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PROCEDURES FOR THE IMPLEMENTATION OF E2M CUSTOMS SYSTEM-PHASE 4 INFORMAL ENTRY OF COMMERCIAL GOODS IN ALL CUSTOMS SEA PORTS NATIONWIDE

BOC CUSTOMS MEMORANDUM ORDER NO. 13-2010, March 16, 2010

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1. Objectives

1.1 To Implement the Electronic to Mobile (E2M) Customs System-Phase 4: Informal Entry for Commercial Goods in all Customs Sea Ports Nationwide.

1.2 To provide detailed instructions to declarants, brokers, importers, warehouse operators, shipping lines, forwarders, transit storage facilities, authorized agent banks (AABs), accredited Value-Added Service Providers (VASPs), government agencies issuing licenses and clearances, the concerned Department of Finance (DOF) offices issuing Tax Exemptions and Tax Debit Memos and personnel of the Bureau of Customs (BOC) on the customs clearance processes to be observed under Informal Entry of E2M Customs System Phase 4.

1.3 To effect smooth transition from the current manual procedures to the intended customs procedures under the e2m Customs System.

2. Scope

The following components of the E2M Customs System must have been implemented at the time of Informal Entry implementation:

- Client Profile Registration System (CPRS)
- Electronic Manifest System (EMS)
- Payment Abstract Secure System version 5.0 (PASS5)
- Other Settlement Modes (OSM) consisting of Tax Exemptions
- On-line Release Systems (OLRS)
- License and Clearance System (LCS) for government agencies that are already connected to the National Single Window

Separate Customs Memorandum Orders (CMOs) shall be issued for Informal Entry Shipments of Personal Effects of Single consignment or consolidated shipments.

3. General Provisions

3.1 Lodgement of Declarations

3.1.1 Informal Entry Declarations must be lodged electronically using the Single Administrative Document (SAD) of the E2M Customs System.

3.1.2 E2M Customs System shall allow the shipment to be declared under Informal Entry if the following criteria are met:

- Total Customs Value is now below US$500

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- Total Gross Weight is less or equal 300 kilograms
- Total Number of packages is less or equal 12
- The shipment volume is less or equal one (1) cubic meter
- The consignee is registered in CPRS as an individual entry

3.1.3 All informal entry declarations have to be lodged through the VASPs. The printed copy of the SAD in the required number of copies and all other supporting documents must be submitted to the BOC.

3.1.4 Only Customs Brokers and consignees registered with CPRS pursuant to CMO 39-2008 shall be allowed to submit informal entry declarations in E2M Customs System through the VASP.

3.1.5 The consignee may register himself as a Once-A-Year Importer in accordance with CMO 44-2009 titled "CPRS Registration of Once-A-Year Importer (Previously First and Last Importation Scheme)".

3.1.6 If an exemption is claimed under Section 105 of the Tariff and Customs Code of the Philippines (TCCP), such exemption code should be part of the allowable list in Annex A-"Additional Codes referring to Section 105 of the TCCP that are acceptable for use in Informal Entry".

3.1.7 Shipments that do not qualify for Informal Entry under the above criteria shall be lodged under Formal Entry

3.2 Licenses, Clearances and Permits

3.2.1 The consignee/Customs broker is required to secure licenses or permits for the covered commodities before the electronic lodgement of import declarations, otherwise the system will reject the lodgement of the import declarations.

3.2.2 Separate CMOs may be issued to cover the particular procedure to be followed by the consignee in acquiring the electronic license or permit in each of the E2M Customs-ready issuing agency.

3.2.3 For license and clearance issued by government agencies that are not yet connected to the NSW or not yet E2M Customs-ready, the same shall be processed in the current procedure of tagging the import declaration into the SELECTED channel to enable the verification of the license or clearance by the BOC examiner.

3.3 Selectivity-Informal Entry declarations shall be subject to selectivity

3.4 Calculation of Duties, Taxes and Fees

3.4.1 Duties, taxes and fees shall be calculated using the taxation rules of E2M Customs, which are also applicable to Formal Entry declarations.

3.4.2 Duties are based on the tariff rates for the particular commodity code.

3.4.3 The Import Processing Fee (IPF) shall be calculated similar to the formal entry IPF.

3.5 Payment

3.5.1 Duties and Taxes shall be settled using PASS5 for the automatic debit of the amount from the Importer's nominated bank account CAO 10-2008 and CMO 6-2009 are applicable to Informal Entry payments.

