



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
Manila 1018

4 September 2009

CUSTOMS MEMORANDUM ORDER
NO. 40 - 2009

To District Collectors
Deputy Collectors
Chief, Informal Entry Division
All Others Concerned

Subject **Transitory Procedures prior to full implementation of e2m
Customs System for Informal Entries and
Transshipment/Transit Declarations**

1 Objectives

- 1.1 To define the transitory procedures concerning the informal entries and transshipment/transit declarations prior to full implementation of the e2m Customs System.
- 1.2 To expedite release of legitimate informal & transit cargoes upon arrival in the Philippines.
- 1.3 To facilitate trade

2 Scope

This covers informal entries and transshipment permits/transit declarations.

This order does not cover the following:

- 1.1 Transshipment/Transit of all Alcohol or Tobacco Products subject to all applicable taxes, duties, charges, including excise tax pursuant to Section 12 of the BIR Revenue Regulations No. 3-2006 dated January 3, 2006 and CMC 70-2006, pursuant to RA 9334
- 1.2 ~~Transfers~~ to CY-CFS/Off-Dock Terminals.

3 General Provisions:

- 3.1 Unlike the Formal Entry System (FES) and Warehousing Entry System (WES) where the e2m Customs System automatically writes-off the bill of lading in the e-manifest, bills of lading corresponding with Informal Entries or Transshipment/Transit Declarations shall be manually written-off.

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- 3.2 The automated and the manual write-off of house bill of lading shall ensure the validity of the abandonment process and shall provide the BOC with the correct and exact inventory of shipments that have arrived, and those that are entered, unentered or abandoned.
- 3.3 The e-Manifest shall also be accessible to the Informal Entry Division and the Office of the Deputy Collector for Operations. These two offices shall be responsible for the manual discharge of the bill of lading record corresponding with the import declaration in the e-manifest. Under this order, manual discharge of the bill of lading is defined as the process by which the pertinent data corresponding to the shipment are encoded by the concerned BOC officer and the bill of lading entry from the e-manifest is written-off.
- 3.4 The Deputy Collector for Operations shall ensure that the transfer of cargo from the port to the CY-CFS/Off-Dock Terminals shall not result in the manual discharge of the bills of lading record. Shipment transferred to CY-CFS/Off-Dock Terminals shall only be written-off in the e-manifest after completion of clearance process of the appropriate declaration e.g. formal (consumption and warehousing), informal and transshipment/transit declaration.

4 **Operational Provisions:**

4.1 For Informal Entries

- 4.1.1 The current procedure in the manual processing of the informal entry using the BOC-Informal Import Declaration and Entry form shall continue.
- 4.1.2 After the Informal Entry Division or equivalent unit has examined and assessed the shipment covered by the informal entry, the importer/customs broker shall proceed to the In-House Bank to pay the duties and taxes due as indicated in the Order of Payment Form (OPF, Sample in Annex A). The OPF shall be prepared by COO III and duly signed by the COO V of the Informal Entry Division or equivalent unit.
- 4.1.3 The In-House Bank shall accept the payment and issue a BOC Official Receipt (BCOR). The In-House bank enters the details of payment in e2m Customs System using the Cash Payment module. The In-House bank shall generate and print the e2m Customs Receipt (ECR, Annex B). The e2m Customs Receipt Number (ECRN) must be indicated in the BCOR.
- 4.1.4 The importer returns to the COO III to present his BCOR with the ECR attached. The COO III shall log-in to e2m Customs System and confirm through appropriate menu in the e2m Customs Cash Payment module that the ECR is valid and correct.
- 4.1.5 After verifying that the appropriate payment has been collected, the COO III retrieves the data corresponding to the house bill of lading of the particular Informal Entry. The COO III shall select from the e-manifest menu the operation "Manual Discharge" to perform manual write-off of the said house bill of lading.
- 4.1.6 On the "Manual Discharge Screen" of the e-manifest, the assigned COO III shall encode the following data corresponding to the said shipment:

- 4.1.6.1 Consignee Name
 - 4.1.6.2 Broker Name
 - 4.1.6.3 Registration Serial – The value is always (I), which stands for Informal Entry
 - 4.1.6.4 Registration Number – The assigned number (Entry No.) of the manual Informal Entry form
 - 4.1.6.5 Transit Shed Code – The code for the Location of Goods assigned to the Port Operator / Arrastre
 - 4.1.6.6 Reference Year – The year of the Informal Entry registration
 - 4.1.6.7 Declaration Office Code – Customs office code of the port
 - 4.1.6.8 Commodity Code – Defaulted by system to spaces
 - 4.1.6.9 Total Number of Packages
 - 4.1.6.10 Packaging Type
 - 4.1.6.11 Total Gross Weight
- 4.1.7 In cases of consolidated informal entry where one entry is lodged for a maximum of ten (10) house bills of lading, each house bill of lading in the import declaration will have to be manually discharged/written-off by the COO III. The entry number of the consolidated informal entry shall be repeated for every house bill of lading included in the entry.

4.2 For Transit Cargoes

- 4.2.1 Manual processing of Transshipment Form for transit cargoes shall continue.
- 4.2.2 After the Transshipment Permit/Transit Declaration has been signed by the Deputy Collector for Operations or his authorized signatory, the designated officer retrieves the data corresponding to the house bill of lading of the particular Transshipment/Transit Declarations. The Deputy Collector for Operations or designated officer shall select from the e-manifest menu the operation "Manual Discharge" to perform manual write-off of the said house bill of lading.
- 4.2.3 The following data are to be encoded in the "manual discharge screen" of the EMS:
 - 4.2.3.1 Consignee Name
 - 4.2.3.2 Broker Name
 - 4.2.3.3 Registration Serial – The value is always (T) which stands for Transit Cargo.
 - 4.2.3.4 Registration Number – The permit number of the Transshipment Form
 - 4.2.3.5 Transit Shed Code – The code for the Location of Goods assigned to the Port Operator/Arrastre
 - 4.2.3.6 Reference Year – The year of the Transshipment approval
 - 4.2.3.7 Declaration Office Code – Customs office code of the port
 - 4.2.3.8 Commodity Code – Defaulted by system to spaces

4.2.3.9 Total Number of Packages

4.2.3.10 Packaging Type

4.2.3.11 Total Gross Weight

5 **Sanctions**

Failure by the concerned parties to comply with the foregoing provisions shall subject erring parties to the imposition of appropriate sanctions, administrative, civil, and/or criminal, as warranted by the circumstances.

6 **Repealing Clause**

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

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 **Effectivity**

This Order shall take effect immediately but shall be implemented in ports already implementing CMO 27-2009.

NAPOLEON L. MORALES
Commissioner



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Napoleon L. Morales