

# CUSTOMS

## GAZETTE

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## BOC Participates in the 141st / 142nd World Customs Organization (WCO) Council Meeting



The Philippine Bureau of Customs joins the 141st /142nd World Customs Organization (WCO) Council Meeting, along with the Customs Commissioners of the 155 WCO member countries, starting June 22, 2023 at the WCO Headquarters in Brussels, Belgium.

The Council, the highest decision-making body of the Organization, regularly conducts annual sessions to discuss various Customs issues affecting all administrations and offer timely and appropriate solutions that member countries may employ. This year is especially significant as this marks the election for the

position of the Secretary General and Chairperson of the Council, where the Philippines, as member, is entitled to cast a vote.

The WCO assists Customs administrations worldwide by providing technical, logistical, and professional support to the various working bodies established by the Council. It also delivers capacity building, technical assistance, and training, and develops and maintains international Customs instruments and tools.

In preparation for the Council Meeting, the Philippine BOC attended the 24th WCO Asia/Pacific Regional Heads of Customs Administrations (RHCA) Conference in Perth, Australia last 28-31 May 2023 where different reports containing reforms and campaigns were presented for notation of the member states to be endorsed to the WCO Council.

Commissioner Rubio expressed his gratitude for the work of the WCO under the able leadership of outgoing Secretary-General Mikuriya and the Council led by Chairperson Ahmed Al Khalifa.

“The Philippine Customs is one with the WCO and its Members in devising concrete initiatives in response to Customs Administrations’ needs in terms of trade facilitation, revenue collection, protection of society, and organizational development, which are enshrined in the WCO Strategic Plan for 2022 to 2025,” Commissioner Rubio said.

## BOC Joins Korea Customs Week in Seoul, Emphasizes Customs Cooperation and Digitalization

The Bureau of Customs (BOC) actively participated in the Korea Customs Week held in Seoul, South Korea, from April 26-28, 2023, representing the Philippines. Commissioner Bienvenido Rubio, Deputy Commissioner Vener Baquiran, and Director Clarence Dizon attended the event, alongside other Director Generals and customs officials from other countries.

Korea Customs Week, the first-ever global customs forum hosted by the Korea Customs Service, provided a valuable platform for open discussions, various exhibitions and field experiences. It highlighted the importance of a reinforced global partnership on trade facilitation and security of global community.

Under the theme of “Global Customs Cooperation and Digital Customs”, the event provided an avenue for sharing of best practices and fostered international customs collaboration, through the Customs Roundtable, the Seminars conducted, where experts and participants exchanged views and insights on topics including e-commerce, disruptive technologies and customs information exchange. Bilateral and Multilateral Meetings between and among Customs heads, and private stakeholders were also conducted, to discuss particular issues of mutual concerns.

Commissioner Rubio reaffirmed the BOC’s commitment in pursuing all the six goals in the signed statement, which are incidentally aligned with the Commissioner’s Five-Point Priority Program. Notably, he underscored the vital



role played by customs in establishing a more inclusive and sustainable trade facilitation framework. The BOC has consistently strengthened its partnerships with other customs administrations and international organizations to effectively combat smuggling and safeguard the interests of the Filipino people.

Likewise, Commissioner Rubio, along with 19 Commissioners/Director Generals of other customs administration, resolved in a joint statement, to raise the level of communication among the customs authorities, to strengthen personal exchange for smooth administrative services and capacity of customs authorities by sharing information related to drug seizure cases, having been convinced that cooperation among the customs authorities on joint enforcement against drug trafficking issues as the best counter-measure to prevent the worldwide spread of drugs.

## BOC Issues RCEP Import, Export Guidelines

The Bureau of Customs (BOC) recently issued a set of guidelines outlining the conditions for obtaining preferential tariff treatment under the newly-implemented Regional Comprehensive Economic Partnership (RCEP) agreement.

Under Customs Memorandum Order (CMO) No. 12-2023 dated May 26, 2023, imported goods that originate from any of the 15 member countries are eligible to claim the preferential tariff rates provided by the RCEP. The CMO was signed by Customs Commissioner Bienvenido Y. Rubio, and made effective on June 2, 2023. The CMO likewise provided specific procedures for the issuance and acceptance of "Certificate of Origin".

As part of the RCEP agreement, Certificates of Origin have been mandated to accompany goods as they are transported between member countries.

This official document attests the country of origin of the goods, allowing customs authorities, importers, and exporters to monitor the movement of goods within the RCEP trading bloc.

To qualify for the RCEP tariff rates, importers must obtain this certification along with a declaration of origin from exporters who have been authorized by the Philippines, as specified by the BOC.

