



02 November 2010

CUSTOMS MEMORANDUM ORDER

No. 49-2010

To : All Deputy Commissioners
Service Chiefs
District Collectors
Deputy Collectors for Operations
Division Chiefs
BOC Officers and Personnel in OSEDC
Representatives of Other Government Agencies in OSEDC
PHILEXPORT Officers and Personnel in OSEDC
Exporters and their Authorized Customs Brokers
All Concerned

Subject: **Electronic Lodgement of Export Declarations (EDs) through Accredited Value Added Service Providers (VASPs) at the One Stop Export Documentation Center (OSEDC)**

1. OBJECTIVES

- 1.1 To adopt an Internet-based system for the lodgement of Export Declarations (EDs) at the One Stop Export Documentation - Manila (OSEDC - Manila);
- 1.2 To electronically process EDs via Value Added Service Providers (VASP) at OSEDC - Manila;
- 1.3 To align the OSEDC procedures with the Bureau of Customs (BOC) implementation of the electronic lodgement of EDs at the Port of Manila (POM), the Manila International Container Port (MICP) and the Ninoy Aquino International Airport (NAIA);
- 1.4 To monitor the status of export shipment throughout the clearance and loading process;
- 1.5 To further improve the efficiency, convenience and speed of lodging EDs and facilitate the securing of the Authority to Load (ATL) by re-engineering OSEDC-Manila's systems and procedures utilizing the advance technology provided under the e2m Customs; and
- 1.6 To prevent Customs fraud.

2. SCOPE

This Order shall govern export shipments processed at the OSEDC – Manila for loading at the Port of Manila (POM), Manila International Container Port (MICP), and at the Ninoy Aquino International Airport (NAIA)

A separate CMO shall be issued to govern the processing of EDs filed at the other OSEDCs.

Only exporters and Customs brokers/forwarders registered with CPRS pursuant to CMO 39 – 2008 shall be allowed to submit EDs in the e2m Customs system.

3. GENERAL PROVISIONS

3.1 The mandate of OSEDC to process EDs and issue Authority to Load (ATL) is provided in the Memorandum of Agreement (MOA) among the BOC, the Philippine Exporters Confederation, Inc. (PHILEXPORT) and the Department of Trade and Industry (DTI) dated 25 July 1996, as reinforced by the Revised Rules and Regulations Implementing P.D. 930, "Further Simplifying Export Procedures and Documentation", signed on 15 February 1999, which remains in force and in effect to date.

3.2 Registration of Declarant with the Client Profile Registration System (CPRS).

3.2.1 To facilitate the lodgment of EDs using the e2m Phase 4 Export Module, exporters and brokers/forwarders should register under CPRS pursuant to Customs Memorandum Order (CMO) No. 39 – 2008 "Initial Registration of Clients and Stakeholders with the Electronic-to-Mobile or e2m Customs System; Data Build-up Phase of the Client Profile Registration System of (CPRS)".

3.2.2 The System will check or verify if exporters and brokers/forwarders are valid BOC clients.

3.3 Payment of the Customs Documentary Stamp (CDS) Thru PASS5

3.3.1 Payment of the CDS shall comply with CAO 10-2008 and CMO 6-2009 or commonly called as PASS5. All exporters and brokers/forwarders are hereby directed to open and maintain debit accounts at an Authorized Agent Bank (AAB) pursuant to PASS5 of the e2m Customs System.

3.3.2 It shall be the responsibility of the exporter and broker/forwarder to make arrangements with his bank for the automatic debiting of his account.

3.3.3 BOC, through the MISTG, shall provide electronic copies of the loaded SAD-ED to the National Statistics Office (NSO), the DTI and the Tariff Commission (TC) as mandated under the Tariff and Customs Code of the Philippines, as amended.

4. OPERATIONAL PROVISIONS

4.1 Composition and Lodgement of Authority to Load (ATL)

4.1.1 Exporters or their authorized representatives (E/AR) shall compose and lodge SAD-EDs on-line through BOC-accredited VASP, which shall submit the SAD-EDs to the BOC through the BOC-VASP Gateway in a format acceptable to the BOC.

4.1.1.1 Lodgement of SAD-EDs can be done at the E/AR's e2m Customs-enabled workstations, or at public internet cafes or workplaces, or at OSEDC-Manila.

4.1.1.2 OSEDC-Manila shall make available e2m Customs-enabled workstations and/or lodgement services for E/AR who have no access to E2M Customs enabled workstations and/or need assistance for encoding and lodgment of SAD-EDs.

4.1.1.3 E/AR who avail of the lodgement services of the OSEDC-Manila shall submit a filled-up ED copy duly signed by authorized representative

4.1.2 The VASP validates captured entry declaration data from the exporters in accordance with the validation rules and converts the data to XML format that is compatible with the requirements of the BOC-VASP Gateway.

4.1.3 The e2m Customs System sends an error or status messages through the same Gateway to the VASP who in turn notifies the exporter of the messages received from the BOC -VASP Gateway.

4.1.4 The e2m Customs System validates and officially records the entry in the Customs database.

4.1.5 If the declaration satisfies all system rules, the declaration shall be registered and assigned a Customs Reference Number which shall serve as the ED number.

4.1.6 Based on selectivity, the e2m Customs system classifies the entry as GREEN, YELLOW or RED lane.

4.1.6.1 In order to have a proper allocation of Customs resources, an appropriate risk management system shall be adopted for Exports.

4.1.6.2 All export shipments shall be subjected to e2m Selectivity Module where processing of documents and cargoes shall be channeled to **Green Lane** for outright issuance ATL given after payment of CDS; **Yellow Lane** where presentation of government permits/clearances are required; and **Red Lane** where presentation of required government permits/clearances and physical examination of goods is mandatory.

4.2. Processing of Documents

GREEN LANE SHIPMENTS

4.2.1 For Green Lane Shipments, payment instructions for the bank to debit payment are automatically triggered.

4.2.2 OSEDC-Manila prints 2 copies of SAD-ED which shall be distributed as follows:

- Exporters (Customs) Copy
- OSEDC-Manila Copy

The printed SAD-ED should show the computer-generated Customs Reference Number on the Entry Number Export Declaration. The printed SAD-ED should also indicate the Assessment Number and the Receipt Number.

4.2.3 E/AR pays the applicable fees at OSEDC-Manila Cashier.

4.2.4 OSEDC-Manila releases SAD-ED to E/AR.

4.2.5 E/AR submits his SAD-ED copy to the Customs Container Control Division (CCCD), Pier and Inspector Division (PID) or equivalent unit at the NAIA.

YELLOW LANE SHIPMENTS

4.2.6 E/AR or OSEDC-Manila prints copies of SAD-ED.

4.2.7 The E/AR submits the printed SAD-ED together with the other required documents at OSEDC Manila. The submitted printed SAD-ED should show the computer generated Customs Reference Number on the "Entry No." field found on the upper right side portion of Box No. 4 of the Export Declaration.

4.2.8 OSEDC-Manila shall receive and evaluate documents and perform the following checks on the SAD-ED and its supporting documents:

4.2.8.1 The Completeness check which refers to the determination if ALL required supporting documents, duly certified by the issuing regulatory agency, are presented with the SAD-ED.

4.2.8.2 The Internal Consistency check means the verification of fields declared in the SAD-ED if the same are backed up with information in the supporting documents.

4.2.9 SAD-ED that passed the tests of completeness and internal consistency are then marked "FOR BOC PROCESSING -

YELLOW LANE" and forwarded to the BOC Officer at OSEDC-Manila.

4.2.10 Processing of SAD-ED and other required documents by BOC Officer.

4.2.10.1 Accepts documents reviewed by OSEDC-Manila.

4.2.10.2 Performs the authenticity check by retrieving the electronic file of the SAD-ED from the e-Customs system or from the VASP system and comparing the printed SAD-ED document against its electronic version.