3.5.2 The consignee shall acquire a Bank Reference Number after CPRS Registration from his bank of choice. The Bank Reference Number is man- datory in the Informal Entry SAD.

3.5.3 Other Modes of Settlement-Tax Exemptions are allowed as payment for duties and taxes

4. Operational Provisions

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4.1 The Informal Entry SAD shall be filled up in accordance with CMO 27-2009 with additional guidelines in Annex B-Guidelines in the Fill up of the SAD for the Informal Entry of Commercial Goods.

4.2 Informal entry processing shall mainly follow the Operational Provisions of CMO 27-2009 for Formal Entry Declarations with the following revisions:

4.2.1 The Consignee/Customs Broker shall submit one (1) copy of the SAD including the Assessment Notice, printed from the VASP System, together with the required supporting documents to the Entry Processing Unit (EPU) on the date of electronic lodgement with E2M Customs System. If lodgement was accepted by the System on a date/time beyond BOC regular office hours, the Informal Entry SAD and supporting documents shall be submitted before noon of the next BOC regular working day. The EPU shall stamp "Received" on the VASP-SAD, indicating the date and time of receipt, and then sign the same as evidence of receipt. The EPU shall validate the Customs Reference Number indicated in the Informal Entry SAD against the E2M Customs System. The EPU shall then forward the submitted Informal Entry SAD and its supporting documents to the Informal Entry Division/Section concerned.

4.2.2 The Informal Entry Division/Section concerned shall follow the existing procedures specified for Update, Re-route, Assess except for informal entries selected Red.

4.2.3 When the informal entry shipment is selected RED, the procedures described in the Memorandum Order titled: Supplemental Guidelines in the Implementation of CMO 27-2009 re: Examination of Shipments Selected for Red Lane or X-Ray Inspection shall apply.

4.3 Payment

4.3.1 To ensure that an E2M Customs declaration is accepted and assessed successfully, all Other Settlement Mode (OSM) payments claimed in the declaration should be existing in the E2M declaration making the reference is lodged. This is the responsibility of the consignee and his designated broker.

4.3.2 Payment for duties, taxes and other charges must comply with CAO 10-2008 and CMO 6-2009.

4.3.3 Utilization of a Tax Exemption Certificate shall follow the procedure under CMO 27-2009 Operational Provisions Item 4.6.

4.4 OLRS- The release process for Informal Entry Shipments shall follow the procedure stated in CMO 27-2009 Operational Provisions Item 4.11 and the procedures described below for special cases:

RED SHIPMENTS

4.4.1 When an Informal Entry declaration is Post-Entry modified after the examination results in adverse findings, payment of the additional duties and taxes shall not initiate a release message to the Port Operator/transit shed.

4.4.2 A manual release instruction shall be printed from E2M Customs System into a non-editable format (PDF) at the Office of the Collector. This release instruction PDF shall be e-mailed from the Collector of the Port's official BOC e-mail address to a designated e-mail address of the Port Operator. Manual release instructions provided to the Port Operator by other means shall not be honored by the Port Operator.

5. Administrative Provisions

Informal Entry processing under E2M Customs shall be part of the implementation and monitoring responsibility of the Port Implementation Task Force (PITF). All items of Provisions 5 of CMO 27-2009 shall apply to Informal Entry Processing.

6. Repealing Clause

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All Customs Memorandum Order inconsistent with the provisions of the Order are hereby deemed modified and/or amended accordingly.

7. Transitory Provisions

7.1 The Commissioner of Customs shall announce the date of implementation (DOI) of E2M Customs Informal Entry System in each Port through a Memorandum Order addressed to the Collector of Customs of the Port, fifteen (15) days before the implementation date.

7.2 Dual Declaration System

Upon effectivity of this Order, Imports Assessment System (IAS) E2M Customs System shall be made operational at the Port together with the current manual process.

7.2.1 All shipments of personal effects (whether single consignments or consolidated shipments) shall continue to be processed manually.

7.2.2 CMO 40-2009 Transitory Procedures Prior to Full Implementation of E2M Customs System for Informal Entries and Transshipment/Transit Declarations shall now apply only for shipments of personal effects.

8. Effectivity

This Order shall take effect immediately.

Adopted: 16 March 2010

(SGD.) NAPOLEON L. MORALES
Commissioner

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