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Republic of the Philippines
Bureau of Customs – Philippine Economic Zone Authority

Joint Memorandum Order

No. 4 - 21010

Subject: Full Implementation of the Automated Export Documentation System for Export Shipments of PEZA-Registered Locator Enterprises for Loading at the Ninoy Aquino International Airport (NAIA), Diosdado Macapagal International Airport (DMIA), Port of Manila (POM), Manila International Container Port (MICP), Port of Subic (POS) and Mactan-Cebu International Airport (MCIA)

1.0 Objective

To insure the continued efficient operations of export-producers operating at the Philippine Economic Zone Authority (PEZA), while, at the same time, providing effective safeguards to guarantee export shipments released from the economic zones are directly and faithfully delivered to the ports of loading.

2.0 Scope

This Order shall cover export shipments of economic zone locators for loading at the NAIA, DMIA, POM, MICP, POS and MCIA.

3.0 General Provisions

3.1 Automation of Export Procedures in Compliance with RA 8792. – The export procedures and documentation system for economic zone locators shall be automated and made compliant with Republic Act No. 8792, otherwise known as the E-Commerce Act, enacted on 14 June 2000 to include:

- 3.1.1. Creation, filing and retention/recording of the Export Declaration (ED), in the form of an electronic data message, shall be done electronically through a Value-Added Service Provider (VASP);
- 3.1.2. Verification of the authenticity and processing of the Export Declaration shall be conducted electronically, with the use of a system-generated, encrypted Barcode, which shall serve as the electronic signature of the document.

- 3.2 **Web-Based AEDS with Real Time Updating of the Status of Export Shipment Covered by ATLs/EDs Issued-** All economic zone locators which will enroll for use of the AEDS pursuant to this JMO shall utilize the Web-based AEDS with real-time updating of the status of export shipments covered by ATLs/EDs issued from their withdrawal from the economic zones to delivery and receipt by the airline companies or cargo handler/arrastre at the airport/seaport of loading, and finally to loading in carrier aircrafts/ships.
- 3.3 **Interim Measure for Export Declarations Covering Non-Semiconductors/Electronics Export Shipments-** Pending PEZA acceptance (UAT) of the reporting system to be incorporated in the AEDS which will alert PEZA Economic Zone Managers of export shipments which have been allowed to exit the economic zones but which have not been delivered to and received by airline companies or cargo handlers/arrastre at the airport/seaport of loading within a reasonable transfer time, economic zone locators shall present printed Export Declarations covering non-semiconductors/electronics export shipments for the signature to the PEZA Economic Zone Managers before taking the export shipments out of the economic zone.
- 3.4 **BOC Re-engineering of Acceptance Procedure for Economic Zone Export Shipments at Airports/ Seaports of Loading-** BOC shall re-engineer the acceptance procedure in airports/seaports of loading to insure scanning of the Barcodes on the ATLs/EDs covering export shipments of economic zone locator enterprises to validate authenticity of the hard copies of the ATLs/EDs presented and to confirm receipt of the export shipments by the airline companies or cargo handler/arrastre.
- 3.5 **Electronic Filing and Processing of EDs. -** Export Declarations shall be filed via the internet and processed by electronic means through the automated Customs system, herein referred to as the AEDS.
- 3.6 **Elimination of the Boatnote and Tally Sheet. -** The printed ED, which is the Automated Customs Operation System (ACOS) Single Administrative Document (SAD), shall take the place of the Boatnote, which will no longer be required. Similarly, Tally Sheets will no longer be required because EDs can be filed and processed as export shipments are being prepared, thus allowing exact quantities and items in the export shipments to be indicated in the EDs.
- 3.7 **Encrypted Barcode as Authority to Load (ATL). -** A Barcode, generated by the system utilizing encryption technology, shall

be the electronic signature, which when printed on the ED makes the document the ATL. Authenticity of the ED/ATL is verified by scanning the Barcode to cause the electronic copy of the ED/ATL to be displayed in the monitor of the AEDS workstation and then comparing the particulars therein with the particulars in the hard copy of the ED/ATL accompanying the export shipment before loading of the export shipment.

