

CUSTOMS GAZETTE

The Official Newsletter of the Bureau of Customs

Volume 3 Number 1 • May-June 2020



REVENUE COLLECTION JUNE 2020

P42.539 BILLION

P40.739 Billion - Target Collection

BOC hits revenue collection target in June as import volume improves

Despite the effects of Covid-19 on the overall trading environment and the impact of the stringent community quarantine, the Bureau of Customs (BOC) surpassed its June 2020 collection target by 4.4%

or P1.8 billion. The BOC collected a total of P42.539 billion against the target of P40.739 billion in June.

Based on the preliminary report from the BOC-Financial Service, eleven of the seventeen collection districts

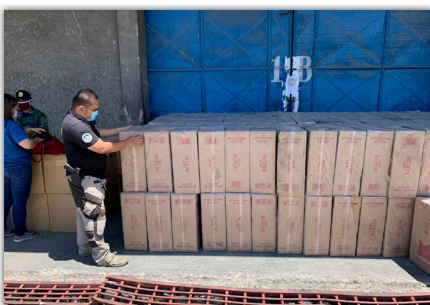
were able to hit their respective targets, namely: the Port of San Fernando La Union, Port of Legaspi, Port of Cebu, Port of Tacloban, Port of Cagayan De Oro, Port of Zamboanga, Port of Davao, Port of Subic, Port of Clark,

Port of Aparri, and Port of Limay.

The BOC's positive revenue collection performance is the result of intensified collective effort of all ports and the gradually improving volume of importation.

[\(See more in page 14\)](#)

Port of Zamboanga seizes 124M worth smuggled cigarettes and cigarette-making machines



The BOC-Port of Zamboanga, together with elements of (1) Zamboanga City Police Station 8 and Joint Task Force Zamboanga and (2) with the lead of Zamboanga Peninsula inter-agency anti-smuggling team, intercepted 124M-worth smuggled cigarettes and cigarette-making machines on May 26 and May 29, 2020 respectively.

On May 26, 2020, 300 cases of assorted cigarettes bearing the brands Gundang Baru, Cannon White, Famous,

[\(See more in page 3\)](#)



BOC NAIA condemns 2 tons of unsafe medicines and meat products

The Bureau of Customs NAIA condemned 2 tons of seized medicines and meat products in Trece Martires, Cavite on May 22, 2020. Some of the shipments that were condemned are unregistered medicines with an estimated weight of 350 kilos. These medicines were seized for failure to obtain necessary clearances from the Food and Drug Administration (FDA), rendering them unsafe for human consumption.

[\(See more in page 6\)](#)



BOC prepares for the 'New Normal', pushes ICT Projects

The Bureau of Customs (BOC) pushes implementation of more Information and Communications Technology (ICT) projects that will speed up trade, strengthen border security and protect government revenues in response to the "new normal" brought about by the COVID-19 pandemic.

[\(See more in page 10\)](#)



BOC seizes smuggled cigarettes and Chinese medicines

The Enforcement and Security Service (ESS) intercepted the smuggled cigarettes and Chinese medicines in a warehouse located in Valenzuela City last April 30, 2020, and another warehouse in Manila on May 01, 2020. Said items were not cleared with the Food and Drug Administration (FDA).

Upon serving the Letter of Authority (LOA) and mission order signed by Commissioner Rey Leonardo Guerrero to the owner of the subject warehouse, members of BOC-ESS, Valenzuela PNP and Barangay Officials discovered 238 master cases of assorted imported cigarettes and five boxes of Chinese medicines containing 48,000 of medicinal tablets. The goods were seized and taken into custody for failure of the owner to present the required import documents. The Bureau operatives also learned that the tablets were Chinese medicines allegedly being used to treat COVID-19.

In another operation, an estimated Php 40 million worth of Chinese medicines were discovered in a warehouse located in Singalong, Malate, Manila City by operatives from the BOC's Intelligence Group - Customs



Intelligence and Investigation Service (IG-CIIS), Enforcement and Security Service (ESS), NBI-Special Action Unit (SAU) and backed up by personnel of the Philippine Coast Guard (PCG). The combined operatives served a Letter of Authority (LOA) received by a Chinese national representative of the warehouse. Among the items found were boxes containing PPE, surgical masks, medicines and other medical supplies.

BOC NAIA intercepts unregistered and misdeclared Chinese medicines

The intensified anti smuggling efforts of the BOC NAIA personnel resulted in the

seizure of 186.2 kilograms of unregistered medicines in 3 separate operations, as follows: 2.2 kilograms of medicines on April 27, 2020; 4 kilograms of medicines on May 07, 2020; and 180 kilograms of medicines on May 28, 2020.

The April shipments were concealed in three 3 separate packages to 3 different consignees with the same shipper address. All were found to be misdeclared as "Resin Handicraft". This is a new modus in evading the required License to Operate and Certificate of Product Registration from the Food and Drugs Administration on the importation of medicines.

The second shipment was sent through air cargo to one of the warehouses in Pasay

City and was misdeclared as US\$ 15 - worth of "Plastic Boxes" consigned to a male Filipino with an address in Tondo, Manila.

Lastly, on May 28, 2020, the BOC NAIA seized 180 kilos of medicines with no FDA clearance, with an estimated value of Php700,000.00. The seized shipment from Xiamen, Fujian, China was declared as "vitamin pills" and consigned to a male individual from Muntinlupa City. Upon physical examination of the goods, it was found that the shipment contained Chinese medicines which were imported without the necessary License to Operate and Certificate of Product Registration from the Food and Drugs Administration (FDA).

BOC intercepts fake cigarettes, raw tobacco materials, cigarette-machines worth more than Php 1.3 billion

Operatives from the Bureau of Customs-Enforcement and Security Service (BOC-ESS) intercepted various assorted fake cigarettes, raw tobacco materials and cigarette packing machines with an estimated value of P1.3 billion in a warehouse in Isabela on May 28, 2020.

Inventory included roughly 2,000 master cases of assorted cigarettes, 10 units of cigarette-making machines, 12 units of cigarette packing

machines and 300 boxes of tobacco raw materials stored inside the subject warehouse. The said goods were immediately seized for lack of permit and violation of Customs laws, rules and regulations.

On May 31, 2020, the Customs Intelligence and Investigation Service (CIIS) and Enforcement and Security Service (ESS) field offices in Zamboanga, in coordination with the

Philippine Drug Enforcement Agency (PDEA) and Philippine Marines K9 - unit of Western Mindanao Command (WESMINCOM) intercepted P55 million worth of smuggled cigarettes on board a motor launch bound for the Philippines.

The operation stemmed from an information that a motor launch from Indonesia loaded with assorted smuggled cigarettes was bound for Siasi, Sulu. The

joint group of operatives on board a vessel conducted inspection upon its arrival at Ensign Majini Pier. The inspection resulted in the seizure of 2,500 smuggled master cases. Members of ESS are currently conducting an inventory of the apprehended cigarettes which shall be subject to seizure and condemnation procedures.



Port of Zamboanga seizes 124M worth smuggled cigarettes and cigarette-making machines

From page 1

Canyon, Berlin and Fort cigarettes were seized in Istanbul, Brgy. Lower Calarian, Zamboanga City. The smuggled cigarettes with an estimated value of Php 10,125,000.00 are believed to have come from Malaysia or Indonesia for distribution in ZAMBASULTA area. The operation stemmed from the information received that certain individuals have been engaged in cigarette smuggling in Lower Calarian near the Petron Depot.

The other operation on May 29, 2020 by the Zamboanga Peninsula inter-agency anti-smuggling team was a sequel to the previous raids in the region. It yielded another Php14 million worth of fake and imported cigarettes and Php100 million worth of materials for manufacturing of cigarettes. The previous raids on similar items resulted in the confiscation of cigarettes and machines for the manufacture of fake cigarettes.

Port of Cebu seizes over Php 76 million worth of smuggled cigarettes

The Port of Cebu seized one (1) container of suspected fake Mighty and Marvels brand cigarettes with an estimated street value of Php76 Million on 11 June 2020. The shipment which was consigned to Giomab Trading and misdeclared as “oval dish” arrived from China on Wednesday, 10 June 2020.

Prior to the seizure, a Pre-Lodgement Control Order was issued on the shipment on the basis of a derogatory report from I03 Carlo A. Bautista, Chief of Customs Intelligence and Investigation Service (CIIS), Cebu Field Station. During the 100% physical examination conducted by Customs Examiner Edy Neil D. Camalongay, together with representatives from the CIIS, Enforcement and Security Service, X-Ray Inspection

Project, and the Philippine Coast Guard, the shipment was confirmed to contain 1,522 master cases of smuggled cigarettes.

Port of Manila seizes Php 52 million worth of misdeclared and fake cigarettes

The Bureau of Customs (BOC)-Port of Manila (POM) seized Php 34.7 million worth of Two Moon brand cigarettes on May 8, 2020 in two containers, which were misdeclared as furniture and blinds; while on June 03, 2020, one (1) container of fake Mighty and Marvels brand cigarettes with an estimated worth Php 17.38 million was seized for unlawful importation.

The alert for the misdeclared shipments came from derogatory information from the BOC-Enforcement Group (EG). The shipments from China arrived last April 27

and May 1, 2020 and were consigned to Vierport International Co. and Anikas Will Industry Corp. which were put on hold a day after arrival dates and examined on Friday, May 8, 2020. The BOC-POM then conducted 100% physical examination of the containers, together with the Philippine Drug Enforcement Agency (PDEA).

For the fake Mighty and Marvels cigarettes, the shipment consigned to Mvetisery Industrial Supply which arrived from China on May 22, 2020 was placed on hold and was issued a Pre-Lodgement Control Order last May 27, 2020 after a derogatory information was received by the POM from the BOC-Enforcement Group (EG). After complete physical examination, the assigned Customs Examiner assessed total duties and taxes amounting to Php 9.96 million.



Port of Davao seizes smuggled cigarettes worth Php 24 million

The Bureau of Customs Intelligence Group (IG), Enforcement Group (EG) and Port of Davao's strengthened cooperation and coordination with the Interpol resulted in the seizure of 1,325 boxes of illegally imported President brand cigarettes from Vietnam, valued at P24,843,750.00, at the BOC-POD supervised Sub-port of Dadiangas on June 3, 2020.

The operation was instigated by advance information from the shipment's port of origin, prompting the subsequent issuance of an alert order on Vengeur International Trading's importation. The misdeclaration was confirmed on June 3, 2020 during the 100% physical inspection of the 40-footer container van at the Philippine Ports Authority (PPA) container Yard 2.

According to sub-port of Dadiangas' Collector Elenita Abano, of the shipment's declared 25,000 brand new corrugated boxes, only 1,100 pieces of corrugated boxes were found inside the container van. However, another 1,325 misdeclared boxes of President cigarettes were also discovered inside the same container.

"The shipment did not only violate Customs Administrative Order (CAO) 8-2007 or the "Description of Imported Articles in Tariff Terms," as implemented in Customs Memorandum Order Number (CMO) 28-2007 or "Goods Declared in

General Manner to Avoid Proper Classification and Valuation," but also violated Section 117 of the Customs Modernization and Tariff Act (CMTA) on import and export of regulated items like cigarettes," Abano said.

Port of Davao District Collector, Atty. Erastus Sandino Austria warned importers and traders not to use his port or any of his district's supervised sub-ports for illegal activities as he will never tolerate any form of illicit trade in his district.

"The seizure of this illegal importation of cigarettes from Vietnam should serve as a warning to importers and traders that with the strengthened cooperation with international intelligence and anti-crime organizations, we will be a step ahead of whatever their future plans are," Austria said.

Relatedly, Collector Austria had already issued a Warrant of Seizure and Detention (WSD) on Vengeur International Trading shipment, with a recommendation for the filing of appropriate charges against all those involved in this foiled attempt to smuggle cigarettes into the country, including the suspension, if not cancellation, of the BOC accreditation of Vengeur International Trading, as the importer/consignee of the said confiscated shipment.

Customs and NBI seized Php 25 million worth of smuggled food products in Pampanga

On June 11, the Bureau of Customs (BOC) and National Bureau of Investigation (NBI) seized more than P25 million worth of food items, including frozen Peking ducks which are banned because of the threat of bird flu, in a warehouse in Brgy. Anunas in Angeles, Pampanga.

