



Bureau of Customs in 2008:

Sustaining the Gains

The Commissioner's Report



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Table of Contents



A fruitful year amid a global economic crisis By Commissioner Napoleon L. Morales	4
Our commitment	8
Collections surpass targets, top 2007 take by 24.5 percent	10
Partnership for trade security	16
Bulk and break-bulk cargo surveying for trade	18
The fuel-marking system Curbing oil smuggling	20
The e-Customs project Facilitating trade	22
Information validation for client profile registration	26
Enhancing responsiveness and accountability	28
RATS ruins smuggling schemes	29
The Chevron case Vigilant intelligence work pays off	30
Tough drive vs counterfeiting	32
Non-intrusive Container Inspection Project Making the most of the X-ray to detect contraband	34
PORTAL: A global model for public-private partnership in Customs administration	38
New ID system is key to efficiency	42
Realizing reforms in the workplace	43
International affairs	46
Annexes	51



A fruitful year amid a global economic crisis

By **COMMISSIONER NAPOLEON L. MORALES**

THE Bureau of Customs (BoC) acquitted itself well in 2008 in spite of the global financial contagion caused by the shutdown of Lehman Bros. on September 15, 2008, and the sudden sale of Bear Stearns in April.

This devastating news caused a meltdown all over the world, from the United States to Iceland, with investors scurrying to collect as investment bankers were swamped by huge debt and overvalued home mortgages, other instruments and derivatives.

In the first semester, oil prices skyrocketed, forcing various governments to cut tariffs on fossil fuels and their byproducts to reduce retail prices and insulate their markets from high costs of goods and services.

This was precisely what President Gloria Macapagal Arroyo did to mitigate the problem. The President signed on January 10, 2008 Executive Order 691 — “Temporarily modifying the rates of import duty on crude petroleum oils and refined petroleum products under Section 104 of the Tariff and Customs Code of 1978 (Presidential Decree No. 1464), as amended,” reducing tariff rates of oil and diesel from 3 percent to 2 percent, 1 percent and zero should the price of Dubai oil and diesel in the world market hit US\$86.50 and US\$100, US\$91.70 and US\$113, and US\$103.50 and US\$117, respectively.

As the oil price hit its highest in July, the zeroing of tariff rates on oil triggered a loss in revenues of the government. The sky-high prices of oil also pulled down the volume of crude oil and non-oil goods. The weakening of the dollar appreciated the peso, ad-

versely affecting the revenue collection of Customs.

During the third quarter of the year, oil prices plunged, and with the price way below the assumed US\$62 per barrel, our revenues were again adversely affected. Indeed, the drastic rise and fall of oil prices put the economy in a roller coaster ride.

On the part of the BoC, it had persevered to accomplish its mission and this paid off in the end, with the Bureau surpassing its target through efficient assessment and collection, surveillance and patient monitoring of the entry of goods in all seaports and airports.

Facing the global challenge

The emerging global crises raised the threat of increased smuggling activities in the country. The melamine issue which gripped China, the continuing watch for the entry of carriers of the fatal avian influenza virus and the maintenance of tight watch for prohibited drugs and precursors as well as other banned items also occupied the BoC.

It is to the credit of the Bureau that there has not been any entry of deadly viruses and contaminated milk and food that could have placed the people's health in peril. The use of X-ray machines and the vigilance of personnel involved in quarantine benefited the BoC and the country as well.

The international rice crisis and our fear of supply shortage caused the surge in rice imports by government and local distributors. Though this helped revenues, the BoC had to be more vigilant to ensure



that possible smuggling and undervaluation of rice were intercepted, while maintaining a swift flow of the shipments to make sure that from our front there were no undue delays in the supply chain.

But more significantly, I believe that the BoC can mark 2008 as the year that we sustained the momentum for reforms which this administration has initiated. We opened the year with a fresh outlook, rehashed commitments that gave clearer vision and more defined strategic goals.

Focusing our resources

Instead of concentrating on short-term, temporary solutions that promised quick gains, the BoC focused its resources and efforts in identifying, studying, pushing forth and implementing long-term solutions through institutionalizing reforms in Customs procedures and processes and aligning these with our commitment in international Customs and trade organizations for simplified and harmonized procedures.

In 2008, we started laying down the groundwork for the accreditation of bulk and break-bulk cargo surveying companies in order to inspect, analyze, measure, and/or compute the volume of bulk and break-bulk cargo for purposes of determining the correct dutiable weight, quantity, goods description in tariff terms, and/or cargo make or quality. We are in the midst of finalizing the Implementing Rules and Regulations for this.

We also have the Client Profile Registration System (CPRS) of the E2M project to facilitate the process of capturing client information during the accreditation and/or registration of the various BoC stakeholders, allow easy access to stakeholder's information by operating units and systems serving line functions and define the responsibilities and provide clear guidelines



in the registration requirements of E2M Systems.

I just signed the Customs Memorandum Order for the immediate implementation of this, and we will fully benefit from this system in 2009.

Project Abstract Secure version 5 or PAS-5 is an enhanced payment system that is another module of the E2M Project. It was developed thru the assistance of the Bankers' Association of the Philippines. Customs Administrative Order No. 10-2008 signed by Secretary Margarito Teves on Nov. 28, 2008 covers the implementation of PAS-5.

Among the salient features of the system are:

- Payments for duties, taxes and other fees shall be collected by debit through the bank accounts of the importers put up for this purpose.
- To be able to make payments, an importer should have a Customs Client Number or CCN. CCN is a unique identifier issued by the Client Profile Registration System after the accreditation process.
- An importer has the option of putting up one or more of these accounts with one or more authorized agent banks.
- Use of the paper Import Entry Declaration (IED) will be discontinued and in lieu thereof, an electronic IED shall be lodged through a Value Added Service Provider.
- The procedure of presenting the Import Entry and Internal Revenue Declaration or the Single Administrative Document to the bank for final payment and machine validation shall be discontinued. Instead, the final payment shall be debited from the importer's bank upon instruction from BoC.

These major projects are all geared toward more accountability, transparency and security in transactions and processes. They are aimed to eliminate smuggling in the long term. As we say, prevention than cure.

Institutionalizing reforms

With regard to our compliance to international best practices, we have done our utter best to conform through our modernization programs and institutional changes.

During our anniversary last year, we turned over to the Senate for ratification the country's instrument of accession to the Revised Kyoto Convention (RKC).

We are likewise pushing for the establishment of the Authorized Economic Operator (AEO) Program. AEO is a party involved in the international movement of goods in whatever function and has been approved by or on behalf of a national Customs administration as complying with World Customs Organization or equivalent supply chain standards.

AEOs include, among others, manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses and distributors. With the AEO Program in place, we envision a partnership with truly compliant stakeholders and a more efficient way of doing business.

The BoC succeeded as well in its anti-smuggling drive and intellectual property rights protection, brought about primarily by strong personnel competence, vigilance in enforcement and the improved processes that we also laid down in previous years.

We also invested heavily on our capacity building programs. BoC saw the need to provide more avenues for continued learning of our officials and personnel. In 2008, the BoC conducted 204 training-seminar and workshops, involving 5,298 personnel.



Building partnerships

A new public-private partnership model has been established: the Port Alliance for Transparency or PORTAL. The President ordered its creation last March 25, 2008 to forge an alliance between the BoC and its private partners.

Now, PORTAL has 23 private sector organizations and 26 government agencies sitting down to discuss measures to stop and prevent smuggling and corruption in the agency, the twin economic sins perpetuated not only by unscrupulous officials and personnel of government but with their private counterparts as well.

On the whole, the BoC did well for 2008, and the numbers attest to this assessment.

It could have been even better had not problems beyond our control took the entire world by surprise. The war jitters in the Middle East caused oil prices to reach historic highs and compelled government to impose zero tariffs on oil imports. The global recession triggered in the United States, our top trading partner, directly hit our major manufacturing industries, causing a major dip in imports and even shutdowns.

However, we could still improve on our work and build up on the momentum in our work of institutionalizing reforms that we started in 2008.

The high collection target set by our superiors for 2009 may look daunting but as one Asian thinker said decades ago, nothing is hard in this world if you dare scale the heights.

Our vigilance is required to prop our reputation and integrity. Our name is on the line and we have to redeem our pledge to do better and meet our goal of collecting Php 317 billion in 2009, which is 25 percent higher than the target for 2008. In spite of a global economic slowdown that would surely affect our country's most productive sectors, we have to forge ahead.

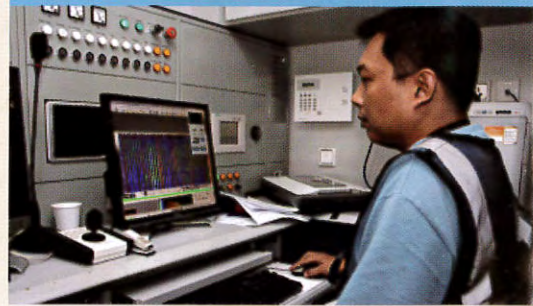
After setting the stage for better efficiency and dedication to our work through various reform measures and programs, the BoC is expected to be a better performing asset in the entire bureaucracy.



Our commitment

Mandates

The Bureau of Customs, which is under the auspices of the Department of Finance, is mandated to implement an effective revenue collection, prevent and suppress smuggling and entry of prohibited imported goods, supervise and control over the entrance and clearance of vessels and aircrafts engaged in foreign commerce, and the enforcement of the Tariff and Customs Code of the Philippines and all other laws, rules and regulations related to tariff and Customs administration.



Vision

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

Mission

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





Guiding principles

- Commitment to the delivery of high quality services to our transacting public;
- Enhanced use of modern management techniques such as electronic transactions, compliance audit and risk management;
- Focus on personnel as the driving force in the achievement of our missions, and;
- Consideration of relevant international instruments, conventions, agreements, such as the Revised Kyoto Convention, World Customs Organization, World Trade Organization, Asia-Pacific Economic Cooperation and Association of Southeast Asian Nations.

Strategic Goals

- Enhanced revenue collection
- Developed personnel competence and welfare
- Secured trade facilitation
- Strengthened enforcement
- Improved work environment

Values

As Customs administration, we are committed to:

- Professionalism and integrity
- Transparency and accountability
- Consistency and simplicity
- Vigilance and dynamism
- Be responsive to the needs of the community and industry

As Customs personnel, we are committed to be:

- Competent and efficient
- Accountable and responsible
- Honest and dedicated
- Firm and fair
- Helpful and courteous
- Simple in lifestyle





Collections surpass targets, top

THE Bureau of Customs (BoC) has surpassed its overall collection target for 2008, netting Php260.692 billion against a goal of Php254.476 billion, an increase of Php6.216 billion or 2.5 percent.

Year-on-year, 2008 collections were Php51.253 billion higher than that of 2007, or a hefty a 24.5 percent leap.

Such performance redeemed the pledge of Commissioner Napoleon L. Morales that the BoC would make good on its promise to raise revenues through efficient monitoring of all shipments and vigilance in collection of duties.

It also overcame skepticism about meeting the goal of P254.478 billion, a figure that many considered

to be too high.

The improved performance also came at a time when the global economy was being buffeted by crisis after crisis, with shutdowns of financial companies causing tremendous pressure on manufacturers and producers of basic commodities.

Moreover, a higher accomplishment could have been possible had government not resorted to slashing tariffs on oil imports to prevent a wild swing in prices as the world market grappled with oil prices that reached historic highs.

Cash collections in 2008 also grew by Php 25.52 billion or 13.2 percent over the 2007 figure.



2007 take by 24.5 percent

Revenue collections (in billion pesos)

	January-December, 2008		Deviation	
	Target	Actual	Amount	%
Total collections	254476	260.692	6.216	2.5%
Cash collections	246.931	218.735	-28197	-114%
T E F	7545	41.957	34412	4561%
	January-December		Variance	
	2007	2008	Amount	%
Total collections	209439	260.692	51.253	24.5%
Cash collections	193.215	218.735	25.520	13.2%
T E F	16.224	41.957	25.733	159%

N.B. January to November actual collections based on Bureau of Treasury;
December actual collections based on Districts' Report

Value of imports (in billion pesos)

	January-December		Variance	
	2008	2007	Amount	%
TOTAL VALUE	2,329	1,932	397	20.5%
Dutiable value	1,486	1,132	353	31.2%
Non-oil	944	746	198	26.5%
Oil	542	387	155	40.1%
Crude	330	250	80	32.1%
Oil product	212	137	75	54.8%
Non-dutiable	843	800	44	5.5%

Source of data: BOC Districts' Report

Value of shipments rises

Value-wise, the BoC handled commodities worth Php2.329 trillion in 2008, an improvement on the Php1.932 for the previous year, for an expansion of 20.5 percent.

Dutiable goods processed were valued at Php1.486 trillion for 2008, up by P353 billion or 31.2 percent than the preceding year.

Non-oil products accounted for Php944 billion, an increase of Php198 billion from 2007, or an expansion of 26.5 percent.

Oil products were valued at Php542 billion, up from

Php386.7 billion the previous year, or a jump of Php155 billion for a whopping 40.1 percent rise.

Crude oil was valued at Php330 billion from Php250 billion in 2007, for an increase of Php80 billion or 32.1 percent.

Other oil products cost Php212 billion, Php75 billion higher than the Php137 billion tallied in 2007, for a huge leap of 54.8 percent.

These significant upswings in values indicated that more and more imports are entering the country and this would most likely continue as the economy plunges headlong into trade liberalization and dismantles its tariff walls.





Duties collected skyrocket

Import duties on non-oil commodities rose to Php89,592 billion in 2008 from Php67,030 billion of the previous year, a significant 33.7 percent jump.

Bulk of the duties came from non-oil commodities, which yielded Php85,193 billion or Php28,539 billion higher than the Php56,654 billion tallied in 2007, or a hefty 50.4 percent leap.

For oil products, the total take was Php4,399 billion in 2008 as government slashed oil duties, leading to a reduction of Php5,977 billion from the record of Php10,376 billion registered in 2007, or a

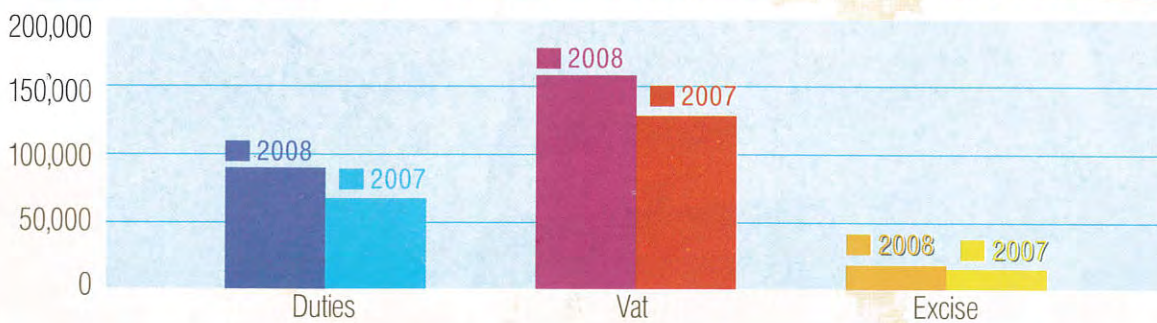
drop of 57.6 percent.

Broken down into its two major categories, crude oil only paid duties of Php2,310 billion for 2008, compared to the collection of Php7,255 billion for the previous year, a slash of Php4,945 billion or a drop of 68.2 percent.

Other oil products paid Php2,089 billion, a reduction of Php1,032 billion from the 2007 figure of Php3,121 billion. It means a dip of 33.1 percent.