The BOC tasked its Export Coordination Division (ECD) to scrutinize all submitted certificates of origin and applications for Approved Exporter status.

"ECD shall carry out verifications of the originating status of the goods upon request of the RCEP importing party or based on risk analysis criteria. Verification can be made thru the documents requested from the exporter or producer or by inspections at the exporter's or producer's premises," the CMO read.

BOC, however, clarified that the final determination on the rate of duty shall be based on the assessment of the submitted documents from the importers.

On the other hand, exporters are required to submit an application with the ECD for the issuance of a Certificate of Origin for RCEP.

The application shall include all necessary supporting documents, such as an export declaration, commercial invoice, bill of landing/airway bill, and other relevant permits.

The goal of the RCEP is to eliminate tariffs on a minimum of 90 percent of the commodities traded between member countries, while strengthening regulations for non-tariff measures.

With the trade agreement, the Philippines retained its existing preferential tariff rates for 98.1 percent of the 1,718 agricultural tariff lines, as well as for 82.7 percent of the 8,102 industrial tariff lines.

Out of the 1,685 agricultural tariff lines that are being preserved at present rates, 1,426 will be maintained at a zero rate, while 154 will continue to be charged at their existing most favored nation rates, and will therefore not be included in any form of tariff concessions.

"In cases where the RCEP preferential tariff rate is higher than the applied rate at the time of importation, the importer shall be allowed to apply for a refund of any excess duties and taxes paid for originating goods," BOC said.

The RCEP agreement has been implemented among all its member nations, consisting of China, Japan, South Korea, New Zealand, Australia, and 10 Association of Southeast Asian Nations (ASEAN) countries, which include the Philippines.

## BOC Collaborates with UN ESCAP on Electronic Trade Data Exchange Study



In its ongoing efforts to promote and advance the trade facilitation agenda among relevant stakeholders, the Bureau of Customs (BOC) National Trade Facilitation Champions recently partnered with the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) to explore electronic trade data exchange.

The collaboration falls under the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA), a UN treaty that aims to expedite the implementation of digital trade facilitation measures for trade and development between ESCAP and the Philippine Bureau of Customs.

The insights provided by the BOC National Trade Facilitation Champions during the joint consultative session were valuable inputs for the feasibility study on the electronic exchange of trade-related data and documents in the Philippines.

The study delves into a comprehensive analysis of the technological capabilities, legal frameworks, and operational requirements necessary for the implementation of electronic trade data exchange.

Furthermore, it aims to identify potential challenges and risks and develop effective strategies to mitigate them.

In his message to ESCAP, Commissioner Bienvenido Rubio recognized the support of the United Nations ESCAP in implementing the Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific, as well as ongoing collaboration.

"On behalf of the Bureau of Customs, I convey our commitment to facilitating trade and ensuring the efficient and effective movement of goods across borders. We believe that the implementation of paperless trade will not only help us achieve these objectives but also enhance transparency and reduce expenses," said Commissioner Rubio.

## BOC and DICT ink MOU to foster Digital Integration and Interoperability

The Bureau of Customs (BOC) and the Department of Information and Communications Technology (DICT), on 15 June 2023, have officially signed a Memorandum of Understanding (MOU) to strengthen their collaboration and work towards a synchronized and well-coordinated information and communication technology (ICT) system. This partnership aims to promote the integration, interoperability, and interconnection of their systems and applications.

Under the MOU, the DICT, as the primary entity for ICT development in the Executive Branch, will assess and evaluate the current applications and systems of the BOC. They will provide recommendations and strategies for improving the ICT system, develop additional applications if needed, and ensure smooth integration.

The BOC will serve as the digital transformation partner of the DICT, providing guidance and support for interoperability. They will also share relevant information and data to facilitate the goals outlined in the MOU.

Both parties commit to comply with existing laws and regulations, including those concerning procurement, budget, and accounting processes. Necessary security measures will be prioritized to safeguard program implementation.

During the signing ceremony, BOC Commissioner Bienvenido Y. Rubio expressed gratitude to the DICT, represented by Secretary Ivan John Uy, Undersecretary David Almirol, Jr., and Undersecretary Paul Joseph Mercado, for their efforts in bringing government agencies together to deliver improved public services.

Commissioner Rubio emphasized the BOC's commitment to embracing digitalization and the opportunities offered by the Digital Age. Digitalizing processes is a top priority to successfully deliver BOC services. He acknowledged the importance of digital transformation in enhancing efficiency and creating an unparalleled experience for citizens and businesses.

