



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
1099 MANILA

November 27, 2019

CUSTOMS MEMORANDUM CIRCULAR
NO. 274 - 2019

To: All Deputy Commissioners
All Service Directors
All District/Port Collectors
All Others Concerned

SUBJECT: REGISTRATION AND LICENSING OF STORAGE DEVICES BY THE OPTICAL MEDIA BOARD PURSUANT TO OPTICAL MEDIA BOARD MEMORANDUM CIRCULAR NO. 2018-002.

With reference to the letter dated November 8, 2019 from Atty. Anselmo B. Adriano, Chair and Chief Executive Officer, Optical Media Board, all concerned are informed about the Optical Media Board (OMB) Memorandum Circular No. 2018-002 requiring the registration and licensing of storage devices like USB Flash Drive or Thumb Drives, Secure Digital (SD) Cards, Network Attached Storage (NAS), External/Internal Hard Disk Drive (HDD), Solid State Drives (SSD), Cellular Phones, Tablet Computers, Portable Music Players, and Internet-Based File Storage and Synchronization Service.

Moreover, cellular phones or mobile phones will be required a permit from the OMB prior to its importation and/or exportation. However, cellular phones utilizing only the basic Global System for Mobile Communications (GSM) standard with no data functionality and connectivity are exempted from this policy.

Attached herewith is a copy of Memorandum Circular No. 2018-002, list of Regulated Products and the Guidelines for the Import/Export of Optical/Magnetic Media and other Storage Devices.

For your information and guidance.

For records purposes, please confirm the dissemination of this Circular throughout your offices within fifteen (15) days from receipt.

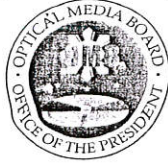

REY LEONARDO B. GUERRERO
Commissioner, BOC

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BOC-09-08799

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Republic of the Philippines
OFFICE OF THE PRESIDENT
OPTICAL MEDIA BOARD

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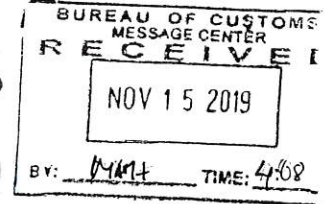
08 November 2019

Hon. REY LEONARDO B. GUERRERO
Commissioner, Bureau of Customs
Port Area, Manila



BOC-09-08799

Attn: **RANIEL T. RAMIRO**
Deputy Commissioner
Intelligence Group



Dear Comm. Guerrero:

The Optical Media Board, a government agency under the Office of the President, created by virtue of Republic Act No. 9239, is primarily tasked to regulate the importation, exportation, acquisition, sale or distribution of optical media such as but not limited to CDs, VCDs and DVDs, magnetic media like cassettes, HDD etc., manufacturing equipment including optical disk writers, parts and accessories and manufacturing materials such as blank/recordable CD-R, DVD-R, etc. used or intended for use in the mastering, manufacture or replication of optical media.

Similarly, by virtue of Memorandum Circular No. 2018-002, the Optical Media Board started the registration and licensing of storage devices like USB Flash Drives or Thumb Drives, Secure Digital (SD) Cards, Network Attached Storage (NAS), External/Internal Hard Disk Drives (HDD), Solid State Drives (SSD), Cellular Phones, Tablet Computers, Portable Music Players, and Internet-Based File Storage and Synchronization Service.

In this regard, cellular phones or mobile phones now require a permit from this Board prior to its import and/or export. However, cellular phones utilizing only the basic Global System for Mobile Communications (GSM) standard with no data functionality and connectivity are exempt from this policy.

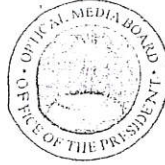
Attached herewith is a copy of Memorandum Circular No. 2018-002, List of Regulated Products and the Guidelines for the Import/Export of Optical/Magnetic Media and other Storage Devices for your information and convenience.

