

**[BOC CUSTOMS MEMORANDUM ORDER NO. 4-
2011, January 28, 2011]**

**PHYSICAL INVENTORY AND AUDIT OF ALL EXISTING
ACCREDITED INDUSTRY-SPECIFIC CUSTOMS BONDED
WAREHOUSES**

To ensure that Customs Bonded Warehouses (ICBW) are not being utilized as conduits for the lawful duties and taxes due the government and to prevent smuggling thru the warehousing scheme, the Special Assistant for Warehousing and Operations, Office of the Commissioner is hereby directed to form an Audit Team tasked to conduct physical inventory and audit of all existing ICBWs.

The Audit Team shall be vested with the authority to require the CBW Operators the production of the necessary documents such as, but not limited to, export-documents(e.g. CI, CIL, Boatnote, BL, ED for direct exports and or Approved Authority to Sell/Transfer, CI, Boat Notes and Constructive Warehousing Entry Filed by the buyer for indirect exports), ITDI Formula of Manufacture Company Profile and other pertinent documents corollary to the audit process, including export documents covering sale and transfer of the imported raw materials to another CBW and its clientele/end-user and/ or PEZA-registered enterprises. Failure of the ICBW Operators to produce any of the documents requested shall be deemed as if no such documents exist.

The appropriate Warehouse Operating Divisions are hereby directed to make available the Account Officer's Record of Importation, exportation and other pertaining documents attached thereon while the Bonds Division shall provide the Audit Team a certified list of open entries of the ICBW under audit.

The Audit Team shall submit a comprehensive and detailed report including their recommendation within thirty (30) days from the date of issuance of Mission Order. Should the findings be adverse to the ICBW, the recommendation should include, but not be limited to, any or all of the following-issuance of demand letter, suspension of warehousing privileges, placing of the ICBW's future importations under Section 1508 of the TCCP, revocation of its license/permit, prosecution for criminal liability of persons who are party to the violations of the TCCP, as amended etc.

For strict compliance.

This Order shall take effect immediately and shall last until revoked.

Adopted: 28 January 2011