



Republic of the Philippines
Department of Finance
Bureau of Customs
1099 Manila

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CUSTOMS MEMORANDUM ORDER
NO. F-2011

To: BOC Deputy Collectors for Operations at Ports of Loading
Ninoy Aquino International Airport
Diosdado Macapagal International Airport
Mactan-Cebu International Airport
Port of Manila
Manila International Container Port
Port of Subic
Cebu International Port
Chiefs of Divisions and Offices
PEZA Export Processing Officers
Economic Zone Export-Producers
Freight Forwarders and Customs Brokers
All Others Concerned

Subject: Guidelines and Procedures Implementing BOC-PEZA Joint Memorandum Order No. 04- 2010 on the Automated Export Documentation System (AEDS) for Export Shipments of Economic Zone Export-Producers Loaded at the Ninoy Aquino International Airport (NAIA), Diosdado Macapagal International Airport (DMIA), Mactan-Cebu International Airport (MCIA), Port of Manila (POM), Manila International Container Port (MICP), Port of Subic (POS), and Cebu International Port (CIP)

By authority of Section 608 of the Tariff and Customs Code of 1973 (P.D. No. 1464), as amended, and to supplement BOC-PEZA Joint Memorandum Order (JMO) No. 04-2010 for the proper and effective implementation thereof, the following guidelines and procedures are hereby prescribed for the implementation of the AEDS for export shipments of economic zone export-producers loaded at the NAIA, DMIA, MCIA, POM, MICP, POS and CIP for the information and guidance of all concerned.

1.0 Scope

This Order shall govern export shipments of economic zone export-producers loaded at the Ninoy Aquino International Airport, Diosdado Macapagal International Airport, Mactan-Cebu International Airport, Port of Manila, Manila International Container Port, Port of Subic and Cebu International Port (NAIA, DMIA, MCIA, POM, MICP, POS and CIP), except those with export clearance requirements.

Export shipments of economic zone export-producers, which have export clearance requirements, even if they are loaded at the NAIA/ DMIA/ MCIA/ POM/ MICP/ POS/ CIP, shall continue to be processed following standard requirements and procedures.

2.0 Operating Provisions

2.1 Designated BOC Officer in the Economic Zone for Selective Inspection of Export Shipments

- 2.1.1. Using the AEDS computer workstation, the designated BOC Officer shall review Export Declarations (ED) filed and identify, within 30 minutes from the time of printing of the Authority to Load (ATL), export shipments to be selected for physical inspection, as provided in the BOC-PEZA JMO No. 04-2010.
- 2.1.2. Immediately notify, by telephone or fax, the PEZA officer in charge of export processing and the concerned economic zone export-producer, of the decision to conduct inspection of a selected import shipment. The economic zone export-producer shall then prepare the export shipment for inspection in an appropriate place and under conditions necessary to ensure that the export goods will not be damaged in the course of inspection.
- 2.1.3. Immediately proceed to the premises of the economic zone export-producer and conduct physical inspection of the export shipment selected, accompanied by a PEZA officer in charge of export processing, as may be decided by PEZA.
- 2.1.4. Where goods contained in the selected export shipment conform to information in the ATL, sign the ATL and immediately allow the economic zone export-producer or its authorized representative to take the inspected export shipment out of its premises, present the ATL to the economic zone Gate Guard for (1) verification on whether 30 minutes has lapsed from the time the ATL was printed, or the export shipment has been cleared for transfer to the port of loading, even before the 30 minute period allocated for the BOC and/or PEZA to exercise the option to conduct selective physical inspection of the shipment, as evidenced by the ATL having been signed by the designated BOC official in the economic zone, (2) scanning of the Barcode in the ATL and (3) releasing the shipment for transport to the NAIA/DMIA/MCIA/POM/ MICP/POS/CIP for loading.
- 2.1.5. Prepare and submit to the Head of the BOC Group and the PEZA Manager a report on the results of the physical inspection conducted on the selected export shipment.

- 2.1.6. Within the 30-minute allowance provided for the BOC and PEZA to exercise the option to conduct selective inspection of export shipments or upon the request of an economic zone export-producer, inspect an export shipment which needs to be taken out of the economic zone for immediate transfer to the port of loading. Where the goods contained in the export shipment volunteered for inspection conform with information in the ATL, the BOC officer shall sign the ATL and immediately allow the economic zone export-producer to take the inspected export shipment to the economic zone Gate Guard for scanning of the Barcode in the ATL and to transport the export shipment to the port of loading.
- 2.1.7. The BOC official may decide to forego inspection of an export shipment volunteered for inspection within the 30-minute allowance for the conduct of selective inspection of export shipments, sign the covering ATL and immediately allow the economic zone export-producer to take the volunteered export shipment to the economic zone Gate for scanning of the Barcode in the ATL and for releasing of the export shipment for transport the port of loading.
- 2.1.8. After the 30-minute allowance provided for the BOC and PEZA to exercise the option to conduct selective inspection of export shipments, allow an economic zone export-producer or its authorized representative to bring an export shipment out of its premises to the economic zone gate, present the ATL to the gate Guard for scanning of the Barcode in the ATL and for releasing of the export shipment for transport the port of loading.