The vagaries of the oil trade contributed significant slash in duties, with skyrocketing prices in the world market pushing government to defend itself by slashing tariffs and suffering reduced revenues in the process.

Collections by tax type 2008 vs. 2007 (in billion pesos)



	January-December		Variance	
	2008	2007	Amount	%
Import duties	89,592	67,030	22,562	33.7%
Non-oil	85,193	56,654	28,539	50.4%
Oil	4,399	10,376	(5,977)	57.6%
Crude oil	2,310	7,255	(4,945)	- 68.2%
Oil products	2,089	3,121	(1,032)	- 33.1%
Import tax	171,100	142,409	28,691	20.1%
VAT	155,589	129,023	26,566	20.6%
Specific (excise)	15,511	13,386	2,124	15.9%

Taxes on the rise

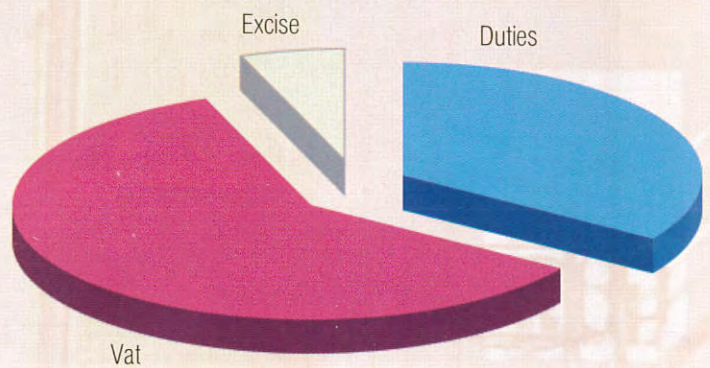
Collections of import tax nevertheless made a considerable advance, with the total take rising to Php171.10 billion, up by Php28.691 billion from the 2007 record of P142.409 billion, or a rise of 20.1 percent.

The revenue from the value added tax (VAT) in 2008 was Php155.589 billion compared to P129.023 billion of the preceding year. The difference of Php25.566 billion meant a significant increase of 20.6 percent.

Specific and excise taxes collected for the current year were Php15.511 billion in contrast to the Php13.386 netted in 2007, for a 15.9 percent increase or Php2.124 billion .

VAT yield has been rising for the past several years and for 2008 represented nearly 60 percent of the entire collections of the BoC for the year.

Collections by tax type (In Million Pesos)



Duties	89,592	34.4%
Vat	155,589	59.7%
Excise	15,511	5.9%
Total	260,692	100.0%

2008 preliminary figures based on Districts' Report



Port performance

The Manila International Container Port (MICP) registered the highest cash collection, amassing Php62.755 billion for the year, but the amount is still Php1.245 billion below the target of Php64 billion, or a minimal 1.9 percent below target.

Following MICP was the Port of Batangas, which grossed Php50.221 billion, still Php6.682 billion lower than the goal of Php56.903 billion, or 11.7 percent below the target.

The Port of Manila is third, earning Php45.585 billion or 2.4 percent higher than the target of Php44.527 billion.

Fourth is the Office of the Commissioner-Tax Expenditure Fund (OCOM-TEF), which produced Php42.957 billion, which was Php28.032 billion higher than the target of only Php13.925 billion. The rise in TEF utilization mirrored the surge in rice importation

last year by the National Food Authority (NFA), cooperatives and the private sector.

Port of Limay, which was actually spun off from the Port of Manila, only collected Php29.381 billion from oil shipments, 26.3 percent below the assigned goal of Php39.873 billion.

The Ninoy Aquino International Airport (NAIA) was sixth, collecting Php17.132 billion, which is 4.8 percent below its target of P18 billion.

Cebu is seventh, collecting Php5.296 billion, or 5.9 percent higher than its goal of P5 billion.

Eighth is the Port of Subic, which was mandated to collect Php4.8 billion but managed to raise Php3.812 billion, 20.6 percent below the target.

The Port of Cagayan de Oro collected Php3.915 billion, Php1.022 billion higher than the goal of Php2.893 billion, and surpassed the target by 35.3 percent.

Cash collections by district ports (in million pesos)

Ports	Collectors	January-December 2008		Deviation	
		Target	Actual	Amount	%
San Fernando	Tomas Alcid	1,100	1,906	806	73.3%
POM (ex. Limay)	Horacio Suansing	44,527	45,585	1,058	24%
MICP	Adelina Molina	64,000	62,755	(1,245)	-1.9%
NAIA	Carlos So	18,000	17,132	(868)	-4.8%
Batangas	Juan Tan	56,903	50,221	(6,682)	-11.7%
Legaspi	Titus Sangil	40	58	18	45.8%
Iloilo	Akram S. Ismael Al. Haj.	285	317	32	114%
Cebu	Ricardo Belmonte	5,000	5,296	296	5.9%
Tacloban	Leovigildo Dayoja	487	284	(203)	-41.7%
Surigao	William Reyes	52	8	(44)	-85.4%
Cagayan de Oro	Abedin Macapasir	2,893	3,915	1,022	35.3%
Zamboanga	Rodolfo Campos	58	23	(35)	59.8%
Davao	Ronnie Silvestre	1,753	1,984	231	13.2%
Subic	Marietta Zamoranos	4,800	3,812	(988)	-20.6%
Clark	Edward dela Cuesta	760	794	34	4.5%
Limay	Federico Bulanhagui	39,873	29,381	(10,492)	-26.3%
OCOM/TEF		13,925	41,957	28,032	201.3%

THE Philippines has joined majority of the member-administrations of the World Customs Organization (WCO) in pursuing the implementation of the Framework of Standards to Secure and Facilitate Global Trade, or SAFE Framework of Standards, which was designed and adopted in 2005 to secure and facilitate the flow of goods in international commerce.

The SAFE framework incorporates the concept of the Authorized Economic Operator – or AEO – as provided in the Resolution of the Customs Co-operation Council on SAFE June 2006. The resolution mandates WCO to provide capacity building in the implementation of the SAFE Framework of Standards under its Columbus Programme.

AEO is a partly involved in the international movement of goods or whatever function approved by or on behalf of a national Customs administration in complying with WCO or equivalent supply chain standards.

AEOs include international manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses and distributors.

On March 13-14, 2008, the 1st National Conference on Safe Trade and AEO (International Security Initiatives and their Impact on Philippine Trade) was conducted at the SMX, Mall of Asia in Pasay City.

A draft Customs Administrative Order (CAO) in preparation for the implementation of the SAFE framework in 2009 was already formulated.



Partnership for trade security

For 2009, the Bureau of Customs (BoC) intends to implement the C-TAPAT.

The Customs Trade Alliance Partnership Against Terrorism (C-TAPAT), a voluntary certification program, is consistent with this program and hews closely to the WCO's AEO Program which the BoC will administer to help economic operators in the international supply chain adopt acceptable control measures to enhance the security of such chain.

It enhances BoC-Business partnership on trade security and trade facilitation based on trust and mutual respect.

It also establishes accreditation procedures that benefits and incentives to economic operators considered as BoC's trusted allies.

To fully implement the AEO Program, the BoC incorporated the concept of AEO in the draft the Customs and Tariff Modernization Act (CTMA).





Photo courtesy of ATI

The Bureau's plan of actions to push the AEO program, involves:

- Consultation/public hearing with stakeholders/private sector on the CAO
- Drafting of Customs Memorandum Order to implement the CAO.
- Establish a committee headed by a Deputy Commissioner in charge of the accreditation of AEOs.
- Accreditation of third party validator.
- Implement C-TAPAT in phases beginning with a pilot project covering with limited number of importers already accredited as Super Green Lane (SGL) importers under CAO 2-2000, as amended by CAO 6-2003.
- Close cooperation with trade
- Training of Customs officials and economic operators
- Assessment/Evaluation of the pilot project



Bulk and break-bulk cargo surveying for trade



THE bulk and break-bulk cargo surveyor is a third-party validator used by trading partners to establish a level of trust that the goods actually sold and delivered are according to the agreed upon weight, volume, description, type, etc. In its over 100 years of operation, the Bureau of Customs (BoC) also relied on the reports of these surveyors for the details of such shipments. However, these surveyors do not have any form of accountability to the government in the event that what they report is false, and if they connive with the importers to reduce the volume, or downgrade the quality or type of cargo to allow importers to enjoy lower duties and taxes.

It is only now that the BoC has come up with a way to accredit surveyors that can be hired by importers to speed up their documentation with the BoC.

The accreditation of cargo-surveying companies is important since it would lead to lessening the load of the BoC. These companies are assigned to inspect, analyze, measure and/or compute the volume of bulk and break-bulk cargo for purposes of determining the correct dutiable weight, quantity, goods description in tariff terms, and/or cargo make or quality.

Accreditation has the following objectives:

- To establish rules and regulations to govern the survey of bulk or break-bulk shipments.
- To establish a process for accreditation of surveying companies and their surveyors consistent with World Customs Organization (WCO) Secure and Facilitate Global Trade Framework of Standards.
 - To define responsibility, accountability and liability of surveying companies/surveyors transacting business in the Bureau of Customs.
 - To establish standards in customs cargo surveying process.
 - To ensure availability of valid, authentic and expert data and information to assist Customs in the examination, classification and appraisal of imported goods as well as in risk analysis and the application of Rules of Origin, among others.
 - To protect and maximize revenue collection.

The following orders were issued on the matter:

- Customs Administrative Order (CAO) dated September 3, 2008, "Bulk and Break Bulk Cargo Clearance Enhancement Program"
 - Customs Memorandum Order (CMO) dated September 30, 2008, "Procedure for the Bulk and Break Bulk Cargo Clearance Enhancement Program"
 - Administrative Order (AO) No. 6-2008 dated 13 October 2008, "Creating a System for the Bulk Cargo Clearance Enhancement Program of the Bureau of Customs"

In view of the issuance of the AO, the Commissioner of Customs, as per his endorsement dated November 2008, concurred with the recommendation of the Deputy Commissioner Reynaldo S. Nicolas to suspend the implementation of the abovementioned CAO pending its review and its subsequent harmonization with the AO. The immediate implementation of this program is anticipated in the first quarter of 2009.







The fuel-marking system

Curbing oil smuggling

THE country's revenues from oil and gas imports can never be maximized so long as shippers and unscrupulous operators continue to persist in illegal activities ranging from outright smuggling to underdeclaration and undervaluation.

Apart from these, some parties have tried to tamper their shipments and dilute cargoes in the vain hope of getting lower duty and tariff assessments while increasing their profitability.

All these activities lead to losses for the Bureau of Customs (BoC), which is mandated by law to protect the country's revenue collection system.

Reports about the ingress of tax- and duty-free kerosene and other fuel oils naturally affect the Bureau and reduce revenues that the nation badly needs.

Moreover, such illegal activities pose unfair competition to companies that do business fair and square and comply with their obligation to pay the proper duties and taxes.

Such criminal activities have resulted in damage to both the government and the private sector, with the Bureau suffering revenue losses while legitimate oil import-

ers subject to unjust competition.

To check these criminal operations, the BoC had to adopt stricter measures to ensure that all oil companies pay the correct duties and taxes and do not enjoy special treatment.

This is particularly nefarious since these activities cover oil products that enter the country and enjoy duty-free and tax-free status but eventually wind up in many depots all over the country.

These products are not supposed to be for local consumption at all.

In response to this phenomenon, the Philippine government implemented specifically designed safety measures that utilize marking technologies to deter them from being sold in the country.

Indeed, the implementation of a mandatory fuel-marking system becomes relevant and integral as a protective shield against oil smuggling in the country.

The Philippine government's strong campaign against oil smuggling has been beefed up with the issuance of Department Order (DO) No. 23-07 entitled, "Mandating

the Marking of Imported Kerosene and Fuel Oils which are Entered Tax and Duty Free to Prevent the Unauthorized Diversion Thereof into the Domestic Market and For Other Purposes,” by the Department of Finance (DOF) on July 26, 2007.

The DOF order encompasses the implementation of the marking of imported, and/or manufactured, and/or refined fuel oils in the Philippines. Under Philippine laws, these are subject to exemption from the payment of duties and taxes, whether the same was by reason of importation or manufacturing in a free zone, as proof that these fuels were legitimately entered Philippine territories and/or manufactured and/or refined in the Philippines and are, by law, exempt or not required to pay duties and taxes.

This order aims to: properly identify and track fuel oils entered legally or illegally; plug the leakage of duties and taxes due on fuel oils initially entered into the country without the payment of duties and taxes in order to prevent unauthorized diversion of these petroleum products in the domestic market, and; prosecution of parties who do not pay duties and taxes for fuel oils introduced into the market.

Pursuant to Section 11 of the order, the BoC issued Customs Memorandum Order (CMO) No. 16-2008 on March 14, 2008 and laid the groundwork of rules and regulations to implement the DOF's DO No. 23-07.

Further, Section 4 emphasizes the mandatory marking by an official DOF-designated marking agent of kerosene, including dual-purpose kerosene (DPK), subject to zero excise tax and all diesel oil entered duty and/or tax-free.

The mandatory marking was implemented by the BoC on a pilot basis at the Subic Bay Free Port, Clark Special Economic Zone and at the Port of Batangas for imported kerosene.

In order to address the matter, the Petroleum Implementation Office (PIO) held a meeting last October 30, 2008 with representatives of various law enforcement agencies, particularly the Philippine Navy (PN), Philippine Coast Guard (PCG), Philippine Army (PA), National Bureau of Investigation (NBI), Petroleum Institute of the Philippines (PIP), Philippine Anti-smuggling Group (PASG), Philippine National Police (PNP) and Department of Energy (DOE).

The meeting, spearheaded by the PIO, mainly focused on informing law enforcement agencies regarding the implemen-

tation of the Fuel-Marking Program and their respective roles in its implementation.

At the core of the initiative is the conduct of training workshops on the use of the marker.

On November 25, 2008, a training-workshop was conducted at the Port of Subic for BoC personnel and other invited government agencies. The workshop stressed the necessity for consultation or meeting with stakeholders.

The training also included an overview of CMO No.16-2008, which entails the implementation of the Department Order on the Fuel-Marking Program by government.

A similar training was also conducted at the Port of Clark and Port of Batangas on November 26 and 27 of 2008, respectively. Another specialized training was conducted on November 28, 2008 at the Port of Manila, providing a workshop for the enforcement groups by holding a lecture on the procedures and application, and service of Mission Orders and/or Warrant of Seizure and Detention issued by the BoC.

The Angara, Bello, Concepcion, Regala and Cruz (ACCRA) law office conducted a lecture on procedures covering application of judicial warrants.

A legal strategy to ensure the long-run success and sustainability of this venture was also crafted. Currently, marking is being done at the ports of Subic and Clark to prevent the transport of the marked fuel to the domestic market without the payment of duties and taxes.

Collector John Tan has been named as compliance officer in this regard. He is tasked to check the compliance by the ports on the reportorial requirements under the DO and CMO No. 16-2008, Tan has been designated as the BoC representative to the PIO.

The fuel marking campaign provides the Bureau with an opportunity to raise its revenue collection, cut losses suffered by government and fuel companies that abide by the law and, more importantly, stamp out the oil smuggling racket for keeps.

The Philippine government's strong campaign against oil smuggling has been beefed up with the issuance of Department Order (DO) No. 23-07 entitled, "Mandating the Marking of Imported Kerosene and Fuel Oils which are Entered Tax and Duty Free to Prevent the Unauthorized Diversion Thereof into the Domestic Market and For Other Purposes," by the Department of Finance (DOF) on July 26, 2007.

