



The Official Newsletter of the Philippine Bureau of Customs

PORT SENTINEL

Volume 9

Issue No. 51

January 2017



There's no truth... BOC denies buzz on Faeldon's replacement

After assuming office on July 1, President-elect Rodrigo Duterte chose former Philippine Marine captain Nicanor Faeldon to lead the Bureau of Customs, formerly tagged as the country's most corrupt government agency.

Some corrupt officials have been named, fired and transferred to other distant ports as consequence for patronizing bribe and corruption. Commissioner Nicanor Faeldon's unorthodox method of reforming the agency has gathered a lot of good and bad impressions from everyone.

No wonder why there has been a rumor circulating since last year that the Commissioner will be replaced.

Moreover, a lot of names have been dropped to take the BOC chief's post. But they all remained to be mere disinformation.

Just recently, unofficial text messages have been circulating in the bureau that a certain "Victorino", said to be a close to the Palace,

has been named as Commissioner Nicanor Faeldon's replacement as the bureau's new chief.

BOC blatantly denies mere speculations and claimed that there is no truth that Commissioner Faeldon will be replaced as the head of the bureau.

For the past seven months since Commissioner Faeldon assumed office, revenue collections have increased in 2016 that hit 97% and 100.2% revenue collection for the month of December 2016; outstanding accomplishments in anti-corruption and anti-drugs campaign and merchandise smuggling can be felt not just by the stakeholders but the general public as well.

It can be recalled that last December 7, BOC received a plaque of appreciation from the Philippine Drug Enforcement Agency (PDEA) for having the most number of significant drug-related operational accomplishments from January to November 2016.

INSIDE :



**Rules to avail tax
and duty free
importation
(page 3)**

**Customs hits
101% in January
2017 collection
(page 2)**

**Smuggled sex
toys, dry goods
seized in Quiapo
(page 7)**





CUSTOMS HITS 101% IN JANUARY 2017 REVENUE COLLECTION

Amid economic challenges, the Bureau of Customs remain positive on hitting its monthly target collection.

It can be recalled that in 2016, on the first seven months of Commissioner Nicanor Faeldon, we have seen an improved revenue collection. The 2016 collections have increased, hitting 97% of its target revenue.

Meanwhile, we are seeing a positive hit in revenue for the year 2017. The January collection has increased at 101% reaching P35.745 billion higher than its target collection

of P35.509 billion with a variance amounting to P236 million.

Based on the report of the BOC Finance Service, the January collection is comparatively 15% higher than the 2016 January collection of P31.08 billion.

Customs Commissioner Nicanor Faeldon believes that with these positive changes, the agency will regain the trust and confidence of stakeholders.

“Our relentless consultations with all

transacting publics, including that of BOC personnel, on continuous improvement of policy reforms and programs have built public trust that, in effect, created a conducive environment especially in transparent trade facilitation and on the work performance of our employees,” Faeldon said.

He added, “from the beginning, we worked hard to accomplish our tasks, especially to improve revenue collections, stop corruption, and wipe out smuggling as inspired by our mandate and in compliance with the directives of President Duterte.”

BOC calls on importers to update contact details

To better serve the public, the Bureau of Customs reminds stakeholders to update their email addresses and/or contact details at the Account Management Office (AMO) on or before February 16.

BOC on January 16, published on its website (www.customs.gov.ph) and official Facebook page (@BureauOfCustomsPH) a list of more than 3,000 importers with outdated/incorrect phone numbers or email addresses in the agency’s database. Upon verification, phone calls made to 1,206 importers reveal incorrect or non-working numbers, while emails to 2,365 importers bounced back.

Following Customs Memorandum Order (CMO) No. 11-2014, failure of the importers to update the Bureau’s AMO of their updated email address and/or contact details within 30 days from the date of the list’s posting will cause suspension of their accreditation. Their E2M CPRS access will also be deactivated in accordance with Section 8.b of the said CMO.