The teams composed of the Customs Intelligence and Investigation Services (CIIS) and the National Bureau of Investigation-Special Action Unit (NBI-SAU) with support from the Philippine Coast Guard (PCG) were acting under Letter of Authority (LOA) no. 06-10-041-2020 & Mission Order (MO) no. 06-10-2020-086 both issued by the Commissioner. The LOA was served to a certain Jimgold M. Tan, the representative of the warehouse owner upon arrival at the warehouse. Prior to the operation, coordination had been done with local Barangay and PNP units.

The team found soy sauce, oil, and frozen food products such as Peking duck, fish balls, squid balls, vegetables, pork meat, and others in the warehouse. The initial count after inventory was 1,149 boxes, each with at least 10 heads of Peking ducks with a total value of P23 million, while the other frozen goods worth P2 million.

The products are believed to have been smuggled into the country because of a ban on importing poultry products from a number of countries except the United States, Canada, and Australia. These imported poultry products must necessarily pass stringent requirements and tests by Customs and other regulatory government agencies.





Customs Clark seizes Php 1.1 million worth of marijuana

The Bureau of Customs-Port of Clark seized 966 grams of Marijuana with an estimated value of Php 1.1 million, which were subsequently turned over to the Philippine Drug Enforcement Agency (PDEA) Region III last June 18, 2020.

The shipment declared as “art-work fine” from California, USA arrived on June 09, 2020, and was subjected to strict profiling of documents and x-ray examination. Physical examination on the subject shipment yielded two (2) vacuum-sealed clear plastic packs of suspected fine kush weeds.

Said shipment was likewise subjected to K9 sniffing which indicated presence of illegal drugs. Thereafter, PDEA chemical analysis was conducted affirming the findings of BOC-Clark personnel.

Also turned over to PDEA were two (2) other shipments containing separately one (1) bottle of CBD Oil and six (6) tobacco rolling papers which likewise positively resulted for presence of marijuana.



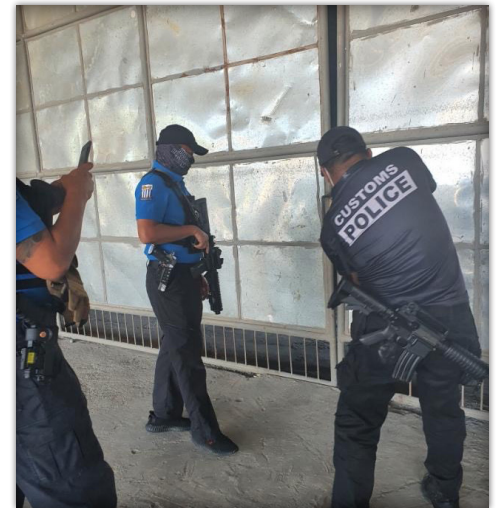
BOC-CIIS nabs Php 50 million worth of overpriced medical supplies

In line with the BOC’s mandate on border protection, the Bureau successfully seized on May 28, 2020 an estimated P50 million worth of medical supplies and equipment in warehouses located in Wilson Street, Greenhills, San Juan and in Malabon City, both owned by Omnibus Biomedical System, Inc.

The said company was recently tagged in a Senate inquiry for selling overpriced automatic extraction machines to the government and identified to be under investigation for alleged smuggling operations. Among the overpriced medical supplies and equipment that the company is believed to be hoarding and selling are high-pressure steam sterilizer, blood bags, books, and real-time quantitative thermal cyclers.

The raid was conducted by the Customs Intelligence and Investigation Service (CIIS), with assistance of the Philippine Coast Guard (PCG) and National Bureau of Investigation (NBI). The authorities served the Letter of Authority and Mission Order signed by BOC Commissioner Guerrero to the Chinese nationals present in the warehouse. A case will be filed against the company for failure to show proof of payment of duties and taxes.

Previous raids on a store or warehouse selling overpriced medical supplies have led to the seizure of some P5 million worth of PPE and medical supplies from a store in Binondo, Manila and alleged medicines for COVID-19 in Singalong, Malate.



BOC seizes Php 1 billion worth of counterfeit cigarettes and tax stamps

As the Bureau of Customs (BOC) intensifies its campaign against smuggled and counterfeit goods, its Quick Reaction Team (QRT) in coordination with Isabela PNP, seized counterfeit cigarettes and tax stamps in a warehouse in Victoria Alicia, Isabela on May 30, 2020.

The operation is a follow-up to the implementation of Letter of Authority (LOA) No.05-28-040-2020 issued by BOC Commissioner Rey Leonardo B. Guerrero. The raid resulted in the seizure of counterfeit cigarettes and tax stamps with an initial estimated value of Php1 Billion.

The operation also uncovered the counterfeiting of foreign tax stamps indicating that the cigarettes were also being exported to other countries.



BOC NAIA condemns 2 tons of unsafe medicines and meat products

From page 1

The condemnation of the unregistered medicines is part of Bureau of Customs initiatives to protect the public against unsafe medicines.

Along with the medicines, expired food stuff and meat products with no health clearance were also seized. These were condemned using the Thermal Decomposer (Pyrolysis) Facility of the Integrated Waste Management Inc. located in Trece Martires City. The use of the thermal decomposer will ensure the safety and no single waste item will find its way to the market.

The condemnation was coordinated with Food and Drug Administration (FDA), Department of Agriculture (DA), Bureau of Animal Industry (BAI), Bureau of Fisheries and Aquatic Resources (BFAR), and Commission on Audit (CoA).

BOC destroys Php 109 million worth of illicit cigarettes

The Bureau of Customs destroyed 2,183 master cases of illicit cigarettes by water dousing and crushing of a payloador on May 11, 2020.

The 2,183 mastercases, seized from 2018 up to March

2020, contained around 21,830,000 sticks of cigarettes worth 109.150 million pesos. These had been stored within the Bureau's premises prior to the disposal. The destruction of the cigarettes, led by the Enforcement and Security Service (ESS), was witnessed by Customs Commissioner Rey Leonardo Guerrero and Deputy Commissioners, along with Mr. John Freda, CEO of Japan Tobacco International (JTI).

Just recently, the Port of Manila seized cigarettes worth 34.7 million pesos, misdeclared as furniture and

blinds.