The e-Customs project Facilitating trade

THE Bureau of Customs (BoC), consistent with its mandate as a partner in streamlining the movement of cargoes and facilitate trade, embarked on a dynamic and faster end-to-end cargo clearance process through the use of mobile broadcasting and Internet or Electronic Data Interchange connectivity.

Through this process, the BoC hopes to meet its ultimate objective to release low risk shipments in 30 minutes. This is the country's commitment to the ASEAN Single Window (ASW).

In achieving the purpose of the project, the BoC launched the Imports and Assessment Systems – Management Information Service and Technology Group (MISTG) and conducted quality-assurance and parallel testing of the system at Port of Batangas.

The lodgment of Consumption and Warehousing Import Entries via the Value-Added Service Providers (VASP) was likewise implemented at the Ports of Clark, Subic, Batangas, Iloilo, Zamboanga and Cagayan de Oro.

For the Export Processing System, BoC conducted the quality assurance of the Export Declaration System

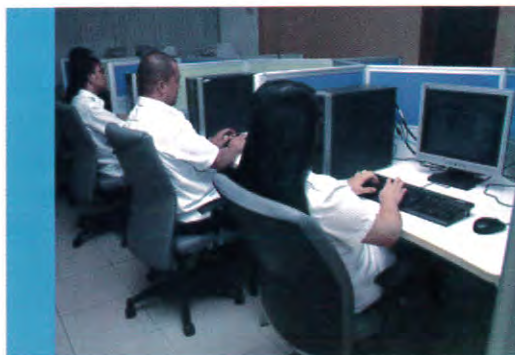
On the Operations Support System, the BoC conducted quality assurance of systems such as the Licensing and Clearance, Legal Management and Client Profile Registration.

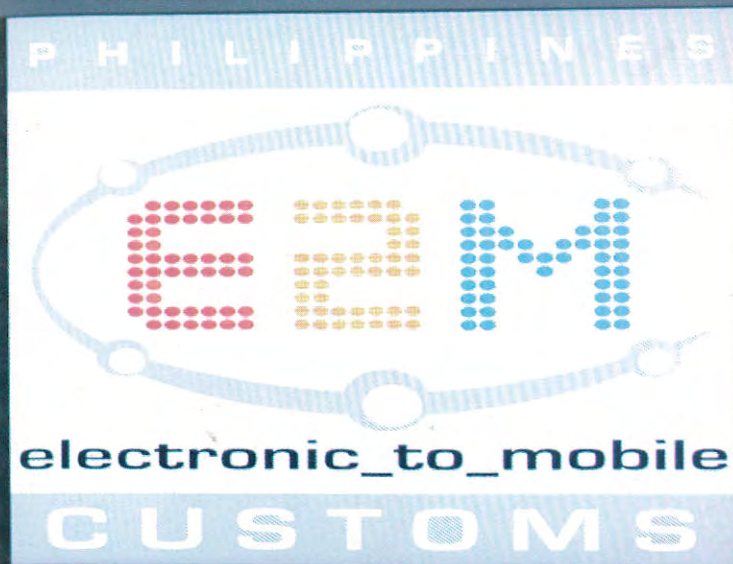
The Enterprise Resource Planning/Customer Relations Management (ERP/CRM) also conducted quality-assurance of the following systems—Financial Management, Human Resource Management and General Services.

BoC's Ports Transparency Alliance or PORTAL performed website maintenance, including the posting of issuances, biddings and exchange rates.

The National Single Window also linked 21 other government agencies to BoC, such the Bureau of Fisheries and Aquatic Resources (BFAR), Bureau of Plant Industry (BPI), Bureau of Animal Industry (BAI), Land Transportation Office (LTO), Department of Trade and Industry (DTI), and also held planning and technical discussions with 20 other agencies.

On the Trade-Related Technical Assistance (TRTA), which is funded by the European Union (EU), the central issue is Risk Management (RM), which determines risks by comparing and evaluating data against predetermined standards, target risk levels or other criteria to eventually aid in facilitating the clearance of goods.





Through this process, the BoC hopes to meet its ultimate objective to release low risk shipments in 30 minutes. This is the country's commitment to the ASEAN Single Window (ASW).

The upgrade of the RM software has been completed. The improved software, which was quality-assured by MISTG, introduced or integrated features not covered under the e-Customs Project. The software will provide information as to the reasons and specific type of intervention suggested for, but not limited to:

- Valuation check
- Origin verification
- Full physical inspection
- Container scanning

The enhanced RM System will be implemented alongside the new systems under the e-Customs Project. It was developed using a new software platform based on e-Customs, which is different from that being used by the current system. Once the e-Customs systems are implemented, the RM system will be integrated and switched on for implementation.

On the Philippine Customs Intelligence System Project, which is supported financially and technically by the Japan International Cooperation Agency (JICA), the BoC undertook preparatory, to which MISTG provided active technical and administrative support, among which are:

1. Creation of a Task Force Team that shall set rules on information-sharing within the Bureau;
2. Creation of a Technical Working Group that shall formulate rules and regulations for capturing the correct information from ACOS, and;
3. Study trips to Thailand and Malaysian Customs in order to study their respective information management and the use of their Customs database systems as utilized in clearance, post-clearance audit, statistics, intelligence/investigation and enforcement operations.

For the Philippine Border Management Project (PBMP), an inter-agency project funded by the EU, the Bureau also embarked on efforts to strengthen



and enhance its border-management capacity, with a view to manage migration effectively and strengthen government's ability to address terrorism and transnational crime, and enhance national security and institutional capacity building.

PBMP project is now in its final phase. The Integrated Data Migration System, a component of the project, has undergone a dry run. The hardware and software have been delivered and installed at the ports of Manila, Cebu, Zamboanga, Laoag and Davao, while training has been conducted on a continuing basis.

The project enlists the commitment of the following government institutions and authorities involved in migration management, border control and combating terrorism:

- Department of Foreign Affairs
- Bureau of Immigration
- Bureau of Customs
- National Intelligence Agency
- Philippine Center for Transnational Crime
- National Economic and Development Authority

The signing of the inter-agency Memorandum of Understanding (MOU) is being scheduled by the EU Delegation in order to formally activate and implement the PBMP systems.

The ASW aims to expedite customs clearance and release of imports and exports among ASEAN member-countries through the provision of pre-arrival information for the application of respective customs techniques (risk management, pre-arrival clearance, issuance of pre-arrival permits and information analysis).

The pilot implementation of ASW between the Philippines and Thailand is



completed. Malaysia, Singapore and Indonesia, together with the Philippines, are now discussing technical matters toward forming the core of the ASW by 2009.

Other initiatives of the BoC cover the following:

A. Subic and Clark Transit System – On the basis of the Memorandum of Agreement signed by the BoC Commissioner and Administrators of Subic Bay Metropolitan Authority and Clark Development Council in August 2008, all transshipments to and from Subic and Clark shall be processed electronically. Parallel run of the required system has been conducted for NAIA-Clark and NAIA-Subic.

B. Automated Export Declaration System – the internet lodgment of export entries via the value-added service providers has been implemented at the Port of Manila and at the Manila International Container Port.

C. National Single Window (NSW) – a system that enables a single submission of data and information that is synchronously processed, resulting in a single point of decision for the release of cargoes by Customs, based on decisions made by other departments and agencies of the government, and communicated in a timely manner to Customs. From 35 to 50 other government agencies (OGA) have been identified so far as being connected to the NSW.

Connections and provision of systems and facilities/resources (hardware, software, training, wireless connectivity) to 21 OGAs have been completed. The Bureau of Internal Revenue and BFAR have been sending live data through the system.



The electronic transmission of Certificate of Payments (e-CP) with the Land Transportation Office (LTO) is on pilot test. BoC is adopting the web-based system for the e-CP that would facilitate the processing of vehicle registration at LTO. The system shall minimize if not totally eliminate misdeclaration, multiple use of CPs, use of faked CPs, smuggling and undervaluation. BoC and LTO are now testing the system in parallel mode.

D. Manifest Data Sharing – the following agencies have been provided by MISTG upon instruction of the Commissioner with online access to the inward foreign manifest:

- a. Department of Agriculture agencies
 - i. Information Technology Center for Agriculture and Fisheries
 - ii. Bureau of Animal Industry
 - iii. Bureau of Plant Industry
 - iv. Bureau of Fisheries and Aquatic Resources
- b. Department of Trade and Industry agencies
 - i. Bureau of Import Services
 - ii. Board of Investments
- c. Presidential Anti-smuggling Group

E. X-Ray Selectivity – MISTG developed the system for the automated and random selection of containers to be scanned based on the criteria provided by the Bureau's RM Group.

The pilot implementation of the ASW between the Philippines and Thailand is completed. Malaysia, Singapore and Indonesia, together with the Philippines, are now discussing technical matters toward forming the core of the ASW by 2008.

THE Customs Commissioner has issued Customs Personnel Order No. D-11-2008 forming a committee charged with studying and recommending the accreditation of an organization or entity to conduct inspection activities for the Bureau.

The Committee has also been mandated to “facilitate and fast-track the accreditation process and minimize the impact of this outsourcing activity, and to recommend policies, responsibilities and liabilities of the accredited inspection organization or entity.”

The Accreditation Committee agreed that for the Bureau of Customs (BoC) to accredit certain entities to undertake inspection activities for and in its behalf, an appropriate Customs Administrative Order (CAO) should be issued giving authority to BoC to outsource inspection activities in certain specific customs processes, e.g., accreditation of importers and brokers.

In this regard, the Committee drafted a CAO with the subject, “Accreditation of Information Validation Service Provider (IVSP) for Integration into BoC’s Client Profile Registration System (CPRS).” Noting the positions/views of each member of the Committee, it submitted on July 7, 2008 to Commissioner Napoleon L. Morales, through his Chief of Staff, the versions of the draft CAO from Deputy Commissioner Reynaldo S.



Information validation for client

Nicolas and Deputy Commissioner Alexander M. Arevalo.

After harmonizing the two versions of the draft CAO, the Committee was directed by the Commissioner of Customs to conduct consultations with stakeholders who were given copies of the draft CAO for their comments and recommendations.

Consultation with the stakeholders was conducted last August 1, 2008 at the BoC Capacity Building Center, President’s Room, 4th Floor, Port of Manila Building, South Harbor, Port Area, Manila.

The various views, positions and concerns of the stakeholders during the consultations are summarized as follows:

- Number of IVSP to be accredited by BoC should not only be limited to one;
- The Terms of Reference to be issued by the Commissioner must be specified to make clear what functions of the BoC are to be outsourced, considering

that Section 608 of the Tariff and Customs Code of the Philippines (TCCP), as amended in relation to Section 602 thereof defining the general duties, powers and jurisdictions of the Bureau of Customs as used in the subject CAO as bases, are too general;

- Amount of fees payable to the IVSP by the transacting public;
- Renewal fees payable to the IVSP by the transacting public must be less;
- Certain functions of the IVSP should be subcontracted, and;
- Extent of information that the IVSP can share to the public.

Finally, taking into consideration the views and concerns of stakeholders, CAO No. 07-2008 entitled, “Accreditation of Information Validation Service Provider for Integration into BoC’s Client Profile Registration System” and Customs Memorandum Order (CMO) No.



profile registration

01-2009 to implement the same, were issued.

The subject rules and regulations aim for the following:

- To provide efficient and reliable service to the trading community through Customs-Business Partnership (CBP) by engaging the services of an IVSP to validate and organize information disclosed by applicants in support of the following needs of BoC;
 - More accurate and reliable information;
 - Stronger accountability of stakeholders to disclose correct information to BoC, and;
 - Improved capability to assess compliance risk.
- To ensure that information disclosed and documents submitted to BoC by applicants are validated and BoC's stakeholders are properly identified;
 - To enable BoC to use and manage data necessary for input compliance, risk management and accreditation of stakeholders, and;
 - To support the enhancement of accreditation

procedures for BoC stakeholders.

The IVSP that will be accredited by the BoC will provide the following services, the cost of which will be charged as a service fee to the account of the importer/broker/stakeholder:

- Design and implement an Information and Validation System (IVS), which includes the development of an Information Validation Report (IVR);
- Develop and implement procedures for the validation of client profile information;
- Develop a Client Risk Assessment System (CRAS);
- Develop a database to be used by BoC in periodic risk assessments on subject importers/clients/stakeholders, and;
- Perform such other services required by the BOC.

The accreditation of the IVSP is expected early this year. The IVSP Accreditation Committee is preparing the invitation for accreditation from IVSP companies.

Enhancing responsiveness and accountability

THE Bureau of Customs (BoC), as a sub-agency of the Department of Finance, is directed to be a client-friendly institution, catering to the needs of all its stakeholders in facilitating trade, revenue collection, law enforcement and participating in other important fiscal transactions.

In response to the commitment of providing personal quality service to its clients with professionalism, BoC introduced the Customer Relationship Management System (CRMS) on December 17, 2007.

It is intended to boost the responsiveness of the Bureau to the needs of its stakeholders and enhance its technical, operational and support systems to create an efficient external network with other companies and partners.

CRMS involves various networking processes that the Bureau utilizes in order to personally interact with the people, as well as use the client's information for future use.

For 2008, CRMS generated 5,619 calls and e-mails in serving its clients.

The following are the projected statistical data on the queries received per category as compiled by BoC Customer Service Representatives (CSRs):

Customer Service Relations 2008 Accomplishment Report

SERVICES	TOTAL
General inquiry	4960
Importation	416
Duties and Taxes	132
Implementing R&R	60
Auction	1
Postal Services	46
Transshipment	2
Manifest	2
TOTAL	5619

The CRMS has successfully provided a streamlined business relationship between the BoC and its partner agencies through electronic exchange of information, as well as allowed impersonal transactions that are more convenient to the public.

A well-organized implementation of the CRMS is necessary because it is the Bureau's most expedient means to answer the needs of clients, providing tailor-fit solutions to problems raised. CRMS is the Bureau's response to the need for professional service to both community and industry.

The fulfillment of establishing a more technologically-advanced method of public service entails the BoC's vision to become a reliable and dynamic institution to its people.

CRMS report: In the know

5,619: Total number of calls lodged (2008)

667: Total number of received calls for the peak month of October

3: Total number of customer relations representatives

Accreditation and directory inquiries: Most local and overseas call queries serviced

Balikbayan boxes: Most inquired call from *kababayans* abroad

Duties and taxes: Most inquired call from foreign companies abroad

The CRMS reflects the potential productivity for the Bureau's present and future achievements as it proved

to serve its clients and the nation at large.

- *Huberto Vasquez*
Public Relations Officer II
Public Information Advocacy Division

The CRMS serves as a linkage between both local and international economic communities with the BOC given today's globalized mindset.

- *anonymous importer*

Reach the Bureau of Customs – CRMS at hotline number **9173201** or at email address: **info@customs.gov.ph**



RATS ruins smuggling schemes



THE Revenue Collection Monitoring Group (RCMG) was originally assigned to handle the delicate job of monitoring collections and plugging its loopholes to ensure that the Bureau of Customs (BoC) would meet its Php 254 billion target for 2008.

It is also tasked to oversee BoC cases, improving the enforcement and compliance of stakeholders by way of instilling the “fear factor” among smugglers or the violators of the Tariff and Customs Code of the Philippines (TCCP).

Government hopes to raise collection efficiency by these means.

True to its mandate, RCMG initiated the filing of cases under the Run After The Smugglers (RATS)

Program against oil smugglers and succeeded in prosecuting civil cases that raised the BoC collection.