The following are the documents to be submitted by the identified importers to AMO:

- Letter request to BOC-AMO for the amendment of CPRS data/information on email addresses and/or phone number/s;
- Print out of importer’s CPRS profile as amended; and
- Print out of VASPS’s email notification of “STORED” CPRS profile

For further instructions and other details, importers may call AMO thru its hotline numbers 0921-2304-519 or 0915-0525-442.



The Official Newsletter of the Philippine Bureau of Customs

PORT SENTINEL

PORT SENTINEL, 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 Street South Harbor, Port Area Manila 1099. Tel. Nos: 527-1968/527-8259.

Editor-In-Chief:
Mr. Rey Santos, Chief, PIAD

Associate Editor:
Ms. Maria Gerty D. Pagaran, Admin. Officer V, PIAD

Managing Editor:
Ms. Cylie Amor G. Litao, Admin. Officer IV, PIAD

Art & Design Director:
Ms. Jessil F. Garlando, Admin. Officer II, PIAD

Editorial Staff:
Ms. Karren April A. Noronio, Writer/Contributor
Ms. Mary Joy T. Lopez, Writer/Contributor
Mr. Jerome L. Monta, Photographer

PORT SENTINEL welcomes your feedback. Kindly e-mail to piad@customs.gov.ph



Here's how to avail duty and tax-free importation

Hello, readers! Before you start digging, the writer would like to assert that this article for tax and duty free importation is especially intended for our dear Overseas Filipino Workers (OFWs) and returning residents from abroad.

Every year, the statistics have been growing; more and more Filipinos are seeking greener pastures abroad. OFWs are often called bagong bayani (new heroes) because of their sacrifices to provide a better life for their families. They send remittances to their love ones periodically which also provides the country with steady source of dollar earnings. According to the Philippine Statistics Authority, there were an estimated 2.4 million OFWs in 2015 dominated mostly by female OFWs with 51.1%

With this, the Bureau of Customs has devised a way to give back to our unsung heroes. Just this January 9, BOC has issued Customs Administrative Order (CAO) No. 06-2016, which covers the provisions of Republic Act No. 10863 (or the Customs Modernization and Tariff Act) on conditionally tax and/or duty-exempt importation of personal and household effects of "Returning Residents" and Returning Overseas Filipino Workers (OFWs).

CAO 06-2016 was published in the Official Gazette and will take effect 15 days after its publication, or on January 24. I know everyone's giddy now with the word "free" there. Just a reminder, with great power comes great responsibility. Let us unravel and check whether you are qualified to the tax and duty-free privilege.

Who can avail of this privilege?

1. "Returning Resident" – a Filipino national, including his/her spouse and dependent children, who has stayed abroad for a period of at least 6 months and is returning to the Philippines.
2. Returning Overseas Filipino Worker (OFW) – holder of a valid passport issued by the Department of Foreign Affairs (DFA) and certified by Department of Labor and Employment (DOLE) or Philippine Overseas Employment Administration (POEA) for overseas employment purposes. This covers all Filipinos working in a foreign country under employment contracts, regardless of their professions, skills or employment status.

To avail of this privilege, the personal and household goods must accompany the Returning Residents or Returning OFWs upon their return from abroad or must arrive within a reasonable time, which shall not exceed sixty (60) days after the owner's return.

What are the things allowed to bring in?

1. "Personal and Household Effects", such as wearing apparel, personal adornments, electronic gadgets, toiletries, or similar items; furniture, dishes, linens, libraries, and similar household furnishing for personal use; and instruments related to one's profession and analogous personal or household effects whether new or used, that are for personal use or consumption and not for commercial purposes, not intended for barter, sale or hire;
2. "Durables" such as household appliances, machinery, or sports equipment that may be used repeatedly or continuously over a period of a year or more, assuming a normal or average rate of physical usage.

However, QFWA must take note that household appliances, jewelry, precious stones, and other goods of luxury that were previously exported from the Philippines are also exempt from the payment of duties and taxes if these are covered by a Certificate of Identification (CI) that was issued by an authorized Customs Officer before these goods were brought out or exported from the Philippines.