BOC Zamboanga destroys Php 245.8 million worth of smuggled cigarettes

The Bureau of Customs-Port of Zamboanga destroyed at least Php 245.8 million worth of smuggled cigarettes on May 5, 2020 at Fast Cargo Logistics Baliwasan, Zamboanga City. District Collector Segundo Sigmund freud Z. Barte Jr., who led the destruction of the smuggled cigarettes, was assisted by the CIIS, ESS and representatives from the Philippine Navy, Philippine Marines (MBLT-11), Philippine Coast Guard, Naval Intelligence Support Group, PNP Zamboanga City,

Philippine Ports Authority, National Bureau of Investigation, PNP - Criminal Investigation and Detection Group, Bureau of Fire and Protection, PNP Maritime Group and PNP Region 9.

The confiscated cigarettes were drenched in water then crushed by a 40-ton forklift outside the Fast Cargo warehouse.

Barte said that the destruction of these contrabands is pursuant to the instruction of Commissioner Rey Leonardo B. Guerrero to destroy smuggled cigarettes once the final decree of forfeiture is rendered.

Barte expressed his appreciation to all law enforcement agencies in the city for their continuous support in the anti-smuggling drive of the Bureau of Customs.

He also thanked the City Government, led by Mayor Beng Climaco thru Councilor Josephine Pareja, who provided the equipment, dump trucks and the access to the sanitary landfill. Councilors Pareja and John Dalipe also witnessed the said destruction.

The crushed cigarettes were then brought to the City Sanitary Landfill, Brgy. Salaan, Zamboanga City for disposal.





BOC Clark turns over forfeited and abandoned firearms, accessories to PNP

The Bureau of Customs-Port of Clark turned over various forfeited and abandoned shipments of firearms and accessories to the Philippine National Police (PNP) last June 11, 2020.

These shipments include 17 pieces of riflescope, four (4) pieces front and four (4) pieces rear sights, telescopic sights, airsoft knights SR-16 Carbine, 10 pieces Kevlar helmets, breast plates, eight (8) cans of pellets and gun magazine, bullet proof vest and assorted gun parts which were covered by Warrant of Seizure and Detention (WSD) and Abandonment Proceedings (AP). These were seized and forfeited for lack of Authority to Import from PNP-Firearms and Explosives Office, a violation of Section 117 of Republic Act (R.A.) No. 10863 (CMTA) and R.A. No. 10591 or the "Comprehensive Firearms and Ammunition Regulation Act."



BOC NAIA condemns another 8.7 Tons of unregistered and hazardous good

The Bureau of Customs-NAIA condemned 8.7 tons of illegally imported medicines, cosmetics, cigarettes and electronic goods in Trece Martires, Cavite on May 29, 2020.

The hazardous goods arrived thru different warehouses without proper permits and clearances. The said goods are unfit for consumption and cannot be sold thru public auction.

The goods were destroyed using the Thermal Decomposer (Pyrolysis) Facility

of the Integrated Waste Management Inc. (IWMI) to make sure that these items will not be sold in the market or made available to the buying public.

11.2 tons of unsafe goods destroyed in BOC NAIA

The Bureau of Customs NAIA, in its effort to continue decongesting storage facilities, destroyed another 11.2 tons of unsafe imported goods not fit for human consumption on June 20,

2020, the fifth condemnation for year 2020.

The condemnation aims to protect the public and decongest the warehouses of overstaying shipments.

The shipments were composed of medicines, chemicals and food products which have no Food and Drug Administration (FDA) clearances, thus deemed unfit for human consumption

For this year, BOC NAIA has already destroyed 28.1 tons of unsafe goods imported without clearances and

permits from the regulating agencies.


BOC NAIA destroys more illegally imported products

The Bureau of Customs NAIA destroyed another 1.5 tons of various seized imported goods, including an estimated 400 kilograms of Goree beauty products on June 11, 2020 in Trece Martires, Cavite.

Among the condemned goods were several packages of medicines, cosmetics, Goree products which were imported into the country without the necessary permits and clearances from the Food and Drug Administration (FDA).

Under FDA Advisory No. 2017-289, the use and distribution of Goree products, which have been found to contain toxic mercury levels beyond the limit set by the agency, are strictly prohibited.

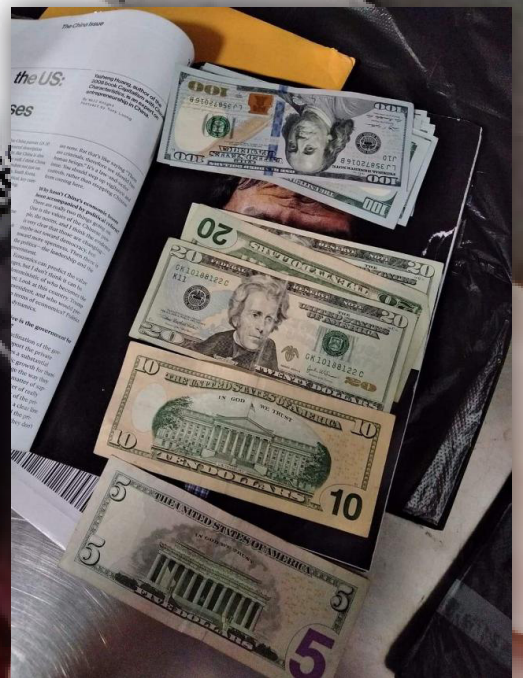
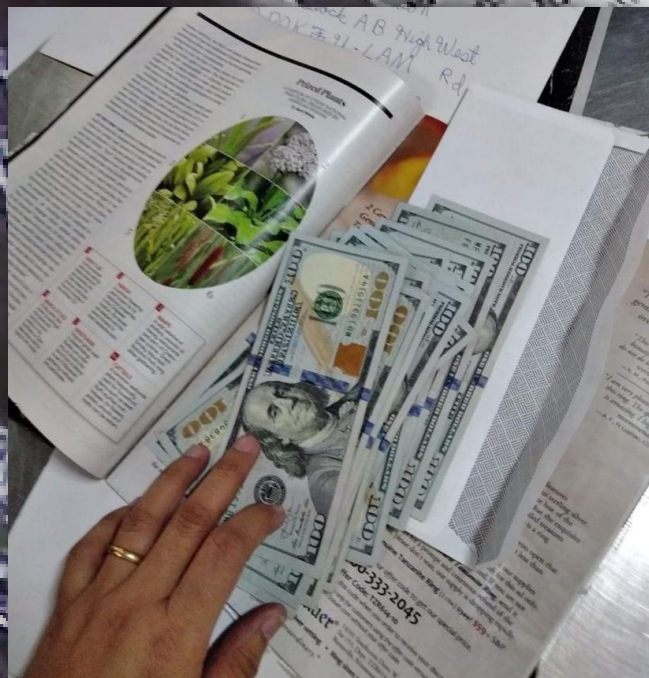
The harmful beauty products were burned and disposed of using the Thermal Decomposer (Pyrolysis) of Integrated Waste Management Inc. (IWMI).