The signing of the MOU between the BOC and DICT marks a milestone in the ongoing digital transformation journey of the Philippine government. It reflects the BOC's dedication to its responsibilities and determination to materialize projects outlined in the MOU.

This partnership signifies a shared vision of establishing a Digital Philippines. By fostering collaboration and leveraging technology, both agencies aim to enhance customs administration, streamline processes, and deliver exceptional services to stakeholders and the general public.



## BOC Achieves Remarkable Milestones Under Commissioner Rubio's Leadership in the First Semester of 2023

**BOC ACHIEVES REMARKABLE MILESTONES UNDER COMMISSIONER RUBIO'S LEADERSHIP IN THE FIRST SEMESTER OF 2023**

**1 DIGITALIZATION OF CUSTOMS PROCESSES**

**96.39% rate of Digitalization**

Ongoing ICT projects:

- E-Service Catalog System
- Document Management System
- Over Staying Cargo Tracking System
- Automated Export Declaration System (AEDS)
- Customs Auction Monitoring System

**2 HIT AND SURPASS THE TARGET**

**3.04% or P12.768 billion revenue surplus**

- Collected P1.257 billion from audit findings and PDP applications
- Generated P29.718 million from public auctions

**3 SIMPLIFY PROCEDURES AND FACILITATE SECURED TRADE**

**PH climbed 17 places in the World Bank Logistics Performance Index**

- Implemented the e-Phyto Certificate exchange with ASEAN countries

**4 CURB SMUGGLING IN ALL FORMS**

**Seized P23.851 billion worth of smuggled goods**

- Marked 9.418 billion liters of fuel and collected P114.53 billion in duties and taxes
- 118 accreditations revoked
- 76 cases filed before DOJ and PRC

**5 UPLIFT EMPLOYEE WELFARE AND DEVELOPMENT**

**23 ISO 9001:2015 Certificates**

- Hired 71 new personnel, and promoted 214 existing personnel

The Bureau of Customs (BOC) has achieved significant milestones under the leadership of Commissioner Bienvenido Y. Rubio, demonstrating its commitment to its 5-Point Priority Program for the calendar year 2023 pursuant to the directive of President Ferdinand R. Marcos, Jr. With a strong focus on digitalization, revenue collection, trade facilitation, smuggling prevention, and employee welfare, the BOC has made remarkable strides in advancing its mandate and enhancing its operations in the first half of the year.

### Digitalization of Customs Processes

The BOC has prioritized the modernization of its systems and streamlined customs processes, resulting in an impressive 96.39% rate of digitalization for 160 out of 166 customs procedures under the 2021 Citizen's Charter. Ongoing ICT projects, such as the E-Service Catalog System, Document Management System, Over Staying Cargo Tracking System, Automated Export Declaration System (AEDS), and Customs Auction Monitoring System, further enhance efficiency and transparency.

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**Hit and Surpass the Target**

From January to June 2023, the BOC surpassed its revenue collection target of Php420.664 billion, recording a total collection of Php433.433 billion, surpassing the target by 3.04% or Php12.768 billion. This achievement can be attributed to the agency's improved system of determining customs value, leading to a higher rate of assessment. Likewise, the Post-Clearance Audit Group (PCAG) played a pivotal role, generating an additional Php1.257 billion in revenue during the same period. Furthermore, the BOC collected an additional Php29.718 million from Public Auctions conducted in the Ports of Manila, Davao, and Manila International Container Port.

**Simplify Procedures and Facilitate Secured Trade**

The BOC's efforts to simplify procedures and enhance trade facilitation yielded significant results. The Philippines climbed 17 places in the World Bank Logistics Performance Index (LPI), ranking 43rd among 139 countries. Notably, the BOC has successfully implemented the electronic Phytosanitary (e-Phyto) Certificate exchange with Association of Southeast Asian Nations (ASEAN) member countries. In this regard, collaboration with the Department of Agriculture - Bureau of Plant Industries (BPI) and participation in the ASEAN Single Window (ASW) were instrumental in this achievement.

**Curb Smuggling in all Forms**

The BOC's anti-smuggling operations resulted in 603 seizures worth Php23.851 billion from January to June 2023. The top commodities seized were counterfeit products, agricultural products, tobacco products, illegal drugs, and general merchandise. Some of the notable seizures were Php86 million worth of misdeclared sugar from Hong Kong in Subic Port on March 15, 2023; Php1.4 billion worth of imported cigarettes in a Sulu warehouse on March 2, 2023; and Php3.8 million worth of shabu at the NAIA DHL Express Warehouse on May 8, 2023.