- 3.8 Selective Customs Document Examination and Shipment Inspection.** - Customs officers at the economic zone shall, in general, undertake selective customs document examination and shipment inspection before allowing export shipments to be taken out of the premises of export-producer enterprises. Specifically, an export shipment should be inspected only when there is derogatory information received via Customs authorized channels or when a Customs officer has reason to suspect that the shipment is attendant with fraud and/or is in violation of Customs and other government rules and regulations. For this purpose, no export shipment may be allowed to exit from the exporter's premises, within 30 minutes from the printing of the ED/ATL by the economic zone locator or its authorized representative, in order to provide Customs and PEZA officials sufficient time to exercise the option, for selective inspection of shipments subject of derogatory information. The BOC officer who conducts an examination of an export shipment shall prepare a report on the inspection conducted, copies of which must be provided to the concerned economic zone export-producer and PEZA.
- 3.9 Handling of Rush Shipments.** - Export shipments which need to be taken out of the premises of economic zone export-producers before the end of the 30-minute period provided for BOC/PEZA officials to exercise the option to undertake selective examination of export shipments, may be volunteered to the BOC and PEZA for inspection ahead of time.
- 3.10 No Reprocessing of ED at Port of Loading-** No further pre-shipment processing of the ED shall be required by the BOC at the port of loading except when there is strong derogatory information of a change of contents of the shipment while in transit.
- 3.11 Export Release Module for Confirming Loading of Export Shipments in Carrier Aircraft/Ships at the Ports of Loading** - The date and time an export shipment is received by the airline/shipping company at the port of loading shall be indicated by the receiving officer of the airline/shipping company, who shall also sign the ATL. Subsequently, after loading of the export shipment in the carrier aircraft/ship at the port of loading, the Barcode in the ATL shall be scanned at the

BOC Export Department to tag the ATL as "Used" and to confirm in the AEDS Database that the corresponding export shipment has been loaded by the airline/shipping company in the carrier aircraft/ship.

Export Release is a module in ASYCUDA that allows a Customs Officer at the Customs exit station to key into the Export Declaration database the date and time that the shipment covered by an ED/ATL was actually cleared for loading into the carrying aircraft or ship. The BOC shall provide the National Census Statistics Office (NSO) and the Department of Trade and Industry (DTI) on a monthly basis electronic files of EDs processed in lieu of the hard copies of the EDs. Economic zone export-producers shall keep hard copies of the ED for their files. Original EDs shall be presented by economic zone export-producers or their representatives to the airline/shipping company officer who receives the export shipment, who in turn shall submit these to the Customs Trade Control Examiners (TCE) assigned at the airline/shipping company warehouses.

- 3.12 **Automated Export Statistics Generation** - BOC and NSO shall both develop a system by which export statistics can be generated by the latter using the data generated by BOC from the AEDS database.

4.0 Operational Provisions

- 4.1 The following are the processes and activities to be undertaken by economic zone locator enterprises or their authorized representatives/declarants and PEZA and BOC Officials concerned prior to the release of export shipments out of the economic zone gates:

- 4.1.1. When an export shipment and the necessary documents, such as commercial invoice and packing list have been prepared, the declarant shall compose the ED using the ACOS-DTI for Export Module in its workstation.
- 4.1.2. The declarant shall review the correctness of the encoded data, particularly those required in the mandatory fields, before lodging an ED.
- 4.1.3. The declarant shall lodge the ED by choosing the option "Assess" and keying in his/her password, which is equivalent to signing the ED.
- 4.1.4. The declarant shall print the ATL as soon as ACOS

has completed processing the ED.

4.1.4.1. ACOS processing of the ED has been completed and the ATL is ready for printing when the Customs Reference Number assigned by the system to the ED appears in the computer screen displaying the Customs Reference Number assigned by the system.

4.1.4.2. An ATL is an ED printed with a system's-generated Barcode, which contains coded information and which represents the document's electronic signature. The ATL is the Single Administrative Document (SAD) which, together with the commercial invoice and packing list, must accompany an export shipment from the economic zone to the port of loading .

4.1.4.3. After printing the ATL, the declarant shall provide a 30-minute allowance for PEZA and BOC officials to exercise the option to inspect the export shipment.