4.2.10.3 Enters remarks and comments on the result of the document verification/review.

4.2.10.4 Re-routes SAD-ED from Yellow to Green thereby triggering payment of CDS through PASS5.

4.2.10.5 Prints SAD-ED with Assessment Number and Receipt Number.

4.2.10.6 Stamps "BOC RE-ROUTED TO GREEN".

4.2.10.7 Returns back to OSEDC all pertinent documents.

4.2.11 The BOC Officer at OSEDC-Manila shall finally clear the SAD-ED to signal the loading of cargoes by re-routing entry to green lane.

4.2.11 Clearing of the export cargo for loading will trigger the payment instructions to the AAB to collect the payment for the required CDS.

4.2.12 SAD ED is printed in two copies.

4.2.13 E/AR pays the applicable fees at OSEDC-Manila cashier.

4.2.14 OSEDC-Manila releases SAD-ED to E/AR.

4.2.15 E/AR submits his SAD-ED copy to the Customs Container Control Division (CCCD) or Piers Inspection Division (PID)/Aircraft Operations Division at the NAIA.

RED LANE SHIPMENTS

4.2.16 OSEDC-Manila prints 2 copies of SAD-ED with Customs Reference Number and evaluates the documents received by performing the completeness and internal consistency check on the SAD-ED and its supporting documents.

4.2.17 OSEDC-Manila marks the SAD-ED "FOR BOC PROCESSING-RED LANE" and forwards to the BOC officer at OSEDC-Manila.

- 4.2.18 The BOC officer at OSEDC Manila processes SAD-ED and other required documents.
- 4.2.18.1 Accepts documents reviewed by OSEDC-Manila
- 4.2.18.2 Performs the authenticity check by extracting the electronic file of SAD-ED from the system and compares SAD-ED in the system and the printed SAD-ED.
- 4.2.18.3 Enters remarks and comments on the result of the documents verification/review.
- 4.2.18.4 Re-routes SAD-ED from RED to Green thereby triggering payment of Customs Reference Number (CRN) through PASS5.
- 4.2.18.5 Prints SAD-ED with Customs Reference Number, Assessment Number and Receipt Number.
- 4.2.18.6 Stamps "BOC RE-ROUTED TO GREEN" but for Physical Examination.
- 4.2.18.7 Returns back to OSEDC all pertinent documents.
- 4.2.19 E/AR pays the applicable fees at OSEDC-Manila cashier.
- 4.2.20 E/AR prepares cargoes for physical examination by presenting documents at the Export Division of the Port where the goods will be loaded for exportation.
- 4.2.21 Export Division shall perform non-intrusive examination on the shipment using the x-ray machines. If all are in order, the E/AR proceeds for loading at CCCD, PID or equivalent unit at the NAIA.
- 4.2.22 If there are indications of fraud or irregularities as seen on the x-ray monitor, opening of the container and 100% physical examinations shall be done.
- 4.2.23 After examination of cargo, the Trade Control Examiner (TCE) affixes a security seal on the container after conducting the 100% physical examination to ensure that goods examined will not be substituted or switched after the examination.
- 4.2.24 The TCE then updates the export-SAD by filling out the Inspection Act and by entering his examination findings in the Information Text box. The filling out of the Inspection Act is mandatory and should not be skipped, whether there are examination findings or not.
- 4.2.25 The Chief, Export Division or his authorized representative at the OSEDC shall finally clear the SAD-ED to signal the loading of cargo/es

4.3 Loading and Inspection of Export Shipments at the Customs Container Control Division (CCCD) or Piers Inspection Division (PID)/Aircraft Operations Division (AOD) of the Loading Port.

4.3.1 E/AR with a SAD-ED for containerized export shipments shall proceed to the CCCD of the loading port. E/AR, with a SAD-ED for a break bulk cargo export shipment shall proceed to the PID of the loading port and those with SAD-ED for air shipments shall proceed to the equivalent unit at NAIA.