The Fuel Marking Program marked 9.42 billion liters of fuel, equivalent to P114.53 billion in duties and taxes, successfully combating illicit fuel trade. The BOC also took strict action against customs law violators, revoking the accreditation of 33 customs brokers and 85 importers. Additionally, 74 criminal complaints were filed with the Department of Justice (DOJ), and two (2) administrative complaints were filed with the Professional Regulation Commission against violators of customs laws. Collaborations with the Department of Justice (DOJ) were strengthened to enhance prosecution measures.

**Uplift Employee Welfare and Development**

The BOC's Human Resource Management Division implemented a comprehensive merit and selection program, hiring 71 new personnel, and promoting 214 existing personnel. These initiatives have fostered organizational development and boosted employee morale. The BOC's commitment to exceptional service delivery is evident in obtaining 23 ISO 9001:2015 Quality Management System (QMS) certificates.

Moreover, the BOC received an Unmodified Opinion, the highest evaluation from the COA for strong internal controls, ensuring accurate financial statements. This recognition highlights the BOC's commitment to transparency and



compliance with International Public Sector Accounting Standards.

Commissioner Rubio expressed his gratitude to the dedicated employees of the BOC for their unwavering commitment in achieving these accomplishments. He reiterated the agency's dedication to continuous improvement and emphasized its determination to further enhance services, foster trade facilitation, and curb illicit activities.

As the Bureau of Customs geared toward the future, Commissioner Rubio and his team remain committed in upholding the highest standards of integrity, transparency, and efficiency. Through their relentless pursuit of excellence, the BOC will continue to play a vital role in the nation's economic growth and development.

## BOC and US Embassy Join Forces to Combat Smuggling and Enhance Customs Expertise

The Bureau of Customs (BOC) and the US Embassy-Manila Special Operations Command Pacific INDOPACOM Augmentation and Philippines Information Team convened on May 18, 2023, for a consultative meeting. The meeting aimed to explore potential areas of cooperation, intensify border control, and strengthen the relationship between the two agencies.

During the meeting, officials from both agencies discussed various topics, including cooperation opportunities in law enforcement, maritime operations, investigations, capacity building, and advanced technology implementation. Additionally, the meeting addressed the provision of technical expertise and skills building that the US Embassy intends to extend to the BOC Enforcement and Security Service (BOC-ESS).

Representing the BOC were Commissioner Bienvenido Rubio, Deputy Commissioner Teddy Raval, division chiefs, heads of ESS, the Financial Management Office, the External Affairs Office, and the Interim Training Development Division. From the US Embassy, Jason Perez, officer-in-charge, and Patrick Braun, Chief of the Information Support Team, attended the meeting.

This consultative meeting represents a significant step forward in establishing a strong collaboration between the Bureau of Customs and the Embassy of the United States of America. Both parties are committed to leveraging their collective expertise and resources to ensure more robust

customs operations and safeguard national security.

“The establishment of a strong collaboration between the BOC and the US Embassy will undoubtedly enhance the capabilities and technical know-how of BOC personnel. This will create opportunities to intensify border protection and combat smuggling further,” said Commissioner Rubio.

The Bureau of Customs has consistently pursued initiatives to strengthen its relationships with partner agencies and pave the way for enhanced customs response. By collaborating with the US Embassy, the BOC aims to achieve excellence in securing and protecting customs authority across the border.



## BOC-NAIA, PDEA, NAIA-IADITG Intercept Shabu Worth PHP 55.34M, Arrest Passenger

The Bureau of Customs – Ninoy Aquino International Airport (BOC-NAIA), together with the Philippine Drug Enforcement Agency (PDEA) and the NAIA Inter-Agency Drug Interdiction Task Group (NAIA-IADITG), have uncovered shabu concealed inside two (2) checked-in luggage at NAIA Terminal 3 on June 5, 2023.

The luggage belonged to a Liberian passenger who arrived in the Philippines via Qatar Airways flight number QR 934 from Doha, Qatar, on June 4, 2023. According to the initial investigation, the passenger was originally from Lagos, Nigeria but was temporarily held by the Bureau of Immigration due to a lack of immigration papers. The luggage underwent X-ray screening by active operatives of the X-ray Inspection Project (XIP) headed by Atty. Ma. Lourdes V. Mangaong. The XIP flagged the luggage as suspicious, potentially containing illegal drugs.

A customs examiner from the Arrival Operations Division conducted a 100% physical examination, revealing 8.138 kilograms of shabu hidden inside yellow powdery spices, with a Dangerous Drugs Board street value of PHP 55,338,400.00, as confirmed by PDEA.