4.1.4.3.1. Using the ACOS computer workstation at the PEZA office in charge of exports processing, the BOC and PEZA officer(s) shall review EDs filed and identify shipments to be selected for physical inspection, as provided in Section 3.5.

4.1.5. PEZA and BOC officials shall notify an economic zone export-producer, within 30 minutes from the time of printing of an ATL, through telephone or fax, of the selection of an export shipment for inspection. The economic zone export-producer shall then prepare the export shipment for inspection in an appropriate place and under conditions necessary to ensure the export goods will not be damaged in the process of being inspected.

4.1.6. BOC or PEZA officials shall immediately proceed to the premises of the economic zone export-producer and conduct physical inspection of the export shipment selected.

4.1.6.1. Where goods contained in the selected export shipment conform to the information in the ATL, BOC or PEZA officials shall sign the ATL and immediately allow the economic zone export-producer to take the export shipment out of its premises and transport it to the port of loading, even before the 30-minute allowance period after printing of the ATL has lapsed.

4.1.6.1.1. A declarant may voluntarily submit for inspection to PEZA and BOC officials an export shipment that needs to be taken out of the economic zone export-producer premises before the end of the 30-minute allowance period for Customs/PEZA inspection of export shipments.

4.1.6.1.2. Where the contents of the export shipment volunteered for inspection conform to the information in the ED, PEZA and BOC officials shall sign the ATL and allow the export shipment to be immediately taken out of the economic zone export-producer's premises for transfer to the port of loading.

4.1.6.2. After the 30-minute allowance period for inspection of an export shipment, where PEZA or BOC officials decide to forego their option to inspect the export shipment, the economic zone export-producer or its authorized representatives shall be free to bring the export shipment out of its premises and transport it to the port of loading.

4.2 The following are the processes and activities to be undertaken by authorized representatives of locator enterprises (e.g., brokers, forwarders., etc) officials of airline carriers in airports of loading or officials of cargo handlers/arrastre operators in seaports of loading, and concerned BOC officials at the ports of loading:

- 4.2.1 Having secured the required BOC or PEZA clearance, within or after the 30-minute import shipment inspection allowance, the Authorized Logistics Provider (ALPs) shall be free to take an export shipment out of the premises of the economic zone export producer and transport it to the port of loading and have the export shipment, accompanied by the ED/ATL, received by the officer of the airline company (in airports) or cargo handler/arrastre (in seaports).
- 4.2.2 The officer of the airline company or cargo handler/arrastre shall verify the authenticity of the hard copy of the ATL presented by scanning the Barcode and comparing it with the virtual copy which appears on the screen of the computer work-station. Alternatively, instead of scanning the Barcode, the virtual copy of the ATL presented may be retrieved by encoding the Export Declaration Number found at the upper right corner of the ATL/ED into the computer work-station.
- 4.2.3 After validating the ATL, the officer of the airline company or cargo handler/arrastre shall receive the export shipment and verify whether it conforms with the particulars indicated in the ATL. The officer shall then conduct actual weighing of the export goods prior to the loading of the export shipment. Where the actual weight differs from the declared weight, the officer shall indicate the correct weight in the waybill and the export manifest.
- 4.2.4 BOC-TCE personnel detailed at the warehouse loading area of the airline/shipping carriers shall observe the receiving operations of export shipments for any indication of fraudulent shipments. Officers must be pro-active in identifying questionable shipments instead of requiring that they be informed by airline personnel every time there is a shipment.
- 4.2.5 In view of the customs processing already done at the economic zone as described in Section 4.1, BOC-TCE must undertake selective interventions only as described in Section 4.2.4. Unless there is an indication of fraud, BOC-TCE shall leave the receiving and preparation for loading of export shipments to airline personnel.
- 4.2.6 For shipments already received by airline/shipping company, ALPs shall prepare or "cut" the house air waybills based on data of actual weighing done by airline/shipping company officers. ALPs shall then prepare and provide copies of the master air waybills and consolidated manifests to officers of the airline company or cargo handler/arrastre.

N.B. For integrator airlines (e.g. airlines providing door-to-door service such as UPS, DHL, FedEx, etc.) the function performed by the ALPS as described in Section 4.2.6 above shall be performed by said integrator airlines.