Excisable items such as, but not limited to, distilled spirits, wines, cigars and cigarettes, perfumes, toilet waters, in excess of the allowable quantity to be prescribed by the Bureau shall be subject to payment of duties, taxes and other charges.

How much is the amount of exemption?

Exemption from payment of duties and taxes on personal and household effects of "Returning Residents" and Returning OFWs must not exceed the following values:

1. P350,000.00 for those who have stayed in a foreign country for at least ten (10) years and have not availed of this privilege within ten (10) years prior to the Returning Resident's or OFW's arrival;
2. P250,000.00 for those who have stayed in a foreign country for a period of at least five (5) years but not more than ten (10) years and have not availed of this privilege within five (5) years prior to the Returning Residents of OFW's arrival; or
3. P150,000.00 for those who have stayed in a foreign country for a period of less than five (5) years and have not availed for this privilege within six (6) months prior to the Returning Resident's or OFW's arrival.

In addition to the privilege stated above, Returning OFWs are allowed to bring in, tax and duty-free, home appliances and other durables limited to one (1) of a kind, the total amount of which shall NOT exceed P150,000.00. Any amount in excess shall be subject to corresponding duties and taxes.

What are the goods/items excluded from these privileges?

1. Luxury items, unless covered by a pre – departure Certificate of Identification;
2. Vehicles;
3. Watercrafts;
4. Aircrafts;
5. Animals;
6. Donations;
7. Goods intended for barter, sale or hire;
8. Goods in commercial quantity;
9. Regulated goods in excess of the limits allowed by regulations; and
10. Prohibited and restricted goods.

If you are interested to know more the rules, you can view the whole text of CAO No. 06 2016 at the BOC website (<http://customs.gov.ph/wp-content/uploads/2016/12/-cao-6-2016-Conditionally-Tax-andor-Duty-Exempt-Importation-of-Returning-Residents-andOverseas-Filipino-Workers-OFW-UP.pdf>).

How to avail of this privilege?

For efficient cargo clearance, Returning Residents and Returning OFWs or their authorized representative must comply with the following:

1. Sign and submit in advance to BOC a "Personal and Household Effect Declaration Form," which will be issued by the Bureau in a separate order; In case of accompanied baggage, submit the accomplished form upon arrival to a Customs Officer;
2. Secure a Duty and Tax Free Exemption Certificate (TEC) from the Revenue Office of the Department of Finance (DOF).



Heightened Efforts vs Agricultural Smuggling

BOC raises alerts vs agri-products smuggling from China

The Bureau of Customs (BOC) has raised alarm against smuggling of agricultural products with the discovery that unscrupulous traders have recently added India in its list of best sources of red onions and other farm yields.

Commissioner Nicanor E. Faeldon said that the uplifting of BOC's vigilance on imports of farm products was triggered by the seizure of a P15-million worth of smuggled fresh red onions contained in 11 40-footer container vans shipped from India through an Indian-registered vessel E.R. Felixstowe 032 to the Manila International Container Port (MICP).

BOC records, so far, bare that commonly – apprehended smuggled onions came from China and other Asian countries.

Faeldon underscored BOC's fight against smuggling of agricultural products as a top effort between the agency (through point person Federico E. Laciste, Jr.) and the Department of Agriculture (DA), with full support of Cabinet Secretary Leoncio B. Evasco, Jr. who heads the inter-agency committee on anti-agricultural smuggling.

BOC is a member of the inter-agency committee on anti-agricultural smuggling composed of the National Food Authority, DA, and the Office of the President through the Office of the Cabinet Secretary

"I have directed the officers of 17 ports and sub-ports to give due attention to importation of agricultural products and closely verify, authenticate, and double check its documents and required permits so that BOC and the inter-agency can and will be able to protect the interest and welfare of Filipino farmers and stop all forms of economic sabotage," Faeldon said.