Customs Clark seizes \$54,215 US dollar bills inserted on pages of various magazines

The strict profiling of shipments and vigilance of Bureau of Customs-Port of Clark personnel led to the seizure of a total of US\$54,215.00 Bills, which had been inserted in pages of various magazines, last June 05, 2020.

Said shipment declared as “Chinese Cook Book Recipes” arrived on 25 May 2020 from Hong Kong and was subjected to non-intrusive examination. Physical examination conducted on the subject shipment led to the findings of 540 pcs. \$100 Bill, two (2) pcs. \$50 Bill, four (4) pcs. \$20 Bill, one (1) pc. \$10 Bill and five (5) pcs. \$5 Bill inside the pages of seven (7) different magazines. In sum, a total of USD\$54,215.00 or equivalent to Php2.7-M was found and seized.





BOC prepares for the 'New Normal', pushes ICT Projects

From Page 1

Foremost is the stabilization of the E2M system as a continuing modernization project of the Bureau. Under the program ASYCUDA, the legacy component of E2M will be replaced by Trade Engine to ensure the fast system performance of the existing system. As of May 1, 2020, Trade Engine has been successfully rolled out in all Collection Districts.

Another on-going project the BOC is the Online Inventory Management System for Off-Dock Container Yard/ Container Freight Stations (CY/CFS) that will monitor the real-time status of import goods transferred, stored, and withdrawn. Through the system, protection of government revenues against possible leakages arising from discrepancies and misdeclaration of quantity and gross weight of imported goods is assured.

The BOC will likewise develop an Online Inventory Management System for Customs Bonded Warehouses (CBW) that will monitor real-time status and accounting of imported raw materials from the time of its transfer from the port of discharge to the CBW destination, the withdrawal thereof either for production, transfer to another CBW or to a free zone-registered enterprise up to the exportation of finished goods. It will also manage the liquidation of the goods declaration filed for the imported raw materials.

An Online Payment Platform will also be introduced this year which will accept online payment of customs fees such as processing fee for registration of importers and customs brokers at the Account Management Office (AMO). The said system will complement other online transactions of the Bureau.

Furthermore, a Passenger Customs Clearance System will be introduced at the BOC-NAIA. The electronic system will allow passengers to fill out the Customs Baggage Declaration Form using their mobile phones, making it more accessible to stakeholders and provide readily available data to BOC



Examiners.

Last May 01, 2020, the BOC launched the Electronic Tracking of Containerized Cargo (E-TRACC) System which enables real-time monitoring of inland movements of containerized goods using GPS-enabled tracking device to secure transport to intended destination. Observing the roll-out plan schedule, the next step is for the System to undergo Quality Assurance Testing, according to the BOC-Assessment and Operations Group (AOCG).

The loan negotiations between the Department of Finance and World Bank on the Philippine Customs Modernization Project, which was approved last March 6, 2020 by the National Economic and Development Authority Investment Coordination Committee Cabinet Committee (NEDA ICC CabCom), has been on-going since May 12, 2020. The Customs Commissioner has already signed the letter to the Department of Budget Management for issuance of the Forward Obligation Authority (FOA) for the Project, which is a requirement for the loan negotiation. The BOC will also issue a Customs Special Order, creating the Project Management Unit (PMU) tasked to oversee the implementation of the Project and ensure that the project objectives, along with the specifications and standards set are met during construction, deployment and implementation of the project. A Special Bids and Awards Committee shall also be constituted for the procurement of the different components of the project.

BOC to roll-out Electronic Cargo Tracking System

The Bureau of Customs (BOC) has started rolling-out the Electronic Tracking of Containerized Cargo System (E-TRACC System) in various BOC ports nationwide.

The E-TRACC System was established following the issuance of Customs Memorandum Order (CMO) 04-2020 which implements Customs Administrative Order (CAO) 15-2019 in relation to Sections 1418 to 1421 of the Customs Modernization and Tariff Act (CMTA). The System shall enable the Bureau to conduct real-time monitoring of inland movements of containerized goods using an Information and Communications Technology-enabled system such as the GPS-enabled tracking device to secure its transport to the intended destination.

Cargoes covered by this system are the following: (1) Transit Containers bound for Economic Zones; (2) Transit Containers bound for Free Zones; (3) Containers Bound for Customs Bonded Warehouse; (4) Containers Bound for Export; and (5) Reefer Containers bound for second border inspection.

Under CMO 04-2020, all container vans covered in this order shall be affixed with an Electronic Customs Seal (ECS) before clearance to depart from the Port of Discharge to the Port of Destination is given. ECS is a GPS-enabled sealing device or lock that is capable of physically securing cargo and providing real-time location information.

The E-TRACC system software platform shall be used by the BOC Piers Inspection Division (PID) to track and monitor the movement of the cargo that is sealed with the Electronic Customs Seal. It shall track the goods in real-time and provide alarms in case of unauthorized trips, tampering of the device, deviation of the vehicle from authorized routes, or other events that are deemed unusual based on criteria to be determined by the Bureau.

The E-TRACC System rolled out in June initially covering the Manila International Container Port, Port of Manila, and Port of Batangas. This will be followed by Cebu, Davao, Subic and Clark in July 2020. The Bureau-wide roll-out and full implementation of the system in all ports is expected in August 2020.



BOC partners with PayMaya for enhanced Payment System

PayMaya Empowers the Bureau of Customs with Digital Payments Acceptance

June 11, 2020

Rey Leonardo B. Guerrero
Commissioner, Bureau of Customs

Orlando B. Vea
CEO and Founder, PayMaya Philippines Inc.

Rosalia V. De Leon
Treasurer of the Philippines, Bureau of Treasury

Emmanuel G. Herbosa
President and CEO, Development Bank of the Philippines

Signing of Memorandum of Agreement
Bureau of Customs and the
PayMaya Philippines Inc.

