - ASEAN Harmonized Tariff Nomenclature

AIMS - Awareness, Institutional Trust, and Satisfaction Survey

AMLC - Anti-Money Laundering Council

AMO - Accounts Management Office

ASEAN - Association of Southeast Asian Nations

ASEAN-BAC - ASEAN Business Advisory Council

ASEAN CCC - ASEAN Coordinating Committee on Customs

ASOG - Ateneo School of Government

ASWSC - ASEAN Single Window Steering Committee

BIR - Bureau of Internal Revenue



BOC - Bureau of Customs

BSP - Bangko Sentral ng Pilipinas

BTr - Bureau of Treasury

CBHRM - Competency-based Human Resource Management

CBHRS - Competency Based Human Resource System

CCBI - Chamber of Customs Brokers Incorporated

CCBWG - ASEAN Customs Capacity Building Working Group

CCC - Customer Care Center

CCC-POM - Customer Care Center of the Port of Manila

CCF - Customs Cooperation Funds

CECWG - ASEAN Customs Enforcement and Compliance Working Group

CFW - Customs Facilities and Warehouse

CIIS - Customs Intelligence and Investigation Service

CIPS - Customs Integrity Perception Survey

CMO - Customs Memorandum Order

CMTA - Customs Modernization and Tariff Act

COC - Customs Operations Center

CPEC - Controlled Precursors and Essential Chemicals

CPTFWG - ASEAN Customs Procedures and Trade Facilitation Working Group

CTS - Cargo Targeting System

CTI - Customs Training Institute

DA - Department of Agriculture

DBCC - Development Budget Coordination Committee

DBM - Department of Budget and Management

DepEd - Department of Education

DOE - Department of Energy

DSA - Data Sharing Agreement

DSWD - Department of Social Welfare and Development

DTRs - Daily Time Records

e-CO - electronic Certificate of Origin

e-PSC - electronic Personal Scorecard

e-VRIS - Enhanced Value Reference Information System



EAO - External Affairs Office

EEZ - Exclusive Economic Zone

EG - Enforcement Group

ESS - Enforcement and Security Service

ETRACC - Electronic Tracking of Containerized Cargo

EU-ABC - European Union-ASEAN Business Council

GABC - Golden ABC, Inc.

GDP - Gross Domestic Product

HRMD - Human Resource Management Division

IAC-TIS - Inter-Agency Committee on Trade & Industry Statistics

IAMS - Internal Administration Management System

ICT - Information and Communications Technology

IGG - Island of Good Governance

IIPD - Internal Inquiry and Prosecution Division

IIQMSO - Interim Internal Quality Management System Office

IMS - Ion Mobility Spectrometry

IP - Intellectual Property

IPCR - Individual Performance Commitment and Review

IPRD - Intellectual Property Rights Division

IRM - Integrated Risk Management

ISA - Institute of Solidarity in Asia

ISO - International Organization for Standardization

ITC - International Trade Centre

ITDD - Interim Training and Development Division

JBC - ASEAN Joint Business Council

JICA - Japan International Cooperation Agency

JMC - Joint Monitoring Committee

L&D - Learning and Development

LBP - Land Bank of the Philippines

LOA – Letter of Authority

MBR - Memory-Based Reasoning

MDD - Medical and Dental Division



MICP - Manila International Container Port

MOA - Memorandum of Agreement

MOU - Memorandum of Understanding

MSGC - Multi-Sector Governance Council

MTs - Monitoring Teams

NAIA - Ninoy Aquino International Airport

NBI - National Bureau of Investigation

NBI-SAU - National Bureau of Investigation-Special Action Unit

NCEN - National Customs Enforcement Network

NSW-TWG - National Single Window-Technical Working Group

OCD - Office of Civil Defense

OLP - Online Learning Portal

OSM - Office of Strategy Management

PACC - Presidential Anti-Corruption Commission

PCAG - Post-Clearance Audit Group

PCG - Philippine Coast Guard

PDEA - Philippine Drug Enforcement Agency

PEAG - Post-Entry Audit Group

PEEZ - Philippine Exclusive Economic Zone

PEZA - Philippine Economic Zone Authority

PGS - Performance Governance System

PPRD - Planning and Policy Research Division

POM - Port of Manila

PPE - Personal Protective Equipment

PSC - Personal Scorecard

PSRC - Philippine Survey and Research Center

PTFC - Philippine Trade Facilitation Committee

QMS - Quality Management System

RMCG - Revenue Collection Monitoring Group

ROCB A/P - Regional Office for Capacity Building Asia-Pacific

SAD - Single Administrative Document

SOPs - Standard Operating Procedures



SPMC - Southern Philippines Medical Center

TESDA - Technical Education and Skills Development Authority

TFA - Trade Facilitation Agreement

TRAIN - Tax Reform for Acceleration and Inclusion Law

TRGA - Trade Regulatory Government Agencies

TRU - Trade Remedies Unit (Department of Agriculture)

UNCTAD - United Nations Conference on Trade Development

UNESCAP - United Nations Economic and Social Commission for Asia and the Pacific

URMS - Universal Risk Management System

US-ABC - United States-ASEAN Business Council

USAID - United States Agency for International Development

VTP - Values Transformation Program

WBG - World Bank Group

WCO - World Customs Organization

XIP - X-ray Inspection Project

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