With the issuance by President Gloria Macapagal-Arroyo of Executive Order 724, the prosecution functions were handed over to the Prosecution and Litigation Division (PLD)-Legal Service.

The institutionalization of the RATS Program was enhanced by the providing a fund of Php 50 million for the operations of the Legal and Prosecution Group (LPG) under the 2007 General Appropriations Act. LPG was eventually institutionalized when Congress provided a budgetary appropriation of Php 103.125 million for the LPG under Republic Act No. 9498 or the 2008 General Appropriations Act, which gave it the authority to hire 223 additional personnel.

In order to enhance the legal framework of the Bureau, RCMG also created the Technical Working Group that worked on drafting the Customs and Tariff Modernization Act (CMTA) for submission to Congress.

RCMG also met with the Asia Foundation to enhance collaboration with the private sector and stakeholders. It culminated in the Donor's Meeting that tackled the latest legal and organizational enhancements of BoC to combat smuggling and corruption.

For 2008, RCMG worked on civil cases, particularly collection of duties and taxes, and institutionalized the Civil Cases Monitoring Team (CCMT) that cover 195 pending civil cases, 71 of which are collection cases, by working hand-in-hand with the lawyers of the legal service.

With these cases, the BoC expects to collect Php 6,019,096,402.64. For this year, two civil cases, namely 'Commissioner of Customs vs. Chevron Philippines, Inc.' and 'E.V. Diaz Brokerage, Inc. vs. Commissioner of Customs,' were favorably resolved and are now due for execution. These cases are expected to generate additional non-traditional revenue in the aggregate amount of Php 893, 814, 735.21. Secondly, the RCMG initiated the construction of the Evidence Room within the new LPG office in securing important documentary service in order to ensure the success of all cases handled by our lawyers.

The RATS program, which is designed to be the "last-stage control" against smugglers and other Customs laws violators, solidified its stand as the centerpiece program of the BoC.

RATS filed a total of 92 criminal cases involving 439 respondents with a total estimated value of Php 1,902,365,013. Of these cases, 19 have already been filed in the Court of Tax Appeals, 12 with the Regional Trial Court and four with the Municipal Trial Court, numbering a total of 35 cases. The rest are undergoing preliminary investigation, 47 of which are submitted for resolution.

Eighteen licensed Customs brokers involved in RATS cases were suspended in cooperation with the Prosecution and Litigation Division. The establishment of the Legal Working Group (LWG) in 2007 systematized the work on the Customs and Tariff Modernization Bill, which was eventually submitted to Congress.

For 2009, it is expected that the efforts of RATS in prosecuting and convicting violators will succeed and raise collections.

The Chevron case Vigilant intelligence

THE Bureau of Customs (BoC) demonstrated its vigilance in enforcing a tough campaign over dubious importations by winning its dispute with Chevron Philippines, formerly called Caltex Philippines, which was held liable to restitute the government and pay damages.

This has led to the decision by the Supreme Court, written by Associate Justice Renato C. Corona, to order Chevron Philippines, Inc. to pay the BoC Php 893,781,768.21 representing the full value of the shipment.

In addition, the firm was slapped a 6 percent legal interest per annum accruing from the date of the promulgation of the decision until its finality. This amounts to Php 1,180,170,000,769.21 total assessed value of the shipment.

Records showed that the imported products, comprised of 66,229,960 liters of Nanghai crude oil, 6,990,712 liters Reformate, 16,651,177 liters of FCCU feedstock, 236,317,862 liters of Oman-Dubai crude oil and 51,878,114 liters of Arab crude oil which arrived in the country on March and April 1996.

Assistant Solicitor General Bernard G. Hernandez and Senior State Solicitor Nelia A. Bandilla-Bustria of the Office of the Solicitor General have showed that Chevron intentionally waited for the passage of the Oil Deregulation Law before filing its Import Entry and Internal Revenue Declaration (IEIRD) in order to decrease its rate of duty to 3 percent.

According to the Tariff and Customs Code of the Philippines (TCCP), imported articles must be entered within a non-extendible period of 30 days from the date of discharge of the last package from a carrying vessel. Failure of an importer to comply with all the necessary requirements and documentations after the leeway of 30 days will make a shipment an abandoned importation and automatically becomes a government-owned asset.

On the other hand, Chevron Philippines, Inc. argued that the import entry declarations (IED) it submitted within the 30-day period for a number of its shipments is the entry mulled over by the TCCP, and not the IEIRD,

nce work pays off



which it failed to file within the period of 30 days.

The Supreme Court shared the view of the BoC, stating that the IED and the IEIRD are both required to be filed within 30 days from the date of the discharge of the last shipment or package from the vessel.

According to the Supreme Court, the dispute against Chevron Philippines, Inc. stemmed from its disparaging strategy to evade the 10 percent rate of duty at the time its shipments were discharged.

Upon the arrival of the oil shipments, there has been significant congressional discussion about lowering the rate of duty from 10 percent to only 3 percent.

In addition, the firm was slapped a 6 percent legal interest per annum accruing from the date of the promulgation of the decision until its finality. This amounts to Php 1,180,170,000,769.21 total assessed value of the shipment.

Chevron Philippines committed the mistake of filing overdue importation documents of their shipments, which were discharged at the Port of Batangas a few months before the IEIRD was submitted. Chevron Philippines Inc. was found guilty of delaying its submission of documents and filing them after the enactment of Republic Act 8180 or the Downstream Oil Industry Deregulation on April 16, 1996, thus decreasing its rate of duty to 3percent.

It was likewise discovered that the scheme was hatched in conspiracy with the former district collector of the Port of Batangas who received the late declarations of the oil company, causing large revenue losses to the government.

The Court of Tax Appeals First Division 2005 shared its view with the Bureau of Customs in declaring that the investigations disclosed the anomalies made by Chevron Philippines, Inc., proving that there has been a violation under the TCCP for filing overdue importation docu-

ments.

Therefore, the shipments were deemed abandoned and are considered government properties. The findings on the oil company's fraudulent actions were also affirmed by the CTA en banc and have ordered Chevron Philippines to pay the amount of Php 893,781,768 for evading the higher rate of duties.

The case was brought to the Supreme Court upon the appeal of Chevron with the CTA en banc's ruling. However, the Supreme Court denied the oil company's appeal and affirmed the CTA en banc's decision to the case. According to the Supreme Court, "taxes are the 'lifeblood' of the nation. It further stated that tariff and customs duties are taxes constituting a considerable portion of the public revenue contributing to the performance of government and thus, should be collected devoid of any impediments for it helps the government execute its functions in protecting the wellbeing and interest of its people."

With the statements presented by the Supreme Court herein, the case between Chevron Philippines, Inc. and the Commissioner of Customs (G.R No. 178759) was concluded, favoring the position of the latter.

The triumph of the BoC on the case is considered one of the sterling accomplishments of the Bureau and is regarded as a testament to its commitment to provide quality service to the country and people.

This is a landmark case because the Supreme Court (SC) was given the opportunity to rule on the issue of abandonment under the TCCP. The ruling of the SC will serve as a guidepost for practicing lawyers, brokers, as well as BoC officers when confronted with the issue of abandonment pursuant to the TCCP.

The BoC was able to win the case through the joint efforts of other public and private organizations, such as the Office of the Solicitor General, CTA en banc, Supreme Court, Department of Finance and the informants (NGOs, volunteers, etc.) who trust the credibility of the BoC in its continuing battle against smuggling and other criminal activities, in order to facilitate trade and collect duties for the national treasury.

Tough drive vs counterfeiting

THE creation of a division to handle intellectual property rights (IPR) affirms the commitment of the Bureau of Customs (BoC) to strengthen its drive to weed out counterfeiters and IPR violators who pose serious threats to legitimate manufacturers and businesses.

By acquiescing to the Trade Related Aspects of the Intellectual Property Rights, the Philippines sealed its accession to the World Trade Organization (WTO). The agreement requires all WTO members to provide adequate standards and principles concerning the availability and use of IPRs.

With the enactment into law of the Intellectual Property Code of the Philippines, the Bureau created the Intellectual Property Unit (IPU) in 2003 under the supervision of the Customs Intelligence and Investigation Services (CIIS).

Eventually, the Bureau established a permanent Intellectual Property Rights Division (IPRD) to pursue its mandate to protect IPR.

In November 21, 2008, Customs Administrative Order No. 9-2008 was also released to enhance procedures and strengthen efforts in enforcing border control measures to stop the entry of infringing goods and implement stronger coordination among different enforcement agencies charged with curbing IPR violations.

Cementing partnership against counterfeiting, the BoC, along with Honda Motor Co., Ltd. and its local subsidiary, Honda Philippines, Inc., held in mid-December the symbolic destruction of confiscated replicas of Honda GX-series general purpose engines at the Bureau's grounds.

High-level representatives from the National Committee on Intellectual Property Rights (NCIPR), including Customs Commissioner Napoleon L. Morales, Director-General Adrian Cristobal of the Intellectual Property Office (IPO), lawyer Elfren Meneses, the chief of the National Bureau of Investigation Intellectual Property Rights Division attended the event, along with representatives of the US Embassy in Manila.

Honda, which has gained the reputation for manufacturing superior quality products, is also a steadfast advocate of IPR protection. To maintain this level of respect and to protect their consumers' risk and economic loss, Toyota officials coordinated closely with the Bureau in conducting product familiarization workshops

so that BoC personnel were briefed on how to distinguish the original from counterfeit products.

According to the Intellectual Property Rights Unit-Customs Intelligence and Investigation Service (IPU-CIIS), the BoC issued Honda on December 12, 2006 a certificate of recordation under the Customs Memorandum Circular No. 295-2006 recognizing an exclusive claim to "a device described as consisting of a general purpose engine with its cylinder barrel slanted 25 degrees and the starter/recoil case and fan cover colored red, the muffler protector and air cleaner case colored black and the tank colored white."

On June 1, 2007, the IPU issued an alert – or hold order – against a shipment for an alleged violation of the Honda's IPR which originated from China. The container later turned to have contained an exact replica of the automotive company's GX-series engines. A Warrant of Seizure and Detention (WSD) was then issued by District Collector Horacio P. Suansing of the Port of Manila dated June 19, 2007.

By late October 2007, the 360 units of gasoline generators and gasoline engines consigned under S.I. No. 2007-051, 304 units of gasoline generators and gasoline engines under S.I. No. 2007-306, and water pump engines consigned under S.I. 2007-064 were forfeited for alleged violation of Section 155 and 169 of the Intellectual Property Code of the Philippines. The condemnation and destruction were finally enforced on the recommendation of the Auction and Cargo Disposal Division (ACDD) through the Condemnation Committee.

Meanwhile, the Bureau's Enforcement Performance Report for 2008 reported that the agency reaped





Project Crocodile curbs cigarette smuggling

A multinational campaign to stop cigarette smuggling called Project Crocodile has notched another accomplishment through the apprehension of a container loaded with Marlboro cigarettes purportedly made in the Philippines and worth P26.58 million last November.

Project Crocodile is a collaborative effort of 18 Customs administrations in Asia and the Pacific, including the Philippines.

Uncovered in the 40-foot container were counterfeit Marlboro cigarettes that came from China.

Thirteen other containers were apprehended by the Customs Intelligence and Investigation Service (CIIS) at the Manila International Container Port (MICP) after inspection showed they contained agricultural products instead of the declared household ware.

CIIS and Philip Morris International (PMI), makers of Marlboro, led the operation.

Customs Commissioner Morales ordered for the immediate filing of cases against the consignees and blocking of their ACOS access to prevent them from filing additional import entries

Had the cigarettes not been discovered, Philip Morris would have lost millions of pesos.

Implemented since August 2004, Project Crocodile epitomizes how effective international intelligence sharing can be in curbing smuggling.

The World Customs Organization Regional Intelligence Liaison Office (WCO-RILO) closely coordinates with authorities from countries where export commodities originate in order to ensure a high level of success.

dividends that totaled P759,161,625.61 from apprehended shipments with IPR violations alone, with 38 warrant, seizure and detention operations.

This was triggered by the Office of the Commissioner's advice that private companies follow the conscientious move of Honda and avail themselves of the Bureau's IPR Recordation program.

The IPR Recordation has the effect of a continuing complaint against any and all counterfeit and infringing goods, allowing the Bureau to seize such merchandise without prior formal complaint initiated by the IPR holders against a shipment. A certificate is valid for two years from

date of recording and renewable every two years.

By yearend, IPR Recordation totaled to 337 trademarks, two copyrights, eight patents, one industrial design, one service mark and one device.

The growing acceptance of the program is an indicator of the positive reception of private companies in recognizing the importance, not only preserving their company's reputation for quality products, but also of their active participation in the campaign against counterfeiting.

Earlier, the IPU was manned by seven personnel tasked to enforce IPR in only three out of the 15 major ports in the country. Now, 30 officers are being assigned in the collection ports under the direct supervision of the Special Assistant for Operations, for the Operations Section.

The IPRD Section is responsible for enforcing the provisions of R.A. 8293, recommend to the division chief the issuance of alert or hold order against importa-

tions suspected to contain infringing goods, act as witness in the examination of shipments suspected to contain infringing goods, and coordinate all activities with other BoC enforcement agencies relative to IPR violations.

The Legal Section of the IPRD, comprised of three lawyers, handles legal matters concerning IP-related controversies. The Administration Section is responsible for IP risk assessment programs, data gathering, border enforcement training and IP recordation.

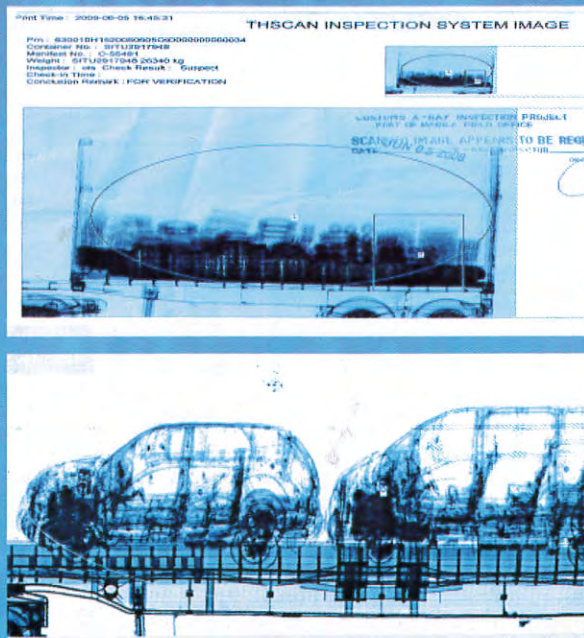
The Bureau also commends the support and cooperation of private international agencies in helping to eliminate counterfeiting.

Non-intrusive Container Inspection Project

Making the most of the

X-ray

to detect contraband



THE Bureau of Customs (BoC) has implemented a key measure to detect smuggled goods through the Non-intrusive Container Inspection Project, which is headed by Atty. Lourdes Mangaoang.

This is consistent with the vow of Customs Commissioner Napoleon L. Morales to have “no compromise with the smugglers...any smuggling attempt will be dealt with the full force of the law.”

The project was implemented under orders of President Gloria Arroyo.

Currently, BoC has 28 mobile X-ray scanners, with 25 utilized by the X-Ray Inspection Project (XIP) of Atty. Mangaoang.

The number of mobile scanning units deployed in major ports of entry is in proportion to the volume of containers released or transferred in each port. BoC may relocate additional X-ray machines from any port, sub-port or outport and place them where they are most needed.