Bureau of Customs (BOC) partners with PayMaya in coordination with the Bureau of Treasury and the Development Bank of the Philippines to provide BOC stakeholders a safer and more convenient way to pay customs fees and charges.



The Bureau of Customs inked a Memorandum of Agreement on June 11, 2020 with the Bureau of the Treasury (BTr), Development Bank of the Philippines (DBP), and PayMaya for the implementation of an online payment system for the collection, transmittal, and remittance of BOC Fees and other payments.

Under the MOA, PayMaya shall accept payments from BOC clients of miscellaneous fees and charges, other than customs duties and taxes, through PayMaya Payment Solutions (PPS). The services will include: Online Checkout that accepts credit/debit cards for local and cross-border payments, Bills Payment via PayMaya app, Pay by PayMaya, PayMaya One POS terminal that accepts credit/debit cards and

PayMaya QR payments, and Smart Padala Centers Bills Payment.

The Agreement also covers the payment of client service fees specified under the MOA, as well as the arrangement of depositing the collected BOC Fees and other payments to the DBP. Additionally, the obligations of each party are set forth under the Agreement with the Bureau of Customs to submit to the BTr Office, the List of Deposited Collections (LDC) Report of the daily remittance of collected BOC Fees to BTr-BOC-PayMaya Clearing Account wherein all collections / payments accepted and deposited by PayMaya under the Agreement shall be credited. The LDC report shall be prepared by the Collection District which issued Order of Payment and validated by the Bureau of

Customs-Revenue Accounting Division, (BOC-RAD) based on the detailed reports generated / submitted by PayMaya using its payment collection service.

BOC intensifies efforts to verify and cleanse roster of Importers and Brokers

The Bureau has intensified the verification of accredited importers and brokers. Through the joint efforts of the Enforcement Security Service (ESS), Customs Intelligence and Investigation Service (CIIS) and Account Management Office (AMO), the BOC is currently conducting verification, inspection and investigation of registered brokers, importers, and warehouses throughout the nation.

The campaign is aimed at weeding out unscrupulous individuals who aim to use their acquired accreditation for illegal activities. ESS and CIIS personnel have been tasked to physically visit and verify registered offices and warehouses. Coordination with local barangay units was also done to ascertain the legitimacy of accredited stakeholders.

Those who do not meet the requirement or who were verified to have misrepresented information in their accreditation may face sanctions that may include the revocation of their accreditation with the BOC.

To-date, of the 3,175 consignees/importers listed by AMO, 1,829 have been inspected so far, of which 212 were found to have misrepresented information.



BOC Limay celebrates 12th Founding Anniversary amidst GCQ conditions

With the restriction on public gatherings, the Bureau of Customs-Port of Limay could not gather its officials, employees and stakeholders to celebrate its 12th founding anniversary under one roof because of the COVID-19 pandemic. Instead, District Collector Michael Angelo DC Vargas led the commemoration with meaningful activities on May 26, 2020, the same day in 2008 that the Port of Limay was upgraded as a principal port of entry.

As part of the celebration, the Port led the donation of 1,000 pieces of face masks to the San Roque Parish Church in Brgy. Lamao, Limay, Bataan which was personally received by the Parish Priest, Rev. Fr. Norman E. de Leon.

BOC Limay also visited MedTex Corporation (MedTecs Group) at the Freeport Area of Bataan (FAB) in Mariveles. The company is the biggest manufacturer of face masks in the country. As part of its continuous Corporate Social Responsibility (CSR), the MedTecs Group donated 24,000 pieces of face masks to the Bureau on 28 April 2020.

Moreover, certificates of appreciation were awarded to all men and women of the Port of Limay and Subport of Mariveles in recognition of the dedication, perseverance, and hard work at the Port, from home, and in the field to fulfill their important duties as frontliners in providing quality customs service in this time of global pandemic.



BOC inspects cold storage facilities to check utilization

Since the implementation of the Joint Administrative Order (JAO) 20-01 on April 2020, the Bureau of Customs (BOC) through the Enforcement and Security Service (ESS) has conducted physical inspection of at least twenty-three (23) National Meat Inspection Service (NMIS)-listed cold storage facilities in Metro Manila.

The inspections were done to determine the utilization of cold storage facilities and to check if it has any correlation with port utilization to avoid congestion.

As per NMIS, there are 151 cold storage facilities nationwide, 45 of which are in Metro Manila. ESS, BOC will continue inspecting the remaining warehouses in the coming days to check on their status and utilization.

BOC conducts 3rd MSGC Plenary Meeting

On June 19, 2020, the Bureau of Customs (BOC) held the 3rd Plenary Meeting of the Multi - Sectoral Governance Council (MSGC) and discussed transformational efforts alongside its strategy roadmap. The semi-virtual meeting was held at the Conference Room, Office of the Commissioner in Manila.

The meeting chaired by Mr. Jesus Estanislao and attended by selected Customs Officers convened to focus on the three recommendations of the Council geared towards achieving the goals of the BOC Strategic Roadmap.

The first topic discussed was the Pledge of Allegiance which is an internal cascading

process of the Bureau's Transformation Program adhering to the Governance Culture Code, recommended by the Governance Sub-Committee and approved by the Integrity Sub-Committee. The Culture Code is the handbook of BOC employees which highlights the mission, vision, core values, aspirations, and goals of the Bureau.

This was followed by Baseline Study headed by Former Commissioner Guillermo Parayno, Jr. The three main points of the discussion under the study were the recommendations addressed to the World Trade Organization (WTO), including

a Second Gap - Analysis of Trade Facilitation and adoption of the Revised Kyoto Convention (RKC), and to the World Customs Organization for the Mercator Program for the year 2021. The Baseline Study was institutionalized to lead the Bureau towards achieving conformance to globally competitive best practices.

Lastly, the communication plans in preparation for the "new normal" including the internal and external communication were discussed.

During the meeting, the MSGC were apprised by the Commissioner on the Midyear Accomplishment Report of the

Bureau of Customs, to include the impact of JAO 20-01, the 10-Point Priority Program and the challenges faced during the period of enhanced community quarantine.

The Bureau was then commended by the Council for the achievements and efforts of the current leadership despite the crisis.

Commissioner Guerrero expressed his gratitude to the Council and emphasized the significant role of MSGC in assisting the Bureau in confronting the challenges brought about by the COVID-19 pandemic.



