GUIDELINES IN THE ALLOCATION OF REVENUE COLLECTION TARGET AND SUBMISSION OF FINANCIAL REPORTS

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SECTION 1. Objectives -

1.1 To provide a framework for rationally allocating revenue targets at all levels in the Bureau of Customs;

1.2 To prescribe the duties and responsibilities of units, officials and employees pertaining to allocation of revenue collection targets

SECTION 2. Allocation of Revenue Collection Targets

2.1 The allocation of revenue collection target shall be based on a system that is rational, replicable, transparent and fair, and must mitigate any potential perverse incentives against good performance and integrity among officials and employees. A rational revenue collection target allocation recognizes the following principles:

a. BOC revenues are determined by exogenous factors as well as efforts;

b. Exogenous factors may not remain constant during the year; and

c. Rational targets require quality verifiable information.

2.2 The allocation of revenue collection target within the Bureau shall be done at three (3) levels as follows.

2.1.a Across Collection Districts which shall be allocated by the Commissioner of Customs.

2.1.b Across Divisions, Subports, Sections and other component units under each of the Collection District which shall be allocated by the concerned District Collector of Customs.

2.1.c Across individual attritable personnel which shall be allocated by the concerned Division Chief, Port Collector, Section Chief or Head of component units.

2.3 The statistical procedure to be used in determining the collection target per district shall involve the use of verifiable data to determine the relative contribution of these exogenous variables to the percentage change in collection per District/Office of the Commissioner. Collection shall include duties, VAT, excise taxes and other revenues. The exogenous variables, shall include but may not be limited to the following:

2.3.1 Import Values
2.3.2 Import Volumes
2.3.3 Commodity composition of imports
2.3.4 Number of entries
2.3.5 Exchange rates
2.3.6 Number of personnel
2.3.7 Value of imports selected green, yellow and red
2.3.8 Value of duty-exempt imports (granted under various special laws and trade agreements, e.g. (AFMA, CEPT-AFTA)
2.3.9 Tax Credits
2.3.10 Deferred payments

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2.3. 11 Value of containerized/bulk/break-bulk imports by commodity
2.3.12 Non-tax revenues such as fees and charges
2.3.13 Budget (PS, MOOE and CO)
2.3.14 Port infrastructure (buildings, equipment, facilities)

2.4 Data from any of these exogenous variables to be used in the replicable statistical procedures must be verifiable and statistically significant in explaining collection performance. Hence, it is important that these verifiable data are gathered from source in a timely and accurate manner. For this purpose, all Collection Districts shall be required to submit collated Reports as prescribed and attached to this Order. These Financial Reports (FS) shall be submitted on a monthly basis to the Financial Service on or before the 5th day of each of the following month.

2.5 As far as practicable and dependent upon the availability of verifiable data, the same statistical procedures using the same exogenous variables shall be applied to estimate the revenue collection targets down to the division, subport, section, component unit of a Collection District or even to the individual attritable personnel.

2.6 However, if the revenue collection target will be very difficult to allocate down to the individual attritable personnel in the absence of verifiable data, each division/subport/ section/component unit may agree to share a collective or pooled target. (Example: If the group that an attritable individual immediately reports to is a Section, Subport, Division, Component Unit, then the target of that Section, Subport, Division, Component Unit shall also serve as his or her target). This situation shall be reflected in their respective Performance Commitment/Contract as per existing Performance Management System (PMS) rules, regulations and procedures. Any new/reassigned personnel to the concerned Division/Subport/Section/Component Unit shall assume this collective or pooled target.

2.7 The following roles and responsibilities shall be performed by the concerned office insofar as allocation or revenue collection target is concerned:

2.7.1 Office of the District Collector of Customs - shall assign an individual or team who shall be responsible in the gathering and timely submission of verifiable data in accordance with prescribed format, conduct analysis of the district ’s collection performance, prepare and submit the regular reportorial requirements for the district and coordinate with other concerned offices, e.g. Financial Service in matters relating to revenue collection monitoring.

2.7.2 Financial Service, RCMG - shall devise reporting format for the efficient and effective collection of verifiable data from all revenue collecting units of the Bureau; ensure completeness and accuracy of records-keeping and integrity and quality of data gathered; undertake the statistical procedures needed to implement the revenue collection target setting; and assist the Commissioner in providing accurate information to the Development Budget Coordination Committee (DBCC) for the proper allocation of Bureau revenue collection target.

2.7.3 Interim Internal Control Office (IICO) - shall gather the revenue collection target of each District, Subport, Division, Section, Component Unit, Individual Employee/Official as reflected in their respective OPES/PES/CESPES as inputs to the revenue collection performance monitoring system.

2.7.4 MISTG - shall assist the Office of the District Collector, Financial Service and the IICO in the formulation of necessary automated allocation and monitoring systems.

2.7.5 Lateral Implementation Committee - shall assist the Commissioner in the discussion and review of the revenue collection target of the year both at the DBCC level and within the Bureau during target allocation.

SECTION 3. Repealing Clause - All rules, regulations and orders inconsistent with this Order are hereby

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repealed, rescinded or modified accordingly.

SECTION 4. Effectivity - This Order shall take effect immediately.

Adopted: 24 March 2009

(SGD.) NAPOLEON L. MORALES
Commissioner

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