Faeldon noted that the seizure of the 11 40-footer container vans of fresh red onions was effected in compliance to the memorandum order of Assistant Secretary Laciste dated December 24, 2016, which cited that the filing of SPS permit validation for agricultural products was allowed until December 31, 2016 only. The onion shipments arrived on January 1, 2017, thus its previous import permit elapsed effectively violating the provisions of Republic Act No. 10845, otherwise known as the Anti-Agricultural Smuggling Act of 2016.

Importer, broker of sugar from China face smuggling raps

The Bureau of Customs filed on 16 January before the Department of Justice (DOJ) smuggling charges against alleged smugglers for the illegal importation of refined sugar from China via the Port of Manila.

The complaint was filed against Godfrey T. Ta-oc, owner/proprietor of Lucky Sapphire Trading, with office address at Stall B-22 Merwin Mart 3065 F.B. Harrison St. Brgy. 076 Pasay City; licensed Customs broker Arjay T. Dizon, with business address at Molave St., Kahilom, Pandacan, Manila; and others who acted as co-conspirators in the illegal act.

BOC exerted that the respondents willfully smuggled the refined white sugar thru the use of false documents and without the required valid Sugar Regulatory Agency (SRA) clearance.

The respondents were charged with violation of Sections 1400, 1401 and 1403 in relation to Section 1113 (f), (i), (l) of the Customs Modernization and Tariff Act (CMTA); Section 3 (a), (c), (e), (h) in relation to Section 4 of the Anti-Agricultural Smuggling Act; rules and regulation of Sugar Regulatory Administration (SRA) and Joint Memorandum Order No. 4-2002; and Article 172 of the Revised Penal Code.



BOC seizes P15.4M white rice

Eight months after the passage of the Republic Act 10825 or the Anti-Agricultural Smuggling Act, the Bureau of Customs intercepted P85.4 million worth of agricultural products in three separate operations.

RA 10825 secures the economic well-being of the local farmers after making agricultural smuggling a non-bailable offense. Specifically, it penalizes agricultural smugglers and their cohorts with life imprisonment, and a fine of twice the fair value of the smuggled agricultural products and the aggregate amount of the taxes/duties/charges avoided.

Recently, the Bureau of Customs has seized at the Port of San Fernando, La Union 603 metric tons (MT) of Thailand white rice pegged at P15.4 million.

On December 15, importer Progressive Grains and Milling Corp. initially filed an Import Entry for 7,200 MT of white rice. Upon verification, it was found that 603.15 MT rice were released outside the declared quantity, with no import permit from the NFA for the excess shipment.

Consequently, district Collector Romeo Rosales issued a Warrant of Seizure and Detention (WSD) on January 5 to effect the apprehension of released rice to the warehouse of a certain Celia Lui in Brgy. Santa Maria, San Jacinto, Pangasinan.

BOC will be charging the importer with misdeclaration under the Customs and Modernization and Tariff Act and under Republic Act No. 10845.



PORT OF ILOILO TOPS FIVE-YEAR COLLECTION TARGET

By Marian S. Herezo

The Bureau of Customs -Port of Iloilo has consecutively surpassed the five-year collection target set by the Department of Finance, gaining a positive average deviation of 42.74 percent for calendar year 2012 to 2016.

Last year, Port of Iloilo collected P2.113 billion, P25 million higher than the P2.088 billion target collection. This is 2.28 percent higher compared to the P938 million collections posted for 2015.

In 2015, said collection district gathered P2.308 billion against P924 million assigned target having a 71.2 percent deviation while in 2014, generated P1.585 billion which was P742 million higher than the P843 million target. Port of Iloilo has broken its record in 2014 after phenomenally gaining 88.2 percent deviation, the highest positive deviation recorded throughout the port's history.

Moreover, in 2013, the collection radically towered to P1.234 billion which was 50.39 percent above the P820 million goal and in 2012, collection district 7 achieved P840 million collections compared to the P822 million collection target.