Average number of arrivals of twenty equivalent units (TEUs) per port

DISTRICT/ FIELD OFFICE	NO. OF X-RAY MACHINES PER DISTRICT/FIELD OFFICE	NO. OF CONTAINERS RELEASED / TRANSFERRED (AVERAGE PER DAY IN TEUs)	NO. OF CONTAINERS SCANNED (AVERAGE PER DAY IN TEUs)
Port of Manila	5	1,031	97
MICP	4	1,821	118
Port of Cebu	4	162	48
Port of Cagayan de Oro	2	25	14
Port of Davao	5	135	42
Port of Subic	2	--	--
Port of Clark	2	--	--
Port of Batangas	4	Not Operational	Not Operational
TOTAL	28	3,174	319

The Non-intrusive Container Inspection Project has helped improve BoC collection by 1.13 percent, a complete turnaround from the shortfall of 6.71 percent in 2007.

This project was undertaken to meet the following objectives: Facilitate trade; enforce the Tariff and Customs Code of the Philippines (TCCP) other laws; counter global terrorism to guarantee international security, and; most especially, generate revenue.

In several ports where X-ray machines are deployed, cases of misdeclaration have been reduced significantly, with XIP monitoring questionable shipments. It acts as the Sword of Damocles hanging on the heads of smugglers.

Since its formal operation, XIP was able to detect the entry of prohibited imported luxury cars, motorcycles, laptops and other electronic products, rice, sugar, and other agricultural and fishery commodities.

In coordination with the Customs Intelligence and Investigation Service (CIIS), XIP was instrumental in apprehending contraband valued at Php 2 billion.

The task of determining which containers will be subjected to electronic inspection or manual inspection, or selected "red" or mandatorily selected for X-ray scanning is lodged on the Office of the Commissioner (OCOM). The mechanism is as follows:

a. Electronic Selection:

Members of the Risk-Management Group (RMG) will determine the criteria on what containers shall be selected electronically for X-ray scanning. They will submit the criteria to the Management Information

System Technology Group (MISTG) personnel who, in turn, will provide Field Offices in the Port of Manila and the Manila International Container Port (MICP) with a list of containers electronically selected for scanning. This method is practiced in ports where the computer selectivity for X-ray inspection is available.

b. Manual Selection:

The XIP Field Office uses this method by manually selecting containers to be scanned based on their profiling of importers as well as exporters in their respective jurisdictions. They also manually select containers based on derogatory reports from informants. Included under this category are containers that are subject to Alert Orders issued by our office. Manual selection accounts for most apprehensions.

c. Selected "Red":

In ports where the computer selectivity for X-ray inspection is still not available, all containers selected "red" under the ASYCUDA system shall be subjected to X-ray inspection. If the machine/s can handle the entire volume of importations, all container shipments shall be subject to inspection. At present, our field offices in outports subject all containers selected red to x-ray scanning.

d. Mandatorily subjected to X-ray scanning by the Office of the Commissioner (OCOM):

Containerized shipments falling under this category are those bound for Philippine Economic Zone Authority (PEZA) and reefer vans bearing agricultural products like meat, fruits and vegetables.

All containers not falling under any of the enumer-



Customs Intelligence and Investigation Service

FOR 2008, the Customs Intelligence and Investigation Service (CIIS) implemented 38 operations covered by warrants of seizure and detention (WSD) for goods with an estimated value of Php 759,161,625.61.

In addition, CIIS apprehended cargoes worth Php 106,110,350 this year for violating Intellectual Property Rights (IPR).

CIIS chief Fernandino A. Tuason, stressed that all these operations were conducted using a wide network of intelligence operations covering surveillance, verification and validation.

He added that the CIIS conducted these operations upon receipt of pieces of intelligence information from domestic and foreign sources that were checked and crosschecked before the Warrants of Seizure and Detention (WSD) were issued.

Tuason said CIIS would continue to maintain its vigilance in apprehending smuggled cargoes and shipments that are undervalued or misdeclared, or those that are prohibited under the provisions of the Tariff and Customs Code of the Philippines (TCCP).

The CIIS chief explained that the service will abide by the orders of Commissioner Napoleon L. Morales, who is mandated by law to oversee the success of the campaign against smuggling in all ports of entry.

prevent tax fraud and stop the entry of anti-social goods at least cost on the part of government. In sum, the XIP performs a role in the New Development Plan of the Philippine government. These scanners also assist those who transact business with the BoC since they can get their cargoes quickly. Other countries have to spend much to acquire X-ray scanners to derive these benefits.

XIP is self-sustaining since the funds to be used to pay the scanners come from the Container Security Fees collected from importers and from exporters later on.

Lately, shipments of multinational companies arriving at our ports have increased.

The reason for this could be the quick processing of cargoes by the BoC. The Bureau has already exempted multinational companies with no derogatory records from X-ray scanning, along with those that have substantial contributions to Customs revenues.

ated mechanisms or criteria are not subjected to X-ray scanning. Also excluded are shipments by multinational companies recommended for exemption from scanning by a District Collector because they have no derogatory record and pay their duties and taxes promptly to the government.

The X-ray machines hasten trade facilitation,





PORTAL:

A global model
for public-private
partnership
in Customs
administration

PUBLIC-PRIVATE partnership (PPP) is a tried and tested strategy to ensure integrity and efficiency in public governance. At the Bureau of Customs (BoC), a new PPP model has been established this year: the Ports Transparency Alliance or PORTAL.

President Gloria Macapagal-Arroyo ordered its creation during a Cabinet meeting last March 25, 2008 to forge an alliance between the BoC and its private partners such as traders, businessmen, church and civil society groups to monitor smuggling and corruption at the agency, the twin economic sins perpetuated not only by unscrupulous officials and personnel of government but with their private counterparts as well.

“What is important is to provide civil society a peep-hole into Customs operations,” President Arroyo said.

Soon after, PORTAL moved into a flurry of organiza-

Government Agencies	Private Sector Organizations
Board of Investments	Philippine Chamber of Commerce and Industry
Bangko Sentral ng Pilipinas	Philippine Exports Confederation
Bureau of Food and Drugs	Federation of Philippine Industries
Bureau of Immigration	American Chamber of Commerce
Bureau of Internal Revenue	European Chamber of Commerce
Civil service Commission	Japanese Chamber of Commerce
Commission on Information and Communication Technology	Cement Manufacturers Association of the Philippines
Department of Agrarian Reform	Philippine Institute of Petroleum
Department of Agriculture	Car Manufacturers of the Philippines
Department of Energy	Confederation of Garment Exporters of the Philippines
Department of Environment and Natural Resources	Philippine Association of Meat Processors Inc.
Department of Finance	Ceramic Tiles Manufactures Association Inc.
Department of Foreign Affairs	Chamber of Customs Brokers, Inc.
Department of Interior and Local Government	Philippine Footwear Federation, Inc.
Department of Labor and Employment	Philippine Association of Flour Millers Inc.
Department of Public Works and Highways	Pulp and Paper Manufacturing Association
Department of Science and Technology	Phil. Food Processors and Exporters Organization, Inc.
Department of Transportation and Communications	Association of Petrochemical Manufacturers of the Philippines
Housing and Land Regulatory Board	Tin Can makers Association of the Philippines
Manila International Airport Authority	Philippine Steel Rolling Mills Association of the Philippines
National Commission on Indigenous People	Alyansa Agrikultura (45 Organizations)
National Economic Development Authority	Consumer and Oil Price Watch
National Intelligence Coordinating Council	AgriWatch
Office of the Ombudsman	
Philippine Overseas Employment Administration	
Securities and Exchange Commission	

Participating agencies and organizations in PORTAL

tional activities, attracting as many private sector and civil society groups to become members. All government agencies involved in customs activities have likewise been tasked to take part.

To move customs reforms into action, nine specific anti-smuggling measures were identified as the focus of PORTAL's attention :

- Enhance consistency of inward foreign manifests with import entry by requiring electronic submission of inward foreign manifests 12 hours before arrival of shipment (as provided under CAO 6-2007), and the use of accredited Value Added Service Providers for submission of the manifests
- Enhance cooperation between the Land Transportation Office (LTO) and BoC so that there will be no renewal of registration without Customs clearance and

no LTO registration without electronic certificates of payments to the Philippine National Police

- Continuously update valuation database to reflect reference test values in conformity with World Trade Organization valuation agreement
- Secure information on selected exports (e.g. oil and other bulk commodities) to the Philippines by obtaining data from commercial attaches, and requiring bulk carriers to submit port load survey from port of origin
 - Pave the way for the possible surveillance of private ports by naval, ports and coastal authorities under an executive order
 - Strengthen the post entry audit of the BoC by possibly engaging a private auditing firm for the audit, adding auditors to assist the BoC's Post-Entry Audit Group
 - Intensify monitoring of imports in freeports and

Agreements have been entered into by the Bureau of Customs with various government agencies

1) The Agriculture Industry – Memorandum of Agreements among the Department of Finance (DOF) with the Bureau of Customs (BoC), the Department of Agriculture (DA) and the agricultural sector Alliance of the Philippines, with the ALYANSA AGRICULTURA, whereby industry shall be allowed access to Import Cargo Manifest/Import Foreign Manifest, as well as the records of inspection and clearance documents of cargoes of agricultural and fishery products, and providing for the deputation of said Agriculture Industry to be included in the conduct of physical inspection of shipments of agricultural/fishery products.

2) Memorandum of Agreement between the DOF, assisted by the BoC, and DA, assisted by the Bureau of Fisheries and Aquatic Resources, Bureau of Animal Industry, National Meat Inspection Services and Bureau of Plant Industry, to strengthen/enhance the import/export cargo clearance mechanism as a tool for improving trade efficiency and market competitiveness of agriculture and fishery products without compromising the food safety of the people as well as the life/health of animal, fish and plants, and as an effective measure to prevent smuggling.

3) Memorandum of Agreement by and among the Department of Trade and Industry (DTI), Land Transportation Office (LTO) and BoC on DTI's rebuilding program which supports the BoC in its higher tax collection by identifying shipments of parts/ components, for example automotives intended for rebuilding.

Five agreements were entered into in view of enhancing in-coming cargo monitoring, the dissemination of vital communication links in between ports and vessels; the installation of preventive and quick response mechanisms at constricting traffic of ports to illicit goods such nuclear wastes and nuclear materials and illegal drugs and substances.

1) The BoC and the Association of International Shipping Lines, Inc. (AISLI) whereby, AISLI member companies shall provide, via secured electronics means, to the BoC advance companies of Inward Foreign Manifests.

2) MOA (Re: Online Release System) between the BOC and the Harbour Centre Port terminal Inc. (HCPTI) whereby the HCPTI shall provide a gateway computer and directly related communication lines and software that will enable BOC to transmit the released instructions to HCPTI by electronic means, otherwise known as the Automated Issuance of Released Instructions.

3) The Private Ports – Memorandum of Agreement entered into by amongst the BoC, the Philippine Ports Authority and the United Harbour Association of the Philippines (UHPAP), providing for the information and quick reaction to smuggling and similar activities including the monitoring of vessel movement in private ports.

4) MOA between the Philippine Nuclear Research Institute, the Philippine Ports Authority and the BoC on the deployment of US Department of Energy supplied equipment, in line with its Megaports Initiative Project, to detect, deter, and prevent illicit traffic of nuclear and other radioactive material.

5) Memorandum of Agreement between the BoC and the Philippine Drug Enforcement Agency (PDEA) providing for logistical, operational and administrative support through a Customs task Force on Dangerous Drugs under the supervision of the Commissioner of Customs in the fight against trafficking of illegal drugs and substances.

ecozones by seeing to it that import permits do not exceed pre-determined requirements, requiring the liquidation of entry declarations of ecozone and Subic and Clark locators, and collecting duties and taxes on excess requirements of locators

- Establish on line viewing of X-ray images from all Customs scanners nationwide
- Enhance the partnership between the Presiden-

tial Anti-smuggling Group (PASG) and BoC by providing the PASG access to BoC documents and reports, and coordinating filing of appropriate cases

The task of the alliance is daunting given the gamut of issues addressed. The PORTAL as a whole group only meets once a quarter. To hasten the reforms in a myriad of reform areas, the group organized sub-commodity groups which meets monthly and focus on



As a matter of strengthened and more stringent enforcement of Customs and tariff laws are three agreements entered into by the BoC for increased revenues are as follows:

- 1) The Maritime Industry (MARINA) on the disapproval or discontinuance of initial and or any subsequent renewal of registration of any imported ships covered by the MOA unless appropriate clearance has been issued by the BoC certifying that the correct/proper duties/taxes/fees have been paid in full.
- 2) LTO providing for the establishment by the BoC and the LTO of a One-Stop Shop in the LTO compound and requiring the BoC clearance in the initial/renewal registration of motor vehicles covered by the MOA.
- 3) LTO providing for the BoC to formulate and implement the post-entry audit, pursuant to RA 9135, as a joint plan of action to collect unpaid duties and taxes on imported motor vehicles to generate more revenues for the government.

Pursuant to sustained efforts and its mandate in the fight against Money-Laundering are agreements between the BoC and the following agencies:

- 1) MOA between the Anti-Money Laundering Council (AMLC) and the BoC whereby coordination in the fight against money laundering is strengthened by providing for mechanisms for exchange of information, closer inter-agency work and the implementation of a harmonized institutional capability building program.
- 2) "Supplemental Memorandum of Agreement for the effective implementation of BSP rules on Physical Cross-Border Transport of currencies" entered into by and among Bangko Sentral ng Pilipinas, the Anti-Money Laundering Council, the Bureau of Customs, Manila International Airport Authority, the Philippine National Police, the Bureau of Immigration, Air transportation Office and the Philippine Ports Authority, to further clarify the specific functions and responsibilities of the BSP and other Government agencies operating in the international airports and major sea ports in the Philippines tasked to carry out the provision of the MOA dated 17 January 2005, and to provide a smooth, orderly and effective system of an inter-agency coordination in screening, detection, examination, apprehension, investigation, seizure and forfeiture of currencies in violation of pertinent BSP circulars and/or RA 9160 or the TCCP, as amended.

Improvement of port management and operations is a mandate of the Bureau of Customs, thus, the agreement with the following agencies:

- 1) The Phividec Industrial Authority providing for the procedures with respect to the Mindanao Container terminal Sub-Port under the Jurisdiction of the BoC with Cagayan de Oro as the principal port of entry.
- 2) The Clark development Corporation and the BoC whereby the CDC usufruct of the "BoC Building"

their respective sectoral concerns. Among the sub-commodity groups organized include steel, oil and fuel, resins, tobacco, wheat and other grains, rice, sugar, motor vehicles and other agricultural products.

Likewise, to ensure concrete participation of government agencies, 19 agreements have been entered into by BoC with specific industry, product and policy focus.

As BoC Commissioner Morales puts it, "PORTAL is a

gathering of positive initiatives. It is a coalition built upon deep-rooted commitment and a holistic approach at ending tax evasion and smuggling activities."

"The private sector and civil society are very appreciative of the organization of PORTAL. The nine anti-smuggling initiatives were identified by them. The Department of Finance (DOF) will see to it that these proposals are adopted by BoC," DOF Secretary Margarito Teves promises.

New ID system is key to efficiency

BY using your Radio Frequency Identification (RFID) card, it will be more effective—and efficient—to transact business within the Bureau of Customs (BoC).

The BoC envisioned using the RFID card to expand its e-service offerings that cover systems from electronic message handling to electronic payment and settlement services.

RFID is a generic term for technologies that use radio waves to automatically identify people or objects.