BOC conducts COVID-19 testing of personnel

To ensure the safety of both employees and stakeholders, the Bureau of Customs (BOC), through its Medical and Dental Division and with the support of the Department of Health (DOH) and the Philippine Red Cross, conducted rapid tests on 1,264 Customs employees.

From the test results, a total of 41 asymptomatic COVID-19 cases in the BOC were confirmed. There has been one casualty at the Bureau since the start of the pandemic, who was known to have had an existing lung condition even before the virus outbreak. Majority of the positive cases in the recent testing show no symptoms of the virus, according to BOC-Medical and Dental Division.

All employees who were found positive for COVID-19, and those whom they had close contact with, were put under self-quarantine for 14 days. Further, contact tracing activities for the said confirmed cases were undertaken through the BOC Intelligence Group.

"All confirmed asymptomatic COVID-19 cases, as well as suspected ones, are being handled consistently under existing DOH protocols," said BOC Spokesperson and Assistant Commissioner Atty. Vincent Philip Maronilla.

"We also exercise all precautionary measures, such as wearing of face masks and gloves, as well as the observance of physical distancing rules. We regularly disinfect our offices and we implement flexible working arrangements for our frontliners such as skeletal workforce schedules and work from home options," Maronilla added.

As a safety measure, all transactions have been online since the start of the pandemic to avoid physical contact with the stakeholders. Manual transactions within the BOC premises were discouraged to ensure the safety of both stakeholders and Customs employees.

"We are aware of how critical our role is in this current pandemic and so, while we praise and thank our frontliners for their dedicated and untiring service despite the daily risks, we also would like to assure the public that the Bureau of Customs' highest priority is the health and safety of our own employees and that of our stakeholders. Protocols are in place and are strictly followed," Maronilla stressed.

COVID-19-related developments are coordinated and reported to the Department of Finance and the Office of the President.

BOC Clarifies Data on Imported Rice Tariff Collection

The Bureau of Customs (BOC) closely monitors declared value of rice importations in view of the Bureau's strict adherence to global published prices for rice which serves as a guide when the veracity of the declared values are under dispute.

The BOC reported that importers of rice falling below the global published reference prices have availed of the Dispute Settlement and the remedy of release under Tentative Assessment.

Under Section 425 of the Customs Modernization and Tariff Act (CMTA), importations under dispute settlement may be released under tentative assessment upon posting of cash bond or sufficient security to cover the applicable duties and taxes equivalent to the amount that is disputed. In case of adverse decision, the posted security shall be made to answer for the deficiency in duties and taxes.

Further, the Customs Commissioner has recently issued a directive reiterating to all District Collectors that all decisions on disputed valuation which are adverse to the government shall be automatically elevated to the Customs Commissioner for his review.

The BOC is also adopting measures and corrective actions to ensure correct valuation of rice importations. True to its commitment, the BOC in implementing Republic Act No. 11203 also known as the Rice Import Tariffication Law, was able to collect from January to May 2020 a total of P7.955 billion pesos in revenue. The BOC has a yearly target of P10 billion in rice tariff collection for remittance to the Rice Competitiveness Enhancement Fund (RCEF). The RCEF was created to help "palay" growers and rice farmers' cooperatives transition to a new rice regime.

COLLECTION UPDATE

For the Month of May

COLLECTION DISTRICT	TARGET (In Million Pesos)	ACTUAL (In Million Pesos)
San Fernando	252.02	421.81
Port of Manila	4,738.39	2,891.44
MICP	9,533.63	9,071.30
NAIA	2,272.43	1,592.22
Batangas	8,251.96	5,405.34
Legaspi	29.60	3.76
Iloilo	167.01	245.83
Cebu	1,707.99	2,230.46
Tacloban	69.65	73.45
Surigao	0.95	0.64
Cagayan De Oro	1,577.04	1,473.29
Zamboanga	226.44	310.43
Davao	1,459.73	2,258.01
Subic	1,564.86	1,768.67
Clark	95.17	46.59
Aparri	11.76	11.37
Limay	2,736.94	1,883.63

**P30.001
Billion**

Total Collection for May 2020

P34.695 Billion - Target Collection

For the Month of June

BOC hits revenue collection target in June as import volume improves

From Page 1

It can also be attributed to the government's effort to ensure unhampered movement of goods domestically and internationally, in the light of the pandemic situation.

Along with this, the Bureau still maintained its enhanced control measures against undervaluation, misdeclaration and other forms of technical smuggling to protect our borders and collect lawful revenues.

REVENUE COLLECTION JUNE 2020

P42.539 BILLION

P40.739 Billion - Target Collection

Source: Based on BOC-Financial Service's preliminary report

CUSTOMS GAZETTE

CUSTOMS GAZETTE, the official newsletter of the Bureau of Customs is published by Public Information and Assistance Division (PIAD) with editorial office at Rm. 103 OCOM Bldg., 16th St. South Harbor, Port Area, Manila 1009

EDITOR-IN-CHIEF:
ASSOCIATE EDITORS:

CONTRIBUTING EDITORS:

MANAGING DIRECTOR:
PROJECT ASSISTANT:
DESIGN:
CIRCULATION STAFF:
PHOTOGRAPHER:

MGen. Bienvenido R. Datuin Jr. (Ret.)
Karren April A. Noronio
Dexter A. Buted Jr.
Paolo L. Espineli
John Emory D. del Pilar
Jessil F. Garlando
Joanne D. Agudo
Jelyn Antoinette Berja
Angelito H. Espiritu
Jerome L. Monta
Ermie P. Macasieb



BOC marks Php 7.7 billion liters of fuel since start of Fuel Marking Program

The Bureau of Customs marked 135,441,776 liters of fuel during the period of quarantine restrictions, which manifests its unrelenting effort in implementing the fuel marking program and collecting the proper revenue that is needed to support various assistance programs by the Government in this time of crisis. Participated in by 20 petroleum companies, the Bureau of Customs and Bureau of Internal Revenue marked 7,705,434,076 liters of fuel nationwide from September 2019 up to May 21, 2020. Of the total volume of marked fuel, Luzon accounted for 76% while Mindanao accounted

for 20% and Visayas, 4%.

Spearheaded by the Department of Finance, Bureau of Customs and Bureau of Internal Revenue, the Fuel Marking Program was officially launched in August 2019 with the intention of putting a halt to illegal importation, manufacturing and other fraudulent activities relating to the use and sale of petroleum products in the country.

