

**[ BOC CUSTOMS MEMORANDUM ORDER NO. