



REPUBLIC OF THE PHILIPPINES  
Department of Finance  
**BUREAU OF CUSTOMS**  
MANILA 1099

*Received by*  
*Bafan*  
*3/05/09*

05 March 2009

**CUSTOMS MEMORANDUM ORDER**  
**No. 36-2008A**

**Subject: Amendments to CMO No. 36-2008 and Guidelines for the Implementation of the Enhanced Automated Cargo Transfer System for Transit Goods Consigned to Locators of Clark and Subic Bay Freeport Zones Discharged at Ports and Airports with Operating e2m Custom System**

**1. Objective**

To improve certain provisions of CMO 36-2008 taking into consideration difficulties experienced by Freeport Zone Locators during the initial implementation of E-ACTS and other observations, towards facilitating Freeport Zone locators' compliance with administrative and documentary requirements for the release and transfer of transit cargoes from the ports/airports of discharge to their Freeport Zone destinations

**2. Scope**

The coverage of this Order shall be the same as the coverage of CMO No. 36-2008.

**3. General Provisions**

This Order shall, in general, adhere to the General Provisions of CMO No. 36-2008, subject to the following amendments and additional provisions:

**3.1. General Transportation Surety Bond (Part III: General Provisions; Section 1.2.)**

Until such time that 3-months data on transits become available as basis for the GTSB, for the purpose of enabling Clark and Subic Bay Freeport Zone locators to immediately benefit from significant reduction in cost of transferring transit cargoes from the ports/airports of discharge to their Freeport Zone locations, determination of the amounts of GTSBs shall initially be facilitated, as follows:

3.1.1 Freeport Zone locator shall establish the total FOB value of all transit goods discharged in a port or airport during the immediately preceding three months, based on all Import/ Admission Permits filed with their Freeport Zone Authorities;

3.1.2 Freeport Zone locator shall calculate the amount of its GTSB in a port or airport using the formula indicated below, provided that a GTSB should be at least One-Half Million Pesos (P 0.5 M), provided further

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that the Collector of Customs may adjust the amount of the bond as provided for in item 1.2.3 of CMO 36-2008 :

$$\begin{array}{lcl} \text{Average 3-Day} & & \text{Total FOB Value of} \\ \text{Taxes and Duties} & = & \text{3 days x 0.140 x 3-Month Transit Goods} \\ \text{Due on 3-Month} & & \text{-----} \\ \text{Transit Goods} & & \text{Number of days during the immediately} \\ \text{(GTSB Amount)} & & \text{preceding three months} \end{array}$$

(Note: The factor 0.140 is the ratio of Total Taxes and Duties Collected by the BOC to the Total FOB Value of All Imports, Net of Electronics Imports in 2008.)

- 3.1.3 Freeport zone locator shall execute an affidavit attesting to the completeness and accuracy of the (a) FOB values of transit goods during the immediately preceding 3 months, (b) Total FOB Value and (c) Total Taxes and Duties due on the transit goods; and the (d) computed Average Three-Day Taxes and Duties on transit goods in a port or airport of discharge. The Freeport zone locator shall submit the affidavit to the Freeport Zone Authority which, after verification of the accuracy of the determined amount of GTSB, shall endorse the same to the BOC Bonds Department in the port or airport of discharge;
  - 3.1.4 Freeport Zone locator shall secure its GTSB from any BOC-accredited insurance company in the port or airport of discharge and register it with the BOC Bonds Department in said port or airport;
  - 3.1.5 After 30 June 2009, a recalculation of the actual duties and taxes on all transits pursuant to CMO 36-2008 shall be made. If the GTSB that has been posted is less than the GTSB following this recalculation, the Collector shall require the posting of additional GTSB.
  - 3.1.6 In general, the existence of a GTSB on file with the Customs port would be sufficient compliance with the bonding requirement under this Order even if the duties and taxes for a particular shipment is more than the face value of the bond. Provided, that the District Collector, or the Deputy Collector for Operations or the latter's duly-authorized representative shall require that a high-risk or high-valued shipment that is not sufficiently covered by the existing GTSB, shall be released either through an increase of the GTSB (in accordance with Section 1.2.3 of CMO 36-2008) or be delivered under Customs Guard.
- 3.2. Pre-Payment Accounts for the Payment of the BOC Cargo Transfer Fee (Part III: General Provisions; Section 5)
- Freeport Zone locators shall pay the BOC Cargo Transfer Fees (composed of Transit Service Fee and the Import Processing Fee) for their transit goods by debit from Pre-Payment Accounts they have established in the In-House Banks of the BOC in the ports/airports of discharge. Alternatively, customs brokers may also open pre-payment accounts against which the BOC Cargo Transfer Fees of their client-importers shall be debited.
- 3.3. The Deputy Collector for Operations of the port shall designate alternate BOC officers and staff in the CFZO for processing and approving the transit documents to ensure that the process flow is uninterrupted.



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- 3.4. It shall be the responsibility of the Deputy Collector for Operations to ensure that the Entry Processing Unit of the District Office is provided the complete file of inward foreign manifests.

#### 4. Operational Provisions

This Order shall, in general, adhere to the Operational Provisions of CMO No. 36-2008 for Ports where the Manifest Clearance is automated. For ports where Manifest Clearance is not automated, the following amendments and additional provisions shall apply:

##### 4.1 Manifest Write-Off Processing (Part V: Operational Provisions; Section 3.4)

In ports and airports where the BOC Entry Processing Unit (EPU) is in the same building as the CFZO, customs brokers shall undertake Manifest clearance in the EPU prior to submission of the Admission Permits and Transit Declaration applications to the CFZO. In ports and airports where a BOC Composite Unit is housed in a separate Customs Transit Facility, Manifest clearance shall be undertaken in the course of the release of the transit goods at the Entry Processing Unit in the Customs Transit Facility. After business hours, when the EPU at the Customs Transit Facility is closed, Manifest Clearance shall revert to the EPU at the District Office.

When discrepancies are observed between the particulars of the Transit Declaration and the Manifest (e.g., quantity of goods, weight, measurements, descriptions, etc.), the documents shall be forwarded to the Special Deputy Collector in charge of the Customs Transit Facility where manifest clearance is being done or to the Deputy Collector for Operations when manifest clearance is performed at the EPU of the district office for appropriate action.

##### 4.2 Copy of the Transit Declaration to be Used in Verifying Consistency of Details of the Transit Cargoes with Particulars Transit Declaration (Part V: Operational Provisions, Section 4.2, Amendment of the first paragraph).

The Customs Warehouseman or Wharfinger in the Customs Public Warehouse/Container Yard-Customs Freight Station (CY-CFS), using the Second Copy of the Transit Declaration, shall check the number of packages and weights and markings on the packages of loose transit cargoes and make sure that these match the particulars of the Transit Declaration.

##### 4.3 For goods that will not be carried on board closed vans or similar transport units that can be secured by a customs seal, the packages shall be sealed in such a way that any tampering of the package can easily be detected.

#### 5. Repealing Clause

All BOC rules and regulations inconsistent with this Order are hereby considered repealed, superseded or modified accordingly.

#### 6. Effectivity

This Order shall take effect immediately.

**NAPOLEON L. MORALES**  
Commissioner



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Napoleon L. Morales