With the Program, marking of refined, manufactured, and imported gasoline, diesel and kerosene, including those withdrawn from freeport zones to be used in the domestic market, has become mandatory.

BOC generates Php 487 million from Post Clearance Audits

The Bureau of Customs (BOC) through the Post Clearance Audit Group (PCAG) has collected P487 million additional revenue as a result of the post-clearance audits on importers to ensure that proper duties and taxes are collected even after the shipments have already been released.

As provided under Sec. 1000 of the Customs Modernization and Tariff Act (CMTA) and Customs Administrative Order 01-2019, the BOC-PCAG may conduct audit examination, inspection, verification, and investigation of records pertaining to any goods declaration generally within three (3) years from the date of final payment of duties and taxes or customs clearance.

These are being done to determine the correctness of the goods declaration and the liability of the importer for duties, taxes and other charges, including any fine or penalty, to ensure compliance with the regulations of the Bureau.

However, importers may avail of the Prior Disclosure Program (PDP) wherein errors and omissions in

goods declaration resulting in a deficiency in duties and taxes on past importations are disclosed earlier to lessen the gravity of an offense or mistake made.

From January to 05 June 2020, the PCAG-Compliance Assessment Office (CAO), through its five (5) Audit Divisions, had served twenty (20) Audit Notification Letters (ANLs) signed and issued by the Commissioner of Customs. These ANLs were issued against Customs Bonded Warehouse operators and their members suspected to have violated the provisions of Customs Administrative Order No. 13-2019 in relation to Customs Memorandum Order No. 26-2011. The BOC collected P19,755,564.47 from the audit findings on five (5) companies/importers.

Additional revenue of P160,027,224.51 was also collected from 24 companies that applied for the PDP program covered by existing ANLs and P307,237,733.72 from 12 companies not covered by any existing ANL.



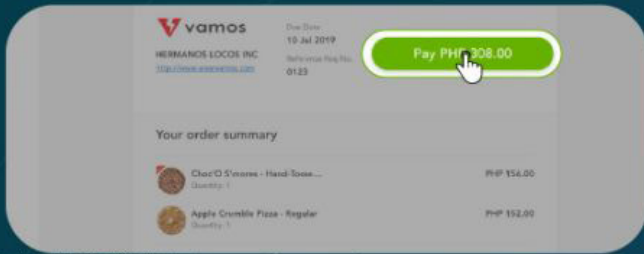
BOC PAYMENT PROCESS THRU PAYMAYA

STEP 1

Kung nais magbayad online ng Customs fees o charges, i-indicate ito sa e-ticket gamit ang Customer Care Portal (client.customs.gov.ph).



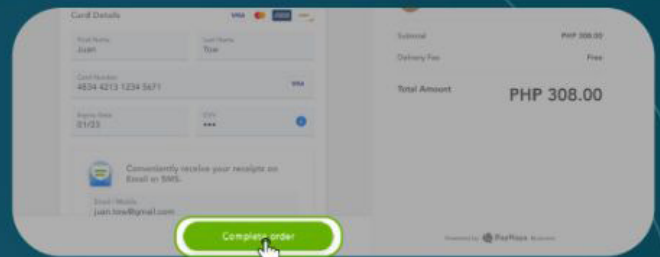
*Note: PayPal is only available for MPIC Merchants



*Note: PayPal is only available for MPIC Merchants

STEP 2

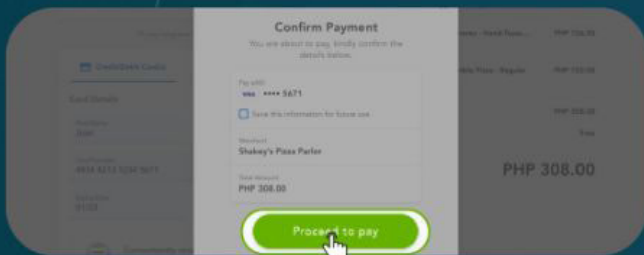
I-check ang email address kung nakatanggap ng invoice na nagpapakita ng mga fees na babayaran at amount ng mga ito. Pindutin ang "Pay" upang magbayad.



STEP 3

Ilagay ang mahahalagang impormasyon ng Cardholder bago pindutin ang "Complete Order."

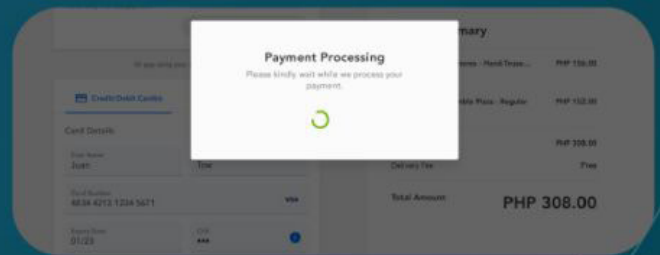
*Note: PayPal is only available for MPIC Merchants



*Note: PayPal is only available for MPIC Merchants

STEP 4

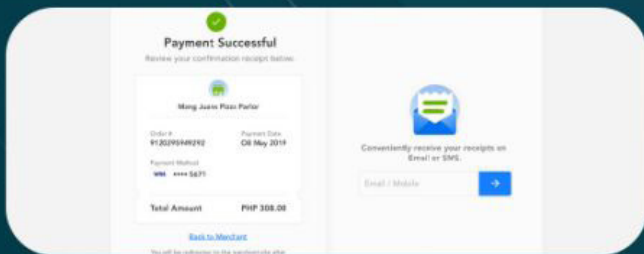
Maaring i-save ang card na ginamit bago i-tuloy ang pagbabayad.



STEP 5

Hintayin ang pagproseso ng bayad. Kadalasan itong tumatagal ng dalawa hanggang tatlong minuto.

*Note: PayPal is only available for MPIC Merchants



*Note: PayPal is only available for MPIC Merchants

STEP 6

Matapos iproseso ang pagbabayad, makikita sa screen ang status nito. Kung successful ang status ng pagbabayad, maaring ilagay ang email address o SMS number upang makatanggap ng resibo.

Payment Email and SMS Transaction Receipt

Kung SMS number ang inilagay, makakatanggap ng mensahe na may URL link para sa resibo ng ibinayad.

*Note: PayPal is only available for MPIC Merchants