There are several methods of identification but the most common is to store a serial number that identifies a person or object and perhaps other information on a microchip that is attached to an antenna – the RFID tag.

This antenna enables the chip to transmit the identification information to a reader machine, which converts the radio waves reflected back from the RFID tag into digital information that are then be passed on to computers that can make use of it.

The BoC and its partner bank will soon issue BoC-RFID cards to BoC personnel and stakeholders. The card can be used in automating the following processes:

- Personnel identification
- Access restriction
- Fund flow between BoC and its personnel and stakeholders (payroll, settlement of fees)
- Information flow between BoC and its personnel and stakeholders (i.e. permit status and authentication, status, payment information and authentication and other electronic reports)

During the latter part of 2008, a Memorandum of Agreement (MOA) was signed by the BoC with the Land Bank of the Philippines for the implementation of the BoC-RFID card system.

Every personnel nationwide will soon be issued the RFID card that will serve as their permanent ID in the Bureau following the provisions of the Executive Order for the National Identification card signed by President Gloria Macapagal Arroyo.

It can also be used to access offices within the Bureau and serve as an automated teller machine (ATM) card for the personnel in drawing their salaries.

The RFID card is not for BoC personnel alone but also for the Bureau's stakeholders.

Only legitimate clients of the Bureau will be given access to the BoC area.





Realizing reforms in the workplace

CALENDAR Year 2008 was, indeed, challenging to the Internal Administration Group. It did not only play a key and significant role in developing and formulating the Bureau's Strategic Plan for 2008-2022, but it now looks forward to be an important part in the realization of its strategic goals and actions through the institutionalization of the Bureau of Customs (BoC) Performance Management System (PMS).

Now, the Office Performance Evaluation System (OPES) will be used for time as part of the PMS together with the Performance Evaluation System (PES) for the first and second level personnel and the Career Executive Service Performance Evaluation System (CESPEC) for the third level.

This will ensure that each customs personnel significantly contributes in accomplishing the Bureau's goals and objectives towards its vision of being a customs administration that is among the world's best that every Filipino can be proud of.

These reforms have generated awareness of the individual importance of an every personnel – from the management down to the rank-and-file – in the organization.

For two years now, the Interim Training and Development Division (ITDD) has been responding to the need to accommodate and host various development training sessions. In 2008, the ITDD delivered and coordinated a total of 204 training-seminar and





workshops, involving 5,298 personnel.

The Interim Internal Control Office (IICO), on the other hand, invested quality resources on the skills development of its personnel, drafting audit manuals in four key areas selected from more than 40 identified risk process mapping. The four manuals were completed in December 2008, and will be tested in 2009.

In 2008, the IMG was also at the forefront of special programs and project, such as:

- Assisting the Lateral Implementation Committee (LAIC 2008) in the implementation of Republic Act



9335 otherwise known as the Lateral Attrition Law that monitors accomplishments in the aspects of revenue collections for purposes of rewards and attrition.

- Continuing coordination with the Department of Finance and Department of Budget and Management relative to the proposed Rationalization Plan under Executive Order No. 366.

- Monitoring the implementation of the Integrity Action Plan, this consolidates the recommendations under the WCO-sponsored integrity assessment review and the recommendations under the Integrity Development Review.

- Continuing coordination and submission of report to the Presidential Anti-Graft Commission to the project on Enhancing Integrity in Customs under the Php1 billion Presidential Anti-Graft fund.

- Coordination of international and regional conferences and meetings hosted by the BoC.



International affairs

THE Bureau of Customs (BoC) signs bilateral and multilateral agreements to improve customs administration, guarantee trade facilitation, enhance operations and strengthen cooperation to upgrade the bureau into a world-class service.



Meeting of the RP-US Trade and Investment Facilitation Agreement Washington D.C. • October 20-28, 2008

Relevant to the meeting with the United States Customs Border Protection (USCBP) is the issue of speed to market which can be addressed through a customs cooperation / trade facilitation agreement. According to Bureau of Customs (BoC) Commissioner Napoleon L. Morales, BoC is aiming for a "paperless transaction" to be implemented in January 2009. This program will be piloted in the Port of Batangas, in coordination with the National Association of Shipping Lines. Commissioner Morales also discussed the Customs Trade Alliance to Protect and Accelerate Trade (C-TAPAT), proposing that both countries should have a joint scanning program. This was affirmed by US Assistant Commissioner Michael Mullen, stating that "the important thing is to get the C-TAPAT up and running", before both parties will discuss again the proposed mutual recognition. Moreover, Mullen informed the group that USCBP officials will be visiting Manila in January 2009 to conduct port interdiction training. He disclosed that the US government has increased the amount of outreach to the various countries and trade communities to ensure supply chain security.



**11th/12th Sessions of the Customs Cooperation Council
WCO's Headquarters
Brussels, Belgium
June 26-28, 2008**

The 11th/12th Sessions of the Customs Cooperation Council were tied conferences with the Memorandum of Understanding (MOU) signing ceremony with the Korean Bureau of Customs. In this agenda, the Philippines has participated in the election of the new World Customs Organization Secretary General. In addition, the Philippines participated in discussions on Customs procedures, trade security, law enforcement and other important Custom matters.



**MOU Signing Ceremony
CSD Pilot Project between
the Philippines and Korea
Brussels, Belgium
June 27, 2008**

This is a tied conference with 11th/12th Sessions for World Customs Organization Customs Cooperation Council where the Philippines and Korea reached a customs agreement on the implementation of the Single Window System among the customs of the ASEAN member-states. Part of this ceremony is the implementation of the pilot project of the ASEAN Single Window System in the Philippines, known as "The Philippines National Single Window System."



**2nd BIMPE-EAGA Heads of Customs Meeting
Sabah, Malaysia • August 5-6, 2008**

The Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMPE-EAGA) was running under the stewardship of the BIMPE-EAGA Chairman, Commissioner Napoleon L. Morales, since 1996. Morales led the discussions on the simplification and streamlining of the Customs procedures in the BIMPE-EAGA conference. The meeting also led the signing of agreement on customs cooperation in Customs-Immigration-Quarantine-Security Strategies and Development Programs.



**4th ASEAN Meeting of the
Customs Enforcement and
Compliance Working Group
Manila, Philippines
September 22-24, 2008**

Commissioner Napoleon Morales addresses the 4th ASEAN meeting. The meeting concluded the approval of the Customs Enforcement and Compliance Program.

**17th ASEAN Directors-General (DGs)
of Customs and Conference of Asia
Pacific Express Carriers (CAPEC)
Consultation
Vientiane, Lao PDR • June 19, 2008**

The 17th ASEAN Directors-General (DGs) of Customs and Conference of Asia Pacific Express Carriers (CAPEC) Consultation briefed on the recent developments in the ASEAN Customs Cooperation and Perspectives of Customs Integration, including the major outcomes of the Sixteenth Customs DGs Meeting. Others included in their agenda were the follow-up discussion on the previous Consultation of ASEAN Directors-General and the Conference of Asia Pacific Express Carriers, discussions of encountered problems by the private sector and possible solutions, as well as the identification of mechanisms of Customs-Express Delivery Services.





Inception Workshop of Regional Economic Technical Assistance 6408 and Strategic Planning Meeting of the BIMP-EAGA CIQS Task Force
Zamboanga City, Philippines
Feb. 19-20, 2008

The Asian Development Bank of Regional Economic Technical Assistance on Customs-Immigration-Quarantine-Security for the Brunei Darussalam-Indonesia-Malaysia-the Philippines East ASEAN Growth Area (ADB RETA on CIQS for BIMP-EAGA) Inception Workshop was convened on the member-countries' specific activities and detailed implementation arrangements for the technical assistance regarding the CIQS, which include the mapping of its Rules, Regulations and Procedures (RRPs) at the designated ports, coordination of activities, and monitoring of accomplishments. The workshop also found it convenient to work on a strategic planning meeting that served as a planning session of the Task Force to firm-up our CIQS action agenda for 2008, as well as, provide the avenue for networking among our port officials.





**Signing with Asian Development Bank
ADB Headquarters, Pasig City, Philippines
June 13, 2008**

The Bureau of Customs entered into a Memorandum of Agreement (MOA) with the Asian Development Bank (ADB) at the ADB Headquarters in Ortigas Center on June 13, 2008 providing a policy framework for ADB personnel, upon return from ADB Resident Missions abroad, to ship back their locally-assembled vehicles into the Philippines free of duty. The MOA has been carried out on the basis of Section 105(t) of the Tariff and Customs Code of the Philippines. The MOA, which has now been carried out through Customs Memorandum Circular 150-2008, is expected to eliminate uncertainties and irregularities in the administration of this matter at the operational level.



**Major Donor Conference and Workshop in Conjunction
with the Enhanced Global Dialogue Conference
London, United Kingdom
October 3, 2008**

The major donor conference and workshop was organized by the World Customs Organization (WCO) attended by ten heads of customs service. The Philippines participated in the top-level discussion with donors and other international groups on the implementation of the WCO Capacity Building Program in the Philippines.

Commissioner Napoleon L. Morales Surpassing collection targets in difficult times	52
The Deputy Commissioners	54
Statistical reports for 2008	56
Listing of 2008 Customs Administrative Orders	60
Listing of 2008 Customs Memorandum Orders	61
Listing of 2008 Customs Memorandum Circulars on Memoranda of Agreement and Understanding	63
Bureau of Customs directory	64

Annexes

Commissioner Napoleon L. Morales Surpassing collection targets in difficult times

COMMISSIONER Napoleon L. Morales is a 41-year veteran public servant who rose from the ranks at the Bureau of Customs (BoC) and continues to surmount serious impediments to meet collection targets set by government.

Morales joined the BoC as a messenger, rising to the position of collector by dint of hard work, becoming a principal examiner and special assistant to the commissioner before he was selected to head the Bureau on May 5, 2006.

Apart from his perseverance, Morales was a team player dedicated to the BoC, a loyal officer who earned the trust of his superiors and the confidence of all the stakeholders at the Bureau.

No one can fault him for working as he does since he is motivated by loyalty as much as his reputation as a dedicated public servant with unsullied record.

It wasn't really a surprise that Napoleon Morales was the popular choice to lead the BoC during these crucial times. His colleagues say superiors and peers respect him, and this quality endeared him to his betters, all of whom assigned him to work on the most difficult missions and perform daunting tasks.

His record as a district collector of Batangas is unblemished. For three consecutive years, he topped the revenue collections of the Bureau, bringing in a surplus of almost Php 2.2 billion for the Port of Batangas in 2002.

At the Port of Manila, he notched a surplus of Php 1.8 billion.

Back at the Port of Batangas in 2004, Morales again recorded a surplus of Php 3.5 billion.

BoC insiders considered this feat as a grand slam, topping the collection charts when other districts were encountering difficulties.

He proceeded to replicate this record from January to April 2006, when he was Acting Commissioner, pushing the Bureau to collect Php 58.621 billion or 6.22 percent higher than the target of Php 55.186 billion.

This record was the principal reason why he was appointed as full-fledged BoC Commissioner in May 2006.

Once appointed, Morales wasted no time in marshalling the manpower and resources of BoC and encouraging them to meet the collection target.

He surpassed the yearend target of Php 195.976 billion with record-breaking collections of Php 198.16 billion.

Compared to the achievement of the previous year, Morales' collection was higher by Php 43.54 billion or 28 percent.

This was enough to win the support of everyone, from within the Bureau and the private sector doing business with BoC, as it showed Morales was a leader who can whip up the entire organization into an efficient collection machinery that would not settle for less than 100 percent accomplishment.

For 2007, government raised the collection target to Php 222.8 billion, an incredible 16-percent increase from the goal in 2006. The first semester performance turned in a Php 13 billion shortfall that was eventually overcome.

For 2008, the Commissioner Morales succeeded in collecting Php 260.692 billion, up by Php 6.216 billion or 2.5 percent from the target of Php 254.476 billion.

The actual cash collection was also Php 25.52 billion higher than the 2007 goal, translating into a high 13.2 percent increase.

The collection figure could have been much higher had the foreign exchange projections been correct, along with the assumptions on fluctuations of oil prices, down from the projected US\$62 per barrel to only US\$40 per barrel.

As Wall Street reeled from the financial meltdown caused by the crash of Lehman Bros., AIG and of Bear Stearns, the home mortgage market and derivatives, demand for oil slumped, along with electronics and durables, sending global markets in a tizzy.

Moreover, rising crude oil prices in the first semester forced government to cut down on tariffs, thus decreasing revenues from oil and its byproducts, but



allowing it to reduce runaway price increases for petroleum and its derivatives.

The food crisis and the slump in demand for oil and non-oil imports, along with the unwieldy foreign exchange movements, caused a reduction in collections.

These developments notwithstanding, Commissioner Morales revamped collection districts, reassigned collectors to appropriate ports, particularly those who have stayed long in their posts, and transferred them to new areas where they can be more efficient in raising revenues.

This has resulted in increased revenues for some ports, with others closing the gap and still others performing better in so short a time.

For 2009, the Bureau has been mandated to collect Php 317 billion, up by 25 percent from the target for 2008, and this goal will surely test the mettle of the agency.

Commissioner Morales believes the target can be met as he systematizes customs procedures, from accrediting cargo survey companies, registering parties

that transact business with the BoC and intensifies intelligence gathering and monitoring of cargoes from the points of embarkation in the Asia-Pacific region to the different ports of the country.

Moreover, he says the country's accession to international covenants to check cargoes and determine those that violate customs laws and global regulations would surely lead to better monitoring of all shipments and hopefully bring in more revenues to the national treasury.

The use of X-ray scanning machines, vigilant monitoring of all containers, the strict implementation of rules covering transactions, efficiency in collections through training and implementation of global best practices, apart from the upgrading the legal service and the public information division, and the improvement of offices and training of personnel are all geared to improve the performance of the BoC. Facilities for clients have also been upgraded, with transactions undertaken in offices connected to other departments and offices.

The Commissioner continues to improve the customs service into a world-class unit by honing its personnel into an efficient workforce, trained in collecting more revenues while facilitating trade, consistent with the BoC's mandate as a profit center for government.

Commissioner Morales, 58, is a Business Administration graduate, Major in Tariff and Taxation, from the University of the East. He pursued post-graduate studies in business administration, law and public administration. He also underwent intensive training here and abroad.

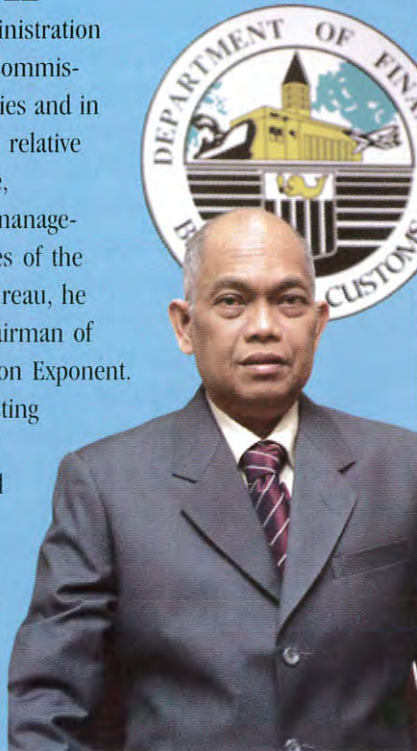
In 1977, he took the Customs Brokers' Exam and ranked 11th.

Commissioner Morales is married to the former Shirley Soler, a Customs Operation Officer V at the Ninoy Aquino International Airport. They have two children, Dr. Annalee M. Yuhico, an Australia-based anesthesiologist, and Elaine, a chemist based in Vancouver, Canada.