The seized luggage will undergo seizure and forfeiture proceedings as authorities investigate the arrested passenger for violation of Republic Act (RA) No. 9165, or the Comprehensive Drug Act, and RA 10863, also known as the Customs Modernization and Tariff Act (CMTA).

The BOC, headed by Commissioner Bienvenido Y. Rubio, reiterates its commitment to preventing the entry of illicit goods into the country. BOC-NAIA, led by District Collector Atty. Yasmin Mapa, will continue to intensify border control and enhance its coordination with partner agencies to combat illegal drug smuggling.

Commissioner Rubio praised the efforts of BOC-NAIA and extended his gratitude to PDEA, XIP, and NAIA-IADITG for their valuable support in the operation. He emphasized the importance of joint efforts among law enforcement agencies in combating drug trafficking and ensuring the safety and security of the people.



**BOC, PCG, PN, PNP Seize P54M Worth of Smuggled Diesel in Sual, Pangasinan**

A joint operation by the Bureau of Customs (BOC), Philippine Coast Guard (PCG), Philippine Navy (PN), Philippine National Police (PNP) Maritime Group, and local PNP resulted in the seizure of an estimated 1,350 kilolitres of smuggled diesel fuel worth P54 Million from twelve compartments of the vessel “MV Veronica-1” at the Sub-port of Sual.

The inspection, conducted on May 4, was led by the Port Operations Division of the Subport of Sual together with the Customs Intelligence and Investigation Service (CIIS) and Enforcement and Security Service (ESS) following the issuance of a Pre-Lodgement Control Order on May 3 against the subject vessel suspected to contain smuggled fuel.

Samples were taken from the twelve compartments for fuel testing which yielded “FAILED” results on both the first and second tests using a Mobile Fuel Analyzer.

The Port of San Fernando ordered the immediate seizure of the smuggled diesel and the carrying vessel in compliance with pertinent Customs laws, rules, and regulations.

“This success could not have been possible without the assistance and support of our Intelligence Group and Enforcement Group, who provided valuable inputs and guidance that led to the seizure of the vessel and smuggled fuel,” said Port of San Fernando District Collector Arsenia Ilagan.

Meanwhile, Commissioner Bienvenido Rubio commended the Port of San Fernando and the joint task force for their successful operation against smuggled fuel. “This achievement is a testament to our unwavering commitment to securing our borders and protecting our economy from the adverse effects of smuggling,” he said.

“Rest assured that the Bureau of Customs will continue to work closely with our partner agencies to strengthen our intelligence gathering and border security measures to prevent similar attempts in the future,” he added.

**BOC Seizes Alleged Smuggled Goods Valued at P900 Million in Plaridel, Bulacan**

Plaridel, Bulacan – On May 26, 2023, a joint operation conducted by operatives of the Bureau of Customs (BOC) led to the seizure of suspected smuggled goods with an estimated value of P900 million. The operation was carried out by agents from the Manila International Container Port (MICP), Intelligence Group, and Enforcement Group, in collaboration with the Philippine Coast Guard.

Through the Letter of Authority signed by Commissioner Bienvenido Rubio, the BOC composite team inspected the warehouses located in Plaridel, Bulacan. The operation was conducted in close coordination with the local barangay and the Philippine National Police.

During the thorough inspection of the premises, the BOC uncovered a stash of cigarettes, along with general merchandise, housewares, kitchenware, and counterfeit goods suspected to have been illegally imported into the country.

In light of the findings and pending the submission of the necessary documentation, including proof of payment of duties and taxes, as well as importation permits, the BOC took immediate action by temporarily padlocking and sealing the warehouses.

The owners of the said warehouses have been given a 15-day period to provide the required documentary evidence.

Commissioner Bienvenido Rubio stated, “The Bureau of Customs remains steadfast in its commitment in combating smuggling activities and protecting the interests of the general public. This operation demonstrates our determination to safeguard the integrity of our borders and ensure compliance with our customs laws.”

The BOC urges the public to report any suspected smuggling or illicit trade activities to help maintain a fair and transparent business environment in the country.

# ATTENTION BOOKWORMS!

## Are you planning to purchase books from abroad?

Good news! You can import books to the Philippines without paying any customs duties and taxes, as long as they are not intended for advertising purposes.

But take note, there are limits to the number of copies you can bring in. As an individual importer or recipient, you can only import up to six (6) copies of a single book, while institutional importers or recipients may import up to twelve (12) copies of any one book.



To learn more about this exemption, simply visit this link: <https://customs.gov.ph/wp-content/uploads/2014/12/CMC-No.-142-2014-Imports-of-Books.pdf>.



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