2.2 Economic Zone Gate Guard

- 2.2.1. Examine the hard copy of the ED/ATL presented and verify if 30 minutes have already passed since printing of the ATL. If so, scan the Barcode of the ATL to document in the AEDS Database the time the export shipment covered by the ATL was released from the economic zone for transport to the port of loading.
- 2.2.2. Automatically allow an economic zone export-producer or its authorized representative to take an export shipment, covered by an ATL presented more than 30 minutes after printing of the ATL, out of the economic zone Gate for transport to the port of loading.
- 2.2.3. Within the 30-minute allowance, from printing of ATL, provided for the BOC and PEZA to exercise the option to conduct selective inspection of export shipments, allow

an export shipment to be taken out of the economic zone gate for transport to the port of loading, provided that the ATL has been signed by the designated BOC officer indicating that the export shipment was volunteered by the economic zone export-producer for inspection and that (a) it has been inspected and that the goods contained have been found to conform with the information in the ATL; or (b) has been cleared, even without inspection, to be taken out of the economic zone for transport to the port of loading.

- 2.2.4. Hold export shipments, which are covered by ATLs presented within the 30 minute period allowed for the BOC and/or PEZA to exercise the option to conduct selective inspection, and which have not been signed by the designated BOC officer in charge of selective inspection of export shipments to be taken out of the economic zone gate, and immediately report such export shipments to the BOC and PEZA officers responsible for processing of export shipments, for appropriate action.

2.3 Airline/Shipping Company

- 2.3.1. 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 workstation.
- 2.3.2. 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.
- 2.3.3. For shipments already received by the airline company or cargo handler/arrastre, ALPs shall prepare or "cut" the house air waybills based on data of actual weighing done by airline company/cargo handler/arrastre officers.
- 2.3.4. 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.) work of ALPs indicated in Section 2.3.3 and airlines indicated in Section 2.3.2 may be performed by a single entity.
- 2.3.5. After the required documents have been processed by authorized representatives of economic zone export-producers, airline company or cargo handler/arrastre officers shall receive and gather copies of the air waybills and consolidated manifests for submission to the Aircraft Operation Division (AOD).
- 2.3.6. 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.

2.4 **BOC – Trade Control Examiners**

- 2.4.1. 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 proactive in identifying questionable shipments instead of requiring that they be informed by airline personnel every time there is a shipment.
- 2.4.2. In view of the customs processing already done at the economic zone, BOC-TCE must undertake selective interventions only as described in Section 4.5.1 of the JMO. Unless there is an indication of fraud, BOC-TCE shall leave the receiving and preparation for loading of export shipments to airline personnel.
- 2.4.3. For export shipments already cleared by the airline/shipping company as already loaded, BOC-TCE, with the assistance of the designated PEZA officer/personnel, shall update record in ACOS by doing Export Releases at the workstation of the Export Division based on the documents submitted by the airline company or cargo handler/arrastre.
- 2.4.4. BOC-TCE shall then hand over all EDs/ATLS received and processed to the BOC Export Division.

2.5 BOC – AOD

- 2.5.1. 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.

2.6 BOC Export Division

- 2.6.1. 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.
- 2.6.2. Authenticity of EDs/ATLs gathered and submitted to the BOC Export Division by TCEs shall be verified by scanning the Barcodes in the EDs/ATLs and comparing the particulars thereon with those that will appear on the computer screen.
- 2.6.3. Scanning of the ATL Barcodes at the Export Division will also serve to tag the ATLs "USED" and the corresponding export shipment as having been loaded by the airline/shipping company in the carrier aircraft/ship, thus facilitating determination of export shipments released from the economic zone which have not actually been exported.
 - 2.6.3.1. On the other hand, undocumented export shipments shall be identified and verified by comparing export shipments contained in Manifests gathered by the AOD with the authentic EDs gathered by TCE from the airline company or cargo handler/arrastre.
 - 2.6.3.2. The list of export shipments issued EDs/ATLs 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.
- 2.6.4. The list of export shipments which have been received by the airline companies or cargo handler/arrastre, which 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, but which have not yet been loaded in aircrafts and ships based on data on shipments which

have been export released, and, therefore, may potentially be diverted into the domestic market, shall also be drawn up.

- 2.6.5. Reports on the discrepancies discovered after performing task/verifications described in Sections 2.6.3 and 2.6.4 shall be prepared and submitted to the Head of the Export Division in order that the necessary investigation and corrective action can be undertaken.

2.7 **AEDS Safeguard Measures for Ensuring Actual Exportation of Shipments Taken Out of Economic Zone**

- 2.7.1. The economic zone export-producer or its authorized representative shall be responsible for ensuring that the Barcode in the ATL covering the export shipment is scanned by the receiving officer of the Airline Company or Cargo Handler/Arrastre at the Port of Loading.
- 2.7.2. BOC Trade Control Examiners (TCE) personnel detailed at the bonded receiving and loading warehouse of the carrier airline or shipping company shall undertake Export Releases of export shipments already loaded into the carrier airplane or ship at the computer workstation of the BOC Export Division, with the assistance of the designated PEZA officer/personnel, based on documents submitted by carrier airline company cargo handler/arrastre.
- 2.7.3. The BOC at the economic zone shall be provided access to the Export Releases database of the BOC Export Division at the ports of loading to allow verification/audit of actual exportation of export shipments economic zone export-producers or their authorized representatives have been allowed to take out of the economic zone for transport to the ports of loading.
- 2.7.4. 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.

2.8 Administrative Provisions

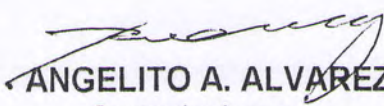
- 2.8.1 The BOC Export Division at the airports/seaports of loading shall be provided with AEDS workstations which are required for the verification of the status of all export shipments issued ATLS/EDS allowed to be withdrawn from economic zones, (i.e., those which have been received by airline companies 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.
- 2.8.2 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.

3.0 Superseding Clause

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

4.0 Effectivity

This Order shall take effect immediately.


ANGELITO A. ALVAREZ
Commissioner
Bureau of Customs

2/4/11