The Deputy Commissioners

GREGORIO J. CHAVEZ

handles the Internal Administration Group, which assists the Commissioner in formulating policies and in the setting up of objectives relative to financial, administrative, personnel, planning and management improvement services of the BoC. Before joining the Bureau, he was the President and Chairman of the Lower Isarog Foundation Exponent. He also briefly served as acting assistant chief legal officer of the Manila International Container Port after a private stint as partner of the Chavez Law Office. He completed his law studies at the Lyceum of the Philippines.



REYNALDO V. UMALI

heads the Revenue Collection Monitoring Group, which maintains an accounting of revenues collected, administers the legal requirements of the BoC, provides information and analysis of collection statistics, and audits liquidated entries and bonds. A lawyer-economist, the Deputy Commissioner is also the concurrent executive director of the Run After The Smugglers Group, which has effectively served as the prosecution arm of the Bureau and its legal service division, which he also used to head. An economics graduate of the Ateneo de Manila University, he pursued his Bachelor of Laws and post-graduate studies at San Beda College.



REYNALDO S. NICOLAS

controls the Assessment and Operations Coordination Group, which gathers and publishes values of commodities imported into the country. His office monitors the implementation of rules and regulations governing assessment, end processing of goods for exports, warehousing and support operations, and auction and disposal activities. The Deputy Commissioner is also the co-chair of the Kyoto Convention Management Committee. He placed 9th in the 1983 Bar exams after graduating cum laude in economics and law at the University of the Philippines.



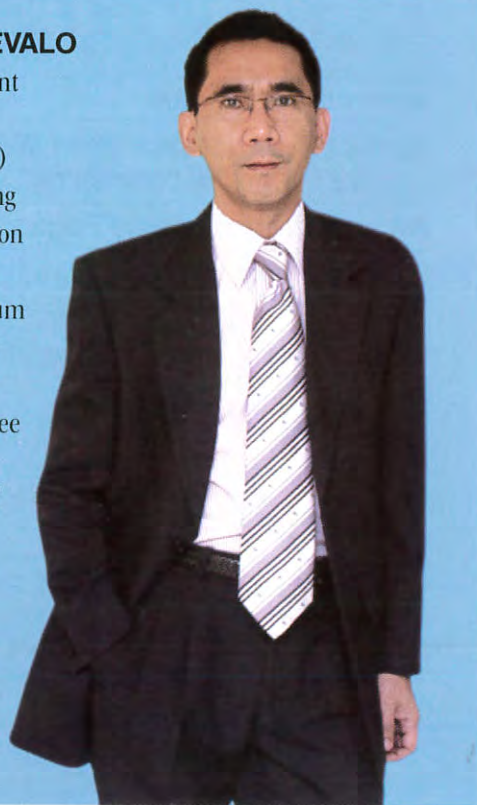


CELSO P. TEMPLO

oversees the Intelligence and Enforcement Group that gathers intelligence information related to Customs and economic activities and conducts internal inquiry and investigation. He takes the lead in the anti-smuggling campaign and exercises police authority for the Bureau. A veteran civil servant, he started as a laborer at the Bureau of Posts and worked with the Commission on Elections before joining the Bureau in 1968. He holds a Doctorate in management from the International Academy of Management and Economics.

ALEXANDER M. AREVALO

supervises the Management Information System and Technology Group (MISTG) that ensures the continuing progress and implementation of BoC's computerization program. He graduated cum laude from the Philippine Military Academy in 1982 and holds a Master's degree in Business Management from the Asian Institute of Management.



ROLANDO T. LIGON

leads the Post-Entry Audit Group that conducts post clearance audit on shipments in the past three years to verify the accuracy of declarations through the examination of books, records, business systems and Customs commercial data of importers and outlines penalty procedures for individuals and companies that fail to comply with these requirements. A CPA-lawyer, he finished his accountancy course at the De la Salle University and pursued law studies at the Ateneo de Manila University and also attended the International Tax Program of Harvard University.



Statistical reports for 2008

Post Entry Audit Group (PEAG) 2008 Performance

Number of Cases Profiled	235
Number of Audit Notification Letters (ANL) issued by the Office of the Commissioner	235
ANL and Voluntary Disclosure Program (VDP) finished	73
Importers which have been recommended for suspension of customs accreditation or filing of administrative complaint	20
Actual Collection (January-December 2008)	
ANL	Php 82,144,668.66
VDP	46,106,656.18
Discrepancy Letters	2,531,220.01
Total	Php 130,782,544.85
Total Assessment (Actual Collection+ For Assessment)	Php 963,595,015.58

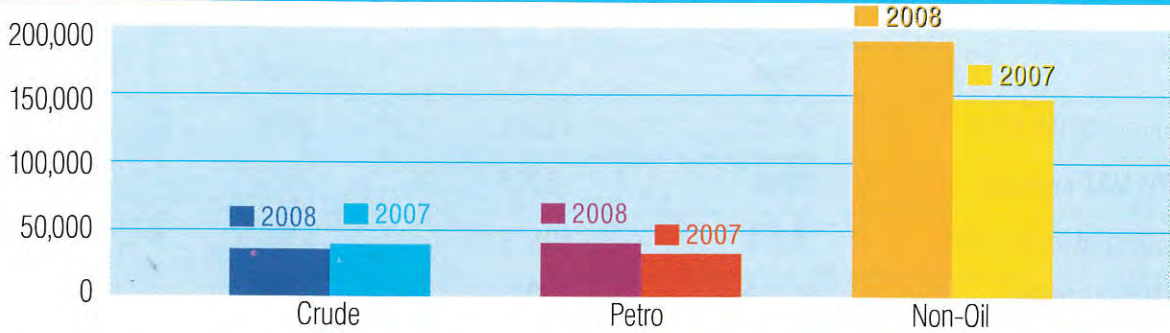
Out of the total assessment, the amounts of Php 204,170,803.00 and Php 623,631,445.00 have been subject of protest case with CTA and motion for reconsideration with this bureau, respectively.

Value of imports (in million pesos)

	January-December		Variance	
	2008	2007	Amount	%
TOTAL VOLUME	57.3	55.0	2.4	4.3%
Dutiable value	43.0	39.5	3.5	9.0%
Non-oil	27.2	22.9	4.3	18.9%
Oil	15.8	16.6	(0.8)	-4.7%
Crude	9.8	11.4	(1.6)	-14.1%
Oil product	6.0	5.2	0.7	14.3%
Non-dutiable	14.3	15.5	(1.2)	-7.5%

Source of data: Districts' Report

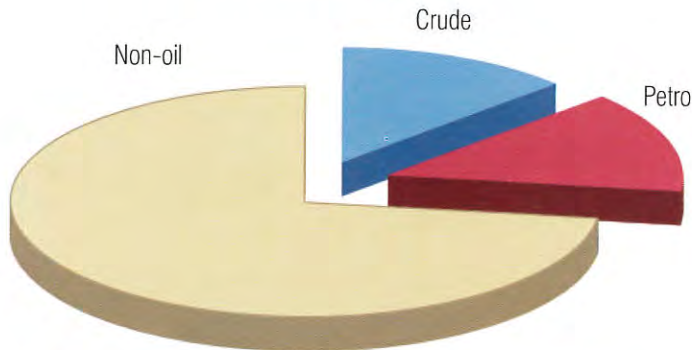
Collections by Source 2008 vs. 2007 (in million pesos)



	2008	2007	Variance	%
Crude	34,584	36,223	(1,639)	-4.5%
Oil product	35,950	26,625	9,325	35.0%
Non-oil	190,158	146,591	43,567	29.7%
Total	260,692	209,439	51,253	24.5%

2008 preliminary figures based on Districts' Report

Collections by source (in million pesos)



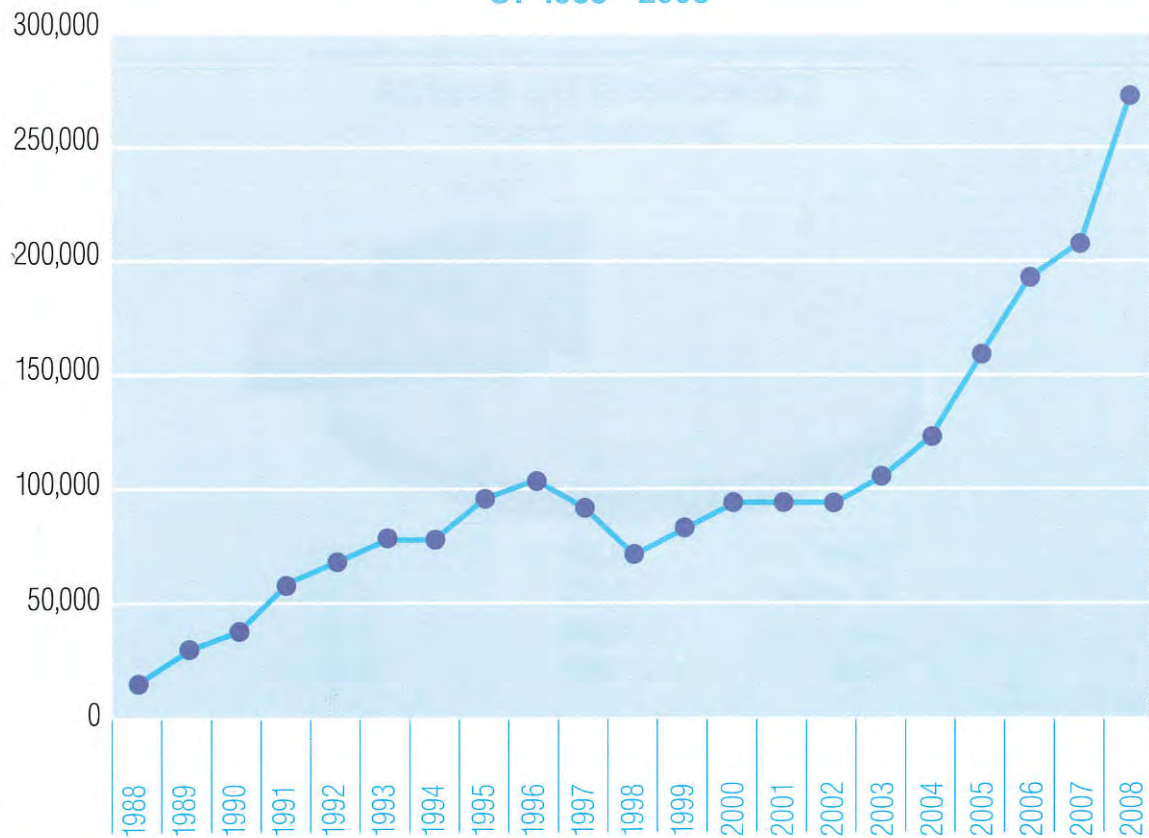
Crude	34,584	13.3%
Oil product	35,950	13.8%
Non-oil	190,158	72.9%
TOTAL	260,692	100.0%

2008 preliminary figures based on Districts' Report

Impact of New VAT Law (R.A. 9337) (in billion pesos)

	January-December 2008		Deviation	
	Target	Actual	Amount	%
Impact of RA 9337	64.611	73.726	9115	141%
2% VAT increase	18193	15.768	-2425	-13.3%
Lifting of exemption:	51.359	60.979	9.620	18.7%
Vat on crude	34.309	32.273	-2.036	5.9%
Vat on oil product	16.868	25.082	8.214	48.7%
Vat on coal	182	3.623	3441	1,891%
Less: foregone excise	4.941	3.021	-1.920	-38.9%

Actual collection (in million pesos) CY 1988 - 2008



Actual collection
(in million pesos)
CY 1988 - 2008

YEAR	ACTUAL	Growth	
		Amount	%
1988	25,014		
1989	38,375	13,361	53.4%
1990	45,948	7,573	19.7%
1991	64,391	18,443	40.1%
1992	72,870	8,479	13.2%
1993	81,971	9,101	12.5%
1994	81,610	(361)	-0.4%
1995	97,601	15,991	19.6%
1996	104,566	6,965	7.1%
1997	94,800	(9,766)	-9.3%
1998	76,005	(18,795)	-19.8%
1999	86,497	10,492	13.8%
2000	95,006	8,509	9.8%
2001	96,232	1,226	1.3%
2002	96,251	19	0.02%
2003	106,092	9,841	10.2%
2004	122,471	16,379	15.4%
2005	154,566	32,095	26.2%
2006	198,161	43,595	28.2%
2007	209,439	11,278	5.7%
2008	260,692	51,253	24.5%

2008 Preliminary;
December actual based on Districts' Report

Listing of 2008 Customs Administrative Orders

CAO NO.	SUBJECT
01-2008	Transfer of Jurisdiction over Customs Supports to enhance Administrative and Operational control [Eva Macapagal Terminal (Pier 15) to District II-A (POM)]
02-2008	Creation of a New Collection District No. XV (Port of Aparri) and Redefining the Area of Jurisdiction of Collection District No. I (Port of San Fernando)
03-2008	Amendments to CAO 3-2006
04-2008	Non-Importation of Resin through the Bonded Warehouse System
04-2008-A	Creating Parameters for the Rationalized Application of CAO No. 4-2008 on the Non-Importation of Resin through the Customs Bonded Warehouse Scheme
05-2008	Creation of a New Collection District No. XVI (Port of Limay) and redefining the jurisdictional limits of Collection District No. II-A (Port of Manila)
06-2008	Bulk and Break-Bulk Cargo Clearance Enhancement Program
07-2008	Re: Accreditation of Information Validation Service Provider (IVSP) for Integration into BOC's Client Profile Registration System (CPRS)
08-2008	Requiring Electronic Lodgement of Goods Declarations and Imposing Administrative Sanction for Non-Compliance with the Requirement
09-2008	Creation of a Permanent Intellectual Property Rights Division (IPRD), Bureau Of Customs
10-2008	Payment Application Secure System Version 5.0 (PASS 5)