Reports have shown that construction materials and equipment were the top commodities in terms of value and revenue tax collected.

On January 20, Port of Iloilo has been featured in Panay News, one of the leading newspapers in Western Visayas, after its positive trend in revenue performance for the past five years, dubbing OIC District Collector Naig as the "Phenomenal Customs Collector of Western Visayas."

The Bureau of Iloilo is optimistic that the collection target for the year 2017 will be surpassed, considering the reforms being implemented under the leadership of OIC District Collector Jose Naig and Commissioner Nicanor Faeldon.





FIGURES

BOC COLLECTION TARGET VS ACTUAL VS PREVIOUS YEAR January 1-31, 2017 Final (In Million Pesos) FULL YEAR TARGET (467.896) MONTHLY

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	
WORKING DAYS	21	20	23	18	22	21	21	21	21	21	20	20	
% share	7.6%	7.1%	7.8%	7.9%	8.2%	8.5%	8.6%	8.5%	8.9%	9.2%	9.0%	8.7%	100.0%
ACTUAL CASH 2017	35,943	-	-	-	-	-	-	-	-	-	-	-	35,943
TEF	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ACTUAL 2017	35,943	-	-	-	-	-	-	-	-	-	-	-	35,943
TARGET CASH 2017	35,509	33,410	36,572	36,907	38,344	39,435	40,026	39,577	41,717	42,815	41,615	40,469	466,396
TE F 2017	-	-	-	150	150	150	150	150	150	150	300	150	1,500
TOTAL TARGET 2017	35,509	33,410	36,572	37,057	38,494	39,585	40,176	39,727	41,867	42,965	41,915	40,619	467,896
% ACTUAL CASH 2017 vs. TARGET CASH 2017	101%	0%											
% ACTUAL TEF 2017 vs. TARGET TEF 2017	0%	100%											
% TOTAL ACTUAL 2017 vs. TOTAL TARGET 2017	101%	0%											
ACTUAL CASH 2016	31,083	27,035	32,383	32,695	32,070	35,169	30,883	32,736	33,260	33,170	35,412	33,358	389,254
TEF	-	-	-	17	-	99	104	333	66	195	4,816	2,122	7,753
TOTAL ACTUAL 2016	31,083	27,035	32,383	32,712	32,070	35,268	30,987	33,069	33,326	33,365	40,227	35,480.00	397,006
% ACTUAL TEF 2017 vs. ACTUAL TEF 2016	0%	100%											
% TOTAL ACTUAL 2017 vs. TOTAL ACTUAL 2016	115.6%	0.0%											

COLLECTION DISTRICT	January 1-31, 2017 Preliminary			
	Working days 21			
	Actual		Variance	
	2017	2016	Amount	%
SAN FERNANDO	257.28	218.07	39.22	18.0%
Total POM/MICP	16,720.48	14,505.81	2,214.66	15.3%
PORT OF MANILA	5,824.50	4,878.37	946.13	19.4%
MICP	10,895.97	9,627.44	1,268.53	13.2%
NAIA	2,794.29	2,831.63	(37.34)	-1.3%
BATANGAS	7,253.65	6,712.07	541.58	8.1%
LEGASPI	29.94	24.61	5.32	21.6%
ILOILO	227.88	64.12	163.76	255.4%
CEBU	1,834.45	1,963.65	(129.20)	-6.6%
TACLOBAN	24.07	11.93	12.13	101.7%
SURIGAO	0.09	0.31	(0.22)	0.0%
CAGAYAN DE ORO	887.78	850.03	37.75	4.44%
ZAMBOANGA	59.99	35.50	24.49	69.0%
DAVAO	1,192.03	878.94	313.09	35.6%
SUBIC	1,497.63	1,213.38	284.24	23.4%
CLARK	99.61	104.75	(5.14)	-4.9%
APARRI	0.65	0.53	0.13	0.0%
LIMAY	2,865.80	1,591.66	1,274.15	80.1%
TOTAL CASH	35,745.62	31,007.01	4,738.61	15.3%
TEF	-	-	-	-
TOTAL	35,745.62	31,007.01	4,738.61	15.3%

Note: Direct Payment from Districts' Report.