4.3.2 The CCCD, PID or equivalent unit at NAIA having access to the e2m Customs System views the SAD-ED.

4.3.3 The Customs Stuffing Inspector of the Customs Container Control Division (CCCD), Customs Inspector of the PID or equivalent unit at NAIA retrieves the SAD-ED and matches the ED to the cargo. He shall also encode into the SAD-ED the shipping details for the shipment (vessel name, voyage date, container no./s, B/L, etc.). If the same matches and there is clear positive verification and inspection results, the CCCD Inspector then clears the cargo for its loading by tagging the entry for Export Release.

4.3.4 The verification by the CCCD, PID or equivalent unit at the NAIA should also include payment verification of the required CDS.

4.3.4 All other procedures performed by the CCCD and PID not yet covered by the e2m Customs System shall follow the existing procedures, i.e. Receipt of sequence of loading, etc.

4.3.5 The BOC Certificate of Origin (CO) Officer at OSEDC Manila shall be allowed to view the SAD-ED for export cargoes that have been loaded in each issuance of the CO.

5. MANUAL PROCESSING

5.1 The manual processing of EDs shall be allowed in the following instances.

5.1.1 Computer systems breakdown;

5.1.2 Power failure which renders the computer system non-operational; and

5.1.3 The AAB is off-line

5.2 EDs manually processed shall still be electronically lodged as soon as practicable.

5.2 In cases where the above mentioned circumstances occur and in order not to delay the loading of export cargoes, OSEDC-Manila may allow manual processing for loading of the export cargo subject to the condition that the exporter/broker/forwarder shall make a deposit equivalent to the amount of the CDS due with the BOC personnel authorized to received such, subject further to the condition that that

exporter/broker/forwarder concerned shall, on the next business, immediately instruct his bank to debit the amount of the CDS due from his account to complete the electronic processing of the ED.

5.3 Failure of the exporter/broker/forwarder to comply with his obligation to complete the electronic processing of his SAD-ED shall be a cause for the suspension of his CPRS registration with the Bureau.

5.4 The OSEDC-Manila shall submit a report of all manually processed EDs to the Deputy Commissioner, MISTG.

6. AMENDMENTS

6.1 No amendment shall be allowed of any ED lodged and submitted into e2m Customs System. In case an amendment is unavoidable, the exporter or his duly authorized representative must go through the same process of lodgement and submission of the new ED through the VASP.

6.1.1 Exporter must submit a letter-request addressed to District Collector requesting for the (1) cancellation of the SAD-ED; and (2) lodgement of the new ED, stating the reasons therefore;

6.1.2 Manual cancellation by the BOC Officer of the previous SAD-ED is a condition precedent before the exporter or his authorized representative can re-lodge the ED through the VASP.

6.1.2 If upon generation of the report from the system a particular SAD-ED is reflected as an "open account", the subject exporter or his authorized representative must be given a reasonable time to cancel the SAD-ED. Failure to do so by the exporter shall be a ground for the suspension of his registration with the CPRS.

7. SEPARABILITY CLAUSE

If any part or provisions of this Order is later on declared invalid or illegal, the remaining portion shall remain valid and unaffected.

8. REPEALING CLAUSE

All Orders, Memoranda, Circulars or parts thereof, which are inconsistent with this Memorandum, are hereby deemed repealed and/or modified accordingly.

9. TRANSITORY PROVISION

9.1 In the event the Selectivity Module for Exports is not yet in place when the e2m Export Module is implemented, all export shipments listed in Annex "A" hereof shall automatically be selected either "YELLOW" or "RED" as may be determined by the OSEDC-Manila.

- 9.2 The date of implementation of this Order shall be announced through a Memorandum Order issued by the Bureau prior to their implementation.

10. EFFECTIVITY

This Order shall take effect fifteen (15) days after its publication in newspapers of general circulation.


ANGELITO A. ALVAREZ
Commissioner

10-02191

PROHIBITED AND REGULATED PRODUCTS FOR EXPORT
Per Revised IRR PD 930 Effective 17 May 1999

PROHIBITED	REGULATED	OFFICE
	1. Garments and textiles, carpets polyester staple fiber, filament yarns, fabrics, upholstered furniture and other natural and synthetic fibers and all products made up in whole or in part of these fibers for export to all countries with or without quota.	Garment and Textile Export Board (GTEB)
	2. Copper Concentrates	Board of Investment (BOI)
	3. All plants, planting materials and plant products capable of harboring pests, insects specimens, live and dead	Bureau of Plant Industry (BPI)
	4. Animals, animal products and animal effects.	Bureau of Animal Industry (BAI)
	5. Sugar and molasses	Sugar Regulatory Administration (SRA)
	6. Coffee	International Coffee Organization Certifying Agency (ICO-CA)- DTI
1. Abaca and Ramie Seeds, Seedlings Suckers and Root Stocks, Buri Seeds and Seedlings	7. Natural Fibers, abaca, ramie, salago, maguey, sisal, kenaf, coir, buntal, cabo negro, cotton kapok, sabahon, pina, banana fibre, silk, loofah, pacol, musa specie, RSA (secondary abaca fiber), canton, raffia, tikog and cocoon.	Fiber Industry Development Authority (FIDA)
	8. Antiques, cultural artifacts and historical relics	National Museum (NM)
2. Bakawan (mangrove)	9. Logs, poles and piles including log core and flitches/railroad ties	Forest Management Bureau (FMB), DENR
	10. Lumber	- do -
3. Bangus Fry		Bureau of Fisheries and Aquatic Resources (BFAR)
4. Mother Bangus (Sabalo)		- do -
5. Prawn-Spawner and Fry		- do -
6. Shells: Trumpet shells (Triton); Hemit Shells (Cassis); Live specimens, raw shells, meat and by-products of giant clams under the family Tridacnidae, (Tridacnidae gigas, T. derass, T. squamula, T. maxima, T. crocea, Hippopus hippopus porcellanus)		Bureau of Fisheries and Aquatic Resources (BFAR)
	11. Shells: Undersized raw shells of Trocas, Gold lip, Black lip, Turbo manoratus and kapis	Bureau of Fisheries and Aquatic Resources (BFAR)

7. Wildlife species: a. Wild marine species, e.g.: precious, semi-precious & all ordinary corals raw & by-product		- do -
	12. Wildlife species : a. Wild marine species, e.g. water snakes (Cerberus rynchops) sea snakes; live, skin or products from the skin or meat Frogs: live skin or products from the skin or meat.	- do -
b. Wild terrestrial species whether live, stuffed or by- products, e.g.	b. Wild Terrestrial: species to include live, stuffed, reserved by- products & derivative, e.g.	- do -
b.1 Mammals (i.e., tamaraw, tarsier, deers (calami deer), sea cow, fruit bats)	b.1 Mammals (i.e. Phils. Monkeys, cloud-rats, ant eater, Phils. Tarsier and skunk)	
b.2 Aves (i.e., eagles, red vent cockatoo, Palawan peacock pheasant, Palawan mynah, horn bills, nicobar pigeon, Mindoro imperial pigeon, Peregrine Falcon, spotted green shank, Kotch's Pitta, giant scops owl and Eastern sarus crane)	b.2 Aves (i.e., bleeding heart pigeons, java sparrows, tree sparrow, parrot, finches, Phil. White- eye, Phils. Starlings, hanging parakeets, brush cuckoo, plaintive cuckoo, amethyst fruit dove, blue detailed bee-eater, crested mynah, pink necked green pigeon, painted quail, button quails, banded rail, plain swamp hen, green winged dove, slenderbilled cuckoo, White eared brown dove, kingfishers, black- naped oriole, black napped monarch, rednadavat, guibero	
b.3 Reptile (i.e. crocodiles, marine turtles, pythons)	b.3 Reptiles (i.e. gecko, Monitor and sad finned lizards, land turtles)	
b.4 Flora (i.e. lady slipper orchid, vaudal sanderiana, pitcher plant, dendrobium cruentum)	b.4 Flora (i.e.	
b.5 Exotic Wildlife species found under appendix 1 of the CITES such as buffoon macaw, scarlet macaw	b.5 All species of Butterflies	
	b.6 Exotic wildlife species found under Appendix II of the CITES such as parrots, macaw	
	13. Firearms, ammunitions and explosive	Firearms & Explosives Office, PNP-FEO
	14. Gold from small scale mining or panned gold	Bangko Central ng Pilipinas (BSP)
	15. Legal tender Phil. Notes and coins, checks, money orders and other bills of	- do -