4.2.7 After the required documents have been processed by authorized representatives of economic zone export-producers, as provided in Sections 4.2.6., the officer of the airline company or cargo handler/arrastre shall receive and gather copies of the air waybills and consolidated manifests for submission to the Aircraft Operation Division (AOD).

4.2.8 The BOC-AOD shall ensure that only export shipments in the manifest(s) presented by airline/shipping companies are loaded on the aircrafts/carrier ships. The BOC-AOD shall then submit all manifests to the BOC Export Division.

4.2.9 The officer of the airline company or cargo handler/arrastre shall also provide BOC Trade Control Examiners (TCE) copies of air waybills and corresponding copies of the ATLS of all loaded export shipments of economic zone export-producers for the records of the BOC Export Division and conduct of the required Export Release. For this purpose, the TCE shall ensure that all EDs/ATLS received shall be submitted to the BOC Export Division.

4.2.10 The BOC-Export Division shall conduct post-loading documentary checks against ACOS of all export shipments loaded in aircrafts/ships per reports submitted by inspectors and the BOC-TCE.

4.2.11 Export Release of export shipments shall be undertaken with the assistance of the designated PEZA officer/personnel at the computer workstation of the central office of the Export Division at the airport/seaport of loading, based on the documents submitted by the airline company or cargo handler/arrastre, as provided in Section 4.2.3.

4.2.12 On the other hand, undocumented export shipments shall be identified and verified by comparing export shipments contained in Manifests gathered by the AOD with ATLS/EDs gathered by the TCE from the airline company/cargo handler/arrastre.

4.2.13 The list of export shipments issued EDs for the day and which have been allowed to be withdrawn from economic zones but which have not been export-released shall be generated from ACOS to identify export shipments that may potentially be diverted to the Customs territory.

- 4.2.14 Export shipments which have been received by the airline companies or cargo handler/arrastre may be verified from the AEDS Database based on ATLS/EDs the Barcodes of which have been scanned by the airline companies/cargo handler/arrastre. Based on data on shipments which have been export released, the list of export shipments received but which have not yet been loaded in aircrafts and ships and, therefore, may potentially be diverted into the domestic market, shall also be drawn up.
- 4.2.15 Reports on the discrepancies discovered after performing task/verifications described in Sections 4.2.12 shall be prepared and submitted to the Head of the Export Division in order that the necessary investigation and corrective action can be undertaken.
- 4.2.16 In view of safeguards which are intended to ensure that export shipments released from the economic zone are directly and faithfully delivered to the ports of loading and exported, and considering the experience in the implementation of the AEDS under BOC-PEZA JMO No. 02-2002, PEZA underguarding shall not be required for export shipments of economic zone locators under the AEDS during transfer from the economic zone to the ports of loading.

5.0 Administrative Provisions

- 5.1 The BOC Exports Division at the airports/seaports of loading shall be provided with AEDS workstations which are required for the verification of the status of all export shipments issued ATLS/EDS which have been allowed to be withdrawn from economic zones, (i.e., those which have been received by airline companies or cargo handlers/arrastre and those which have been loaded on carrier aircrafts/ships) in order to facilitate the determination of export shipments which may have been diverted or which may potentially be diverted to the customs territory.

- 5.2 BOC and PEZA, in coordination with economic zone locators, shall

ensure that authorized officials/personnel are available during regular office hours and, when required, outside office hours, to ensure continuity of the export process. PEZA must coordinate with economic zone export-producers to identify time periods outside office hours during which PEZA and BOC officials should be made available to ensure timely documentation and releasing of export shipments. Airline officials, on the other hand, shall coordinate with BOC officials to ensure that BOC personnel will be available, when needed, also to facilitate documentation and releasing of export shipments.

6.0 Superseding Clause

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

7.0 Effectivity

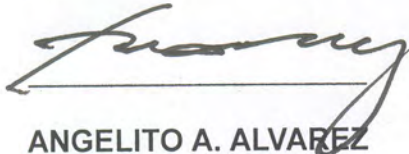
This Order shall take effect immediately.

BUREAU OF CUSTOMS

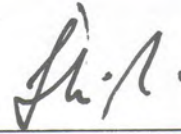
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AUTHORITY

By:

By:

 12/27/10

ANGELITO A. ALVAREZ
Commissioner



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