Pass 5 (Advance Payment, Final Payment, In house, Deferred) Downloaded from SMS E2M System
Statistical Analysis Division, Financial Service

BOC seizes smuggled gadgets from online shop depot

The Bureau of Customs seized smuggled electronic gadgets worth millions of pesos in Lakandula Street, Tondo, Manila on January 30 after failure to present covering import documents.

Intelligence reports identified Kim Store as an online shop depot offering imported high-end communication gadgets under suspicious importation schemes and processes.

Iphone7, MacBook laptops, Samsung Galaxy S7 series phones, Nexus 6Ps phones, Zenfone 3 Ultra phones, Sony Xperia phones, Canon cameras, tablets and music players, audio accessories, and gadgets for safety and security were among the items seized by BOC agents.

“There are plenty of cases wherein high-end communication and electronic gadgets are smuggled into the country through misdeclaration schemes, a top form of smuggling, used by smugglers to defraud and avoid paying correct duties and taxes to the government,” Customs Intelligence and Investigation Service (CIIS) Director Neil L. Estrella said.

Initial reports identified one ‘Francis’, a Filipino-Chinese businessman in Binondo, who is engaged in selling smuggled items online is the owner of Kim Store.

“We are still validating some intelligence reports, and we will fully identify the real owners of Kim Store in the next few days,” Pinawin said in the initial report.

The seized items are now padlocked inside the storehouse of Kim Store in Tondo under guarded by CIIS agents.

Commissioner Faeldon warns importers that customs agents will often conduct raids in warehouses, storehouses, and depots to combat the malpractice and related crimes. Jail perpetrators, once and for all, he added.



Smuggled sex toys, dry goods seized in Quiapo

The Bureau of Customs intercepted smuggled sex vibrators, sex enhancement products, boxes of karaoke amplifiers, bales of rice, electronic and other merchandise from China with an estimated value of P15 million in Quiapo, Manila on January 24.



Commissioner Nicanor E. Faeldon issued Mission Order No. 01232017-546 on January 19 to effect seizure of the said goods after the importer failed to submit import permits from the Food and Drugs Administration. According to CIIS Intelligence Officer Joel Pinawin, the importer only paid the undervalued amount of P72,702.03 in duties and taxes.

Faeldon said the shipment was misdeclared as ‘polybags 14x25x44’ and consigned to Elsprocon Trading with business address at Room 228B/F Regina Building, Escolta Street, 27 Binondo, Manila with the signing customs broker named Brix D.

Evale of Blk 20 Lot 7, Phase 1C-Annex, San Lorenzo Village South, Sta. Rosa city, Laguna. The BOC-CIIS operation was in cooperation with National Bureau of Investigation and with concerned barangay officials, members of the Philippine National Police, and the Manila City Government.

BOC will be charging the importer with misdeclaration under the Customs and Modernization and Tariff Act.



NEW BOC OFFICIALS TOOK OATH OF OFFICE



(from left to right) Maritess T. Martin, District Collector of Port of Clark; Elvira Cruz, District Collector of Port of Cebu; and Neil Anthony L. Estrella, Director of Customs Intelligence and Investigation Service (CIIS-IG) sworn in as new BOC officials.



Gerardo Gambala, Deputy Commissioner of Management Information System and Technology Group (MISTG); Milo D. Maestrecampo, Director of Import Assessment Services (IAS-AOCG); James A. Layug, Director of Port Operation Services (POS-AOCG); and Henry Anthony M. Torres, Director of Financial Management Office (FMO-IAG) took their oath before the Commissioner of Customs.



Atty. Alvin H. Ebreo took oath as new Director of Legal Service under the Revenue Collection Monitoring Group (RCMG) before the Office of the Cabinet Secretary Leoncio Evasco Jr. and Customs Commissioner Nicanor Faeldon.