	exchange drawn in pesos against banks operating in the Phil. greater than P10,000	
	16. Grains and grain products	National Food Authority (NFA)
8. Matured coconuts and coconut seedlings		Phil. Coconut Authority (PCA)
9. Raw Materials for cottage industries: - bamboo - monkey pod (acacia) - rattan (including poles) - bui fibers - raffia fibers - semi-finished or semi-processed capiz shell		Department of Environment & Natural Resources (DENR) - do - - do - Fiber Industry Development Authority (FIDA) - do - Bureau of Fisheries & Aquatic Resources (BFAR)
10. Stalactites and Stalagmites		Department of Environment & Natural Resources (DENR)
	17. Motion pictures/television films and related publicity materials	Movie and Television Review & Classification Board (MTRCB)
	18. Radioactive materials	Phil. National Research Institute (PNRI)
	19. All exports to the following socialist and centrally planned economy countries: Albania, Laos People's Democratic Republic, Ethiopia, Mozambique, Angola, Mongolia, People's Republic Democratic Republic of Korea (North Korea) Nicaragua, Libya, Myanmar	Phil. International Trading Corporation (PITC)
OPTIONAL		SPECIFIC OFFICE/DIVISION
All handicrafts for export (Exporters cannot avail Special Tariff Treatment in countries where the Philippines have trade agreements if the same do not secure handicraft certification from the Department of Trade and Industry)		Department of Trade and Industry - Regional Office
Live fish (aquarium)		Bureau of Fisheries and Aquatic Resources (BFAR)
Fishery by-products (shark liver oil, shark teeth, pearl essence, fish and other fish/fishery/aquatic by-products)		
Sea Urchin Seaweeds and by-products Sponges Pearl Other fish and fishery Aquatic products		
Fishes (live, fresh, chilled or frozen)		BFAR, Bureau of Food and Drugs (BFAD), National Quarantine Office (NQO) as required buyer

ANNEX "A"

Crustaceans (shrimps, crabs, lobsters, prawns), live fresh, chilled and/or frozen)	- do -
Coconut Products and by-products	Philippine Coconut Authority (PCA)
All processed foods, drug, cosmetics, medical devices and household hazardous substance	Bureau of Food and Drugs (BFAD)
Steel bars, Ballast, Fire extinguisher, Plywood, Starters, Lamp holder (florescent lamp/Edison base) Enclosed Switch/knife switch/fuse holder, Fuse, Wire and cables, Circuit breakers, Switches (snap), Plugs, Fluorescent lighting fixtures, Electrical tapes, Medical oxygen, Cement, synthetic detergent (Per E 0259), Pneumatic tires and inner tubes, Galvanized iron (G.I) sheets, Safety matches, Disposable lighters, Enameled copper wires (Magnet Wires), Sawn Timber, Wire nails, other products	Bureau of Products Standards (BPS)
Tobacco Products	National Tobacco Administration (NTA)
Fertilizers, pesticides and other agricultural chemicals	Fertilizers and Pesticides Authority (FPA)
Vessels, marine engines, space parts and other marine related items.	Maritime Industry Authority (MARINA)
Animals products and by-products: curio items, feathers, food and feed ingredients, and veterinary drugs and product fees premix and water soluble	Bureau of Animal and Industry
Live animals, game fowl, wild birds and exotic animals, monkeys, other livestock and poultry, dogs and cats	
Feather, buffalo horns and animal skin	Protect Areas and Wildlife Bureau (PAWB)