Listing of 2008 Customs Memorandum Orders

CMO NO.	SUBJECT
01-2008	Customs Regulations to Implement the Bureau of Customs (BoC) Ruling dated March 16, 2007 on the Operations of a Regional Storage Warehouse for Tobacco Leaf in the Subic Bay Freeport Zone (SBFZ)
02-2008	Posting of a Cash Bond Against the Importation of Ceramic Floor and Wall Tiles from Various Countries Pending Receipt Formal DTI Order of Extension of Definitive General Safeguard Measure
03-2008	Amendments to CMO 30-2007 On the Treatment of Importations of Certain Brands of Rubber Tires
04-2008	Policies and Guidelines in the Implementation and Use of e-Learning Program
05-2008	Executive Order No. 691, Temporarily Modifying the Rates of Import Duty On Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of the TCCP of 1978 (P.D. 1464), as amended.
06-2008	Adoption of the Career Executive Service Performance Evaluation System (CESPES)
07-2008	Amendment to CMO 17-2005 on the Moratorium on Approvals to Establish/Operate Off Dock CY-CFS, Customs Public/Private Bonded Warehouses, Common Bonded Warehouses and Other Non-Manufacturing Bonded Warehouses/Facility
08-2008	General Safeguard Duty for Ceramic ad Wall Tiles [Modifying CMO 2-2008]
09-2008	Addendum to CMO No. 7-2008 amending CMO 17-2005 On The Moratorium on Approvals to Establish/Operate Off Dock CY-CFS, Customs Public/Private Bonded Warehouses, Common Bonded Warehouses and Other Non-Manufacturing Bonded Warehouses/Facilities
10-2008	Executive Order No. 691, Temporarily Modifying the Rates of Import Duty On Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of 11-2008the TCCP of 1978 (P.D. No. 1464), as amended
11-2008	Procedural Guidelines On The Utilization of Excess VAT Subsidy Checks (VSC), Issued By BIR To Qualified Subcontractors/ Suppliers And Sub-Subcontractors/ Sub-Suppliers Of The Bases Conversion Development Authority (BCDA) Subic Tarlac Expressway Project (SCTEP), in The BOC As Payment Of VAT On Their Importations and Transfer of the Portion Of the SARO To The Account Of BOC
12-2008	Mandatory Service of Notices, Orders, Resolutions, Decisions and Other Processes in all Seizure / Valuation and Classification Review committee (VCRC) Cases to Government prosecutors and All Other Aggrieved / Interested Parties
13-2008	Establishing the Interim BOC Performance Management System (PMS), Its Guidelines and for Other Purposes
14-2008	Amending CMO No. 15-2005 (Registration of Importers)
15-2008	Amending CMO No. 15-2005 (Registration of Importers)
16-2008	Rules and Regulations Implementing Department Order No. 23-07 dated 26 July 2007, as Amended by Department Order no. 6-08 dated 15 February 2008, entitled: "Mandating the Marking of Imported Kerosene and Diesel which are entered Tax and Duty Free to Prevent the Unauthorized Diversion Thereof into the Domestic Market."
17-2008	Amendments to CMO Nos. 18-96, 18-96A & 18-96B in the Conduct of Examination of Shipments in Ports with Selectivity System
18-2008	Executive Order No. 691, Temporarily Modifying the Rates of Import Duty on Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of the TCCP of 1978 (P.D. 1464), as amended
19-2008	Guidelines On The Renewal of Re-Export Bond of All Ships Acquired/ Operating Thru Bareboat Charter Pursuant to P.D. 760, As Amended
20-2008	Amended Guidelines in the Computation of the Redemption Value of Imported Forfeited Articles

-
- 21-2008** Amended rules and Regulations on the Treatment of Imported Articles Declared as Off-Quality
- 22-2008** Executive Order No. 691, Temporarily Modifying the Rates of Import Duty on Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of the TCCP of 1978 (P.D. 1464), as amended
- 23-2008** Effective Management of the Bureau of Customs Integrity Action Plan
- 24-2008** Monitoring the Specific Description of Articles in the List of Importable Materials of Customs Bonded Warehouses
- 25-2008** Executive Order No. 691, Temporarily Modifying the Rates of Import Duty On Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of The TCCP of 1978 (P.D. No. 1464), as amended
- 26-2008** Importations Entered Under Warehousing Entries but Subsequently Converted to Consumption Entries
- 27-2008** Executive Order No. 691, Temporarily Modifying the Rates of Import Duty on Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of the TCCP of 1978 (P.D. No. 1464), as amended
- 28-2008** Non-importation of Resin Through the Bonded Warehouse System pursuant to CAO No. 04-2008
- 29-2008** Additional provisions to CMO 32-2007, entitled, Revised Rules, Regulations and Procedures in Reassignment and Designation of Personnel and CMO 6-2002, entitled Merit Selection Plan
- 30-2008** Executive Order No. 691, Temporarily Modifying the Rates of Import Duty On Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of The TCCP of 1978 (P.D. No. 1464), as amended
- 31-2008** Amendment of CMO 32-2007 on the Revised Rules, Regulations and Procedures in Reassignment and Designation of Personnel
- 32-2008** Executive Order No. 691, Temporarily Modifying the Rates of Import Duty On Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of The TCCP of 1978 (P.D. No. 1464), as amended
- 33-2008** Parameters for the Application of CAO No. 4-2008-A on the Importation of Resin Through the Customs Bonded Warehouse Scheme
- 34-2008** Executive Order No. 691, Temporarily Modifying the Rates of Import Duty On Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of The TCCP of 1978 (P.O. No. 1464), as amended
- 35-2008** Procedure for the Bulk and Break Bulk Cargo Clearance Enhancement Program
- 36-2008** Interim Enhanced Cargo Transfer System for Transit Goods Consigned to Freeport Zone Locators, which Are Discharged at Ports and Airports with Operating E2M Customs System and with Subic and Clark Freeport Zones as Final Destinations
- 37-2008** Executive Order No. 691, Temporarily Modifying the Rates of Import Duty On Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of The TCCP of 1978 (P.O. No. 1464), as amended
- 38-2008** Executive Order No. 691, Temporarily Modifying the Rates of Import Duty On Crude Petroleum Oils and Refined Petroleum Products Under Section 104 of The TCCP of 1978 (P.O. No. 1464), as amended
- 39-2008** Initial Registration of Clients and Stakeholders with the Electronic-to-Mobile or e2m Customs System; Data Build-up Phase of the Client Profile Registration System or CPRS
- 40-2008** Implementing Customs Administrative Order no. 8 2008, Requiring Electronic Lodgment of Goods. Declarations and imposing Administrative sections for non-compliance with the requirement
- 41-2008** BOC Citizen's Charter
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Listing of 2008 Customs Memorandum Circulars on Memoranda of Agreement and Understanding

CMC NO.	SUBJECT
48 2008	MOA Entered by and among BoC, PPA, and UHPAP
150 2008	MOA between the Bureau of Custom (BoC) and the Asian Development Bank (ADB) on the Re-importation of previously Exported cars/vehicles.
154 2008	MOU between the Korea Customs: Service (KCS) of the Republic of Korea and the Bureau of Customs (BoC) of the Republic of the Philippines on the Pilot Project for Conveyance Security Device System
179 2008	Joint Memorandum Order No. 01-08 between the Bureau of Customs (BoC) and Philippine Economic Zone Authority (PEZA)
196 2008	MOA between the Bureau of Customs (BoC) and the Land Transportation Office (LTO)
199 2008	MOA and JMO between the Bureau of Customs (BoC), Subic Clark Alliance for Development Council (SCADC), Clark Development Corporation (CDC) and Subic Bay Metropolitan Authority (SBMA)
221 2008	MOA Entered into by and between the BoC and Phil. Coast Guard
252 2008	MOA between the Bureau of Customs (BoC) and the Bureau of Health Device & Technology (BHDT)
273 2008	MOA between the Bureau of Customs (BoC) and Land Bank of the Philippines (LANDBANK) on the Automated Teller Machine (ATM) Payroll System using LANDBANK RFID-enabled Electronic Cards referred as "e-Card Plus"
280 2008	MOU Between BoC & COTECNA Inspection SA.
281 2008	International Agreement in the issuance of Certificate of Origin under the Japan-Phil. Economic Partnership agreement(JPEPA)

Bureau of Customs directory

Hotline number: 9173201

E-mail address: info@customs.gov.ph

Service/Division/Port Telephone Number	Incumbent Position Designation
Office of the Commissioner 527-4573/ 527-4537/ 5266355	NAPOLEON L. MORALES Commissioner
VICMU-OCOM. 526-6657	WILLIAM DIONISIO SVCOO Chief
VRIS-OCOM. 527-3085/ 917-3217	EMMELINE DAVID Collector IV
BOC X-Ray Inspection Project 521-2238	MA. LOURDES MANGAOANG Collector V
Internal Administration Group 527-1960/ 527-4507	GREGORIO B. CHAVEZ Deputy Commissioner
Administration Office 527-4518/ 527-6389	MA. CORAZON C. AZAÑA Director III
Public Information & Assistance Division 527-7988/ 527-8259	JESSIL A. FELISARIO Information Officer I OIC
Medical & Dental Division 527-4601	MANUEL JACINTO JR. Medical Officer V Acting Chief
Human Resources Management Division 5266669/ 527-1944	ERLINDA P. LAZARO CCOO Chief
General Services Division 527-4566/ 527-4526/ 526-6571	BUENAVENTURA SAMSON Administrative Officer III Acting Chief

Central Records Management Division

527-4564/ 527-4512

LILIBETH BONIFACIO

COO III

Acting Chief, concurrent Chief,
Interim Training and Development Division

Interim Internal Control Office

527-4585

WILNORA CAWILE

SVCOO

Chief, concurrent, Acting Chief,
Cashier's Office, GSD, OCOM

Interim Training and Development Division

527-3298

LILIBETH BONIFACIO

COO III

Chief, concurrent Acting Chief,
Central Records Management Division

Financial Management Office

527-4525

LIWAYWAY MENDOZA

CCOO

Acting Director

Budget Division

527-4530

MARILOU A. CABIGON

Budget Officer IV

Acting Chief

Accounting Division

527-4534

ALFREDO PALMA

Chief Accountant

Chief

Planning & Policy Research Division

527-4508/ 527-8258

JOHN SIMON

Collector of Customs II

Acting Chief

Revenue Collection and Monitoring Group

527-4602/ 527-9453

REYNALDO V. UMALI

Deputy Commissioner

Legal Service

527-4515/ 527-4565

SIMPLICIO DOMINGO

Director III

Tax Exempt Division

527-4579/ 526-1834

TALEK PABLO

CCOO

Chief

Financial Service

527-4577/ 527-4575/ 917-3277

EDNA V. BARRIDA

Statistician V

Officer-in-Charge

Service/Division/Port Telephone Number	Incumbent Position Designation
Revenue Accounting Division 527-7238/ 527-4575	EMILIO JACINTO Chief Accountant Chief
Statistical Analysis Division 527-4577	CECILE MARIE C. SORIANO Accountant IV Acting Chief
Collection Service 527-4523/ 527-3727	BALMYRSON VALDEZ CCOO OIC
Bonds Audit Division 527-4523/ 527-3727/ 5073718	MA. LOURDES LLAMZON MAA IV OIC
Assessment and Operations Coordinating Group 527-4602/ 527-9453	REYNALDO S. NICOLAS Deputy Commissioner/ concurrent Head, Tax Credit Committee, OCOM
Customs Accreditation Service 986-1450	ZSAE CARRIE DE GUZMAN Attorney II Executive Director
Import and Assessment Service 527-4439/ 523-9648/ 527-4549	BERNARDO V. SALES Director III
Valuation Classification Division 527-4549	DELIA MORALA COO V OIC
Assessment Coordination & Monitoring Division 526-6372	ALVIN GUIAM MAA V Chief
Warehouse Coordination Division 527-4561	ERNELITO AQUINO Legal Officer II Acting Chief conc. Deputy Chief-of-Staff, AOCG
Port Operations Service 527-7976/ 527-4476	RAMON G. CUYCO Director III

Auction and Cargo Monitoring Division

527-4506

FLOR AGUILAR

Records Officer V
Chief

Export Coordination Division

527-4580

ERLINDA ESCOBAR

SVCOO
Acting Chief

Port Operations Coordination Division

527-4476

EDMUNDO B. MAGDARAOG

CCOO
Chief

Intelligence and Enforcement Group

527-0638/ 526-6361

CELSO P. TEMPLO

Deputy Commissioner

WAMU-IEG

527-4560

TEODORO CINCO

CCOO
Acting Chief

Customs Intelligence & Investigation Service

527-4560/ 527-4539

JAIRUS D. PAGUNTALAN

Director III

Intelligence Division

527-4516/ 917-4587

FERNANDINO A. TUASON

Intelligence Officer V
Chief

Investigation & Prosecution Division

527-4587

EMMANUEL G. GOTLADERA

Legal Officer IV
Acting Chief

Internal Inquiry & Prosecution Division

527-4522/ 917-3298

WILLIE B. SARMIENTO

Attorney III
Acting Chief, IPU

Enforcement and Security Service

NICASIO J. RADOVAN, JR.

Director III

Customs Police Division

527-4643/ 527-4648

JOSE YUCHONGCO

Special Police Chief
Chief/ Chief, CSU-ESS

**Management Information
System & Technology Group**

526-6396/ 526-6361

ALEXANDER M. AREVALO

Deputy Commissioner

Service/Division/Port Telephone Number	Incumbent Position Designation
Planning & Systems Development Service 527-9456/ 527-6091	JOSEPHINE NAGALLO Information Tech. Officer III Officer-in-Charge
Planning & Management Information Division 527-9449/ 917-3226	JAIME TABORDA Information Tech. Officer II Acting Chief
Systems Development Division 527-9456/ 527-6091/ 5279455	SHEILA MICHELLE M. LAGAT Information Tech. Officer II Officer-in-Charge
Technology Management Service 526-6608/ 527-9452/ 917-3225	JONATHAN SORIANO Information Tech. Officer III OIC/ concurrent Chief, TSD
Technical Support Division	JONATHAN SORIANO Information Tech. Officer III Chief
System Management Division 527-8406/ 917-3227	NOMIE GONZALES Information Tech. Officer III Chief
Post Entry Audit Group 527-8257	ROLANDO T. LIGON Jr. Director II Officer-in-Charge
Trade Information and Risk Analysis Office 527-8257	CARMELITA CRISOLOGO Director II
Trade Information I Analysis Division 527-8257/ 796-4213	BENJAMIN SANTOS CCOO Chief
Compliance Assessment Office (1) 917-3273	ANGELITO G. URSABIA CCOO OIC
	RAMON ANQUILAN Collector of Customs I Head, Audit Team

Audit Division

917-3294

JOSE M. DIZON

COO V
Acting Chief

Audit Division 2

917-3279

TERESITA MAGTANONG

COOV
OIC

Audit Division 3

917-3296

PRISCILLA GRANA

CCOO

Audit Division 4

917-3297

AGNES RAMIREZ

COO V
Acting Chief

Audit Division 5

917-3174

SABINA S. VILLARIN

COO V
Acting Chief

Port of San Fernando

(072)888-5581

TOMAS ALCID

Collector of Customs IV
Acting District Collector

PORT OF MANILA

527-2979/ 526-8610

HORACIO P. SUANSING, JR.

Collector of Customs VI
District Collector

Manila International Container Port (MICP)

245-2762/ 245-2796/ 247-0981

ADELINA S.E. MOLINA

Collector of Customs V
Acting District Collector

NINYO AQUINO INTERNATIONAL AIRPORT (NAIA)

879-6003/ 832-2955/ 877-1109 Loc. 3301

CARLOS T. SO

Collector of Customs VI
District Collector

Port of Batangas

(043)722-0705/ 723-0631

JUAN TAN

Collector V
Acting District Collector

Port of Legaspi

(052)820-2508/ 214-3439

TITUS SANGIL

CCOO
Acting District Collector

Port of Iloilo

(033)335-0998/ 337-5831

AKRAM ISMAEL

Collector of Customs III
OIC District Collector
Concurrent Deputy District Collector

Service/Division/Port Telephone Number	Incumbent Position Designation
Port of Cebu (032)256-1690/ 245-2935	RICARDO R. BELMONTE Collector of Customs V Acting District Collector
Port of Tacloban (053)321-3370/ 321-3395	LEOVIGILDO M. DAYOJA Collector III Acting District Collector
Port of Surigao (086)232-7535/ 826-5112	WILLIAM REYES Collector of Customs II Acting District Collector
Port of Cagayan De Oro	ABEDIN P. MACAPASIR Collector of Customs II Officer-in-Charge
Port of Zamboanga (062)992-0337/ 992-6845	RODOLFO CAMPOS Collector of Customs IV Acting District Collector
Port of Davao (082)235-1085/ 235-0812	RONNIE SILVESTRE Collector of Customs V Acting District Collector
Port of Subic (047)252-3534/ 254-4312	MARIETTA D. ZAMORANOS Collector of Customs V Acting District Collector
Port of Clark International Airport (045)599-2162/ 892-3088 599-2166/ 599-2848	EDWARD DELA CUESTA Collector of Customs VI Acting District Collector



Office of the Commissioner

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