Very truly yours,

ATTY. ANSELMO B. ADRIANO
Chair and Chief Executive Officer

Attached: MC #2018-002
List of OMB Regulated Products
Guidelines for Import/Export of Optical/Magnetic Media and other Storage Devices

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Republic of the Philippines
OFFICE OF THE PRESIDENT
OPTICAL MEDIA BOARD

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OFFICE OF THE CHAIRMAN AND CEO
MEMORANDUM CIRCULAR No. 2018-002

TO : ALL CONCERNED

RE : REGULATION OF THE MANUFACTURING, IMPORTATION, EXPORTATION, DISTRIBUTION, SALE, RENTAL, AND OTHER COMMERCIAL ACTIVITIES INVOLVING ALL TECHNICAL VARIATIONS OF OPTICAL AND MAGNETIC MEDIA

WHEREAS, RA 9239 defines Optical Media as “a storage medium or device in which information, including sounds and/or images, or software code, has been stored, either by mastering and/or replication, which may be accessed and read using a lens scanning mechanism employing a high intensity light source such as a laser or any such other means as may be developed in the future. The term shall include, but not be limited to, devices which shall be listed in the IRR of this Act, or as prescribed by the OMB.”

WHEREAS, the IRR of RA 9239 defines Magnetic Media as “a storage medium or device characterized by a base, usually plastic, coated with ferric oxide powder, in which visual and/or aural information, or software code, may be recorded or stored, including, but not limited to, magnetic tape, cassettes, video tape, diskettes and floppy discs or any technical variation thereof as may be determined by the Board”.

WHEREAS, USB Flash Drives or Thumb Drives, Secure Digital (SD) Cards, Network Attached Storage (NAS), External/Internal Hard Disk Drives (HDD), Solid State Drives (SSD), Cellular Phones, Tablet Computers, Portable Music Players, and Internet-Based File Storage and Synchronization Service fall within the purview of the above definitions, hereinafter collectively referred to as “**STORAGE DEVICES**”.

WHEREAS, the mentioned storage devices are being utilized nowadays by unscrupulous individuals for purposes of piracy.

NOW, THEREFORE, the regulation of the manufacturing, importation, exportation, distribution, sale, rental, and other commercial activities involving the above mentioned storage devices is essential in the nationwide campaign against piracy.

HENCEFORTH, pursuant to Board Resolution No. 18-03-04 and the powers and functions of the OMB under Section 10, subsections (a) and (c) of R.A. 9239 relative to the formulation of policies and granting and/or renewal of licenses, the following are hereby promulgated:

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REGULATION OF THE MANUFACTURING, IMPORTATION, EXPORTATION, DISTRIBUTION, SALE, RENTAL, AND OTHER COMMERCIAL ACTIVITIES INVOLVING TECHNICAL VARIATIONS OF OPTICAL AND MAGNETIC MEDIA

Section 1. Registration Requirement – Entities, establishments and individuals engaged in the manufacturing, importation, exportation, distribution, sale, rental, and other commercial activities involving **STORAGE DEVICES**, for commercial purpose, are required to register and acquire the necessary license and/or permit with the Registration and Licensing Division (hereinafter referred to as “RLD”) of the Optical Media Board;

Section 2. Who are Required to Register - This Circular covers entities, institutions, sole proprietorships or similar establishments, including individuals, who are involved in manufacturing, importation, exportation, distribution, sale, rental, and other commercial activities of these **STORAGE DEVICES**.

Section 3. Commercial Purpose - For the purposes of this Circular, “Commercial Purpose” shall refer to all activities involving manufacturing, importation, exportation, distribution, sale, rental, and other commercial activities of these **STORAGE DEVICES**, with intent to profit in reference to Sec. 13(a) of RA 9239.

Section 4. Reportorial requirements - The mentioned entities or establishments shall maintain and keep a true and complete record of all transactions relating to the conduct of business pursuant to Section 1, Rule 8, Title II of the IRR of R.A. 9239. They shall likewise make the same available upon request of the OMB. Failure to maintain and keep the required records, or to make the same available for OMB personnel for purposes of inspection shall subject the mentioned entities to the corresponding penalties.

Section 5. Penalties - For purposes of this Memorandum Circular, the penalties that may be imposed shall be in accordance to Title IV, Rule 1, Section 1 (g) and (h), of the IRR of R.A. 9239, as the case may be.

- 5.1 Failure to comply with the licensing requirements as provided for by Section 1 hereof shall be deemed a violation of Title IV, Rule 1, Section 1 (h) of the IRR of R.A. 9239, punishable by suspension of operations of the establishment for a period of not less than one (1) month, but not more than three (3) months, confiscation of **STORAGE DEVICES** and/or a fine of not less than Php50,000.00, but not more than Php100,000.00.
- 5.2 Failure to comply with the reportorial requirements as provided for by Section 4 hereof shall be deemed a violation of Title IV, Rule 1, Section 1 (g) of the IRR of R.A. 9239, punishable with suspension of operations of the establishment for a period of not less than three (3) months, but not more than six (6) months

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and/or a fine of not less than Php100,000.00, but not more than Php500,000.00.

- 5.3 In addition to the foregoing, the permits, licenses, or registration issued by national or local government units in favor of the mentioned entities and establishments, which are involved in the manufacturing, importation, exportation, distribution, sale, rental, and other commercial activities with respect to **STORAGE DEVICES** without the proper license from the Optical Media Board, shall automatically be cancelled, pursuant to Section 9, Rule 2, Title II of the Implementing Rules and Regulations of R.A. 9239, otherwise known as the "Optical Media Act of 2003" (IRR of R.A. 9239).

The provisions of R.A. 9239, otherwise known as the "Optical Media Act of 2003", as well as its Implementing Rules and Regulations, Memorandum Circulars, whenever applicable, and the Optical Media Board – Registration and Licensing Division's Schedule of Fees, shall likewise apply *mutatis mutandis* to **STORAGE DEVICES** as defined herein.


Section 6. Registration and Licensing of Other Government Agencies – Licenses and permits issued by the Optical Media Board's Registration and Licensing Division shall be for the purpose of complying with RA 9239 as well as its Implementing Rules and Regulations, and shall be without prejudice to the licensing and other legal requirements that may be imposed by law and other government agencies.

Section 7. Transitory Provisions - This Memorandum Circular shall apply prospectively without prejudice to pending applications in the Optical Media Board's Registration and Licensing Division from date of effectivity of this Memorandum Circular.

Section 8. Repeal - All orders, issuances, or parts thereof, which are inconsistent with the provisions of this Circular, are hereby repealed or modified accordingly.

Section 9. Severability - If any of the provisions of this Circular are declared invalid or unconstitutional, the other provisions of this circular are not affected thereby shall remain valid and subsisting.

Section 10. Effectivity - This circular shall take effect within fifteen (15) days from publication hereof.


Atty. Anselmo B. Adriano
Chairman & Chief Executive



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A

FOR : ALL CONCERNED
RE : IMPORTATION / EXPORTATION OF OPTICAL OR MAGNETIC MEDIA AND ALL OTHER STORAGE DEVICES

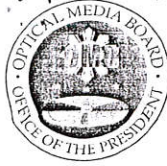
This memorandum reiterates the guidelines concerning the importation/exportation of optical or magnetic media in relation to Memorandum Circulars 2005-005 and 2005-008.

1. Importation/exportation, done by individuals, of optical media, namely compact discs (CD), video compact discs (VCD), digital versatile discs (DVD), as well as video home system tapes (VHS), and Betamax tapes, for personal consumption, shall no longer require a license from the Optical Media Board. The mentioned importation or exportation done by individuals shall be presumed to be for personal consumption, provided that said individual imports/exports, in a single shipment, only six (6) pieces or less of the items mentioned in the previous paragraph.
2. Individuals which import/export seven (7) pieces or more of the items mentioned in Paragraph 1 shall be required to secure a permit or license, whichever is applicable, from the Optical Media Board before engaging in such commercial transaction.
3. Corporate or juridical entities which import/export the items mentioned in Paragraph 1 shall be required to secure a permit or license, whichever is applicable, from the Optical Media Board, regardless of quantity.
4. The importation/exportation of magnetic media such as solid state drives (SSD), hard disc drives (HDD), secure digital card (SD Card), flash/thumb drives, and technical variations thereof, regardless of quantity, shall require a permit or license, whichever is applicable, from the Optical Media Board, whether said importation/exportation be done by an individual or a corporate/juridical entity.

Please be guided accordingly.


ATTY. ANSELMO B. ADRIANO
Chairman and CEO 

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TRANSMITTAL FORM

TO: Commissioner Rey Leonardo B. Guerrero Date: 15 November 2019

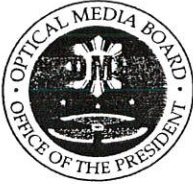
Address: Bureau of Customs, Port Area, Manila

Attention: **Mr. Raniel T. Ramiro, Deputy Commissioner Intelligence Group**
Document Transmittal Subject: **Memorandum Circular No.2018-002**

QTY.	Description
1	Letter to Commissioner Guerrero - MC 2018-002, List of Regulated Products and the Guidelines for the Import/Export of Optical/Magnetic Media and other storage devices.
	****nothing follows***

Comments/Remarks/Instructions:

Date Received:		Received by:	(Signature over printed name)
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OMB REGULATED PRODUCTS

Schedule "A"

List of Manufacturing Equipment for Optical Media

Direct Stamper Recording System
DVD upgrade kits 8471.70.40
Electro forming equipment that make stampers
Equipment for Coating Laser Sensitive Substance on Compact Disc or Recordable Compact Disc
8430.61.00/8422.21.00
Equipment for spin coating glass masters with a photo resistant layer
Glass or polymer masters
Injection molding machinery
Integrated optical disc replication lines
Laser Beam recorders 8466.93.90A
Metalizers for applying reflective layers to optical media
Moulds and components thereof
Signal processing system for Laser Beam Recorder
Stamper or other metal parts (or parts made of other materials)
And/or other equipment, part, accessories as may be determined by the OMB

Schedule "B"

List of Manufacturing Material for Optical Media

Any material, such as, but not limited to, optical grade polycarbonate or polycarbonate substitutes with physical properties suitable for the manufacture of optical media. Suitability shall be measured by a melt flow index (MFI) which shall be determined by the OMB. Unless otherwise determine, polycarbonate or polycarbonate substitutes with MFI of not less than 45 grams per ten (10) minutes at 300 degrees Celsius at 1.2 kilogram load shall be considered as suitable as manufacturing material, for purposes of these Rules. 3907.40.00

Schedule "C"

Types of Optical Media 8523.29.99

CD (compact disc)
CD-A (compact disc digital audio)
CD-I (compact disc – interactive)
CD-P (compact disc – photo)
CD-R (compact disc recordable)
CD-ROM (compact disc read-only memory)

CD-RW (compact disc rewritable)
CD-WO (compact disc write once)
CVD (China video disc)
DVD (digital versatile disc)
DVD-RAM (digital versatile disc random access memory)
DVD-ROM (digital versatile disc read-only memory)
EVD (enhanced versatile disc)
LD (laser disc)
MD (mini disc)
SACD (super audio compact disc)
SVCD (super video compact disc)
VCD (video compact disc)

Magnetic Media 8523.49.13.000

Floppy Disks 8471.70.10

Data Cartridge 8471.70.30

VHS 8523.29.21

Or any technical variation thereof, now known or to be known in the future.

OTHER REGULATED PRODUCTS

Hard Disk Drive 8471.70.20 Portable HD 8523.29.71

Optical Media Writer

Optical Media Drive 8471.70.40

- MC No. 2016-001

Printing (Ink) 3215.11.90A/3215.19.00B

Accessories

Add-Ons

Supplements relative to Optical and Magnetic Media Products

Labels

- MC No. 2016-005

Plastic CD Casings 3923.10.10

CD Sleeves

Aluminum, Tin or Metallic CD Casing

CD Spool

CD Albums

CD Trays/Shelves

- MC No. 2016-007

Other Storage Devices 85.23

USB Flash Drives or Thumb Drives

Secure Digital (SD) Cards

Network Attached Storage (NAS)

External/Internal Hard Disk Drive (HDD)

Solid State Drive(SSD) 8523.51

Cellular Phone
Tablet Computer
Portable Music Player
Internet-Based File Storage and Synchronization Service
ISDs or Illicit Streaming Devices (set-top boxes, Android TV boxes) 8528.7100
- MC No. 2018-002

Note: Numbers in red represent the HTS Codes. List updated and approved on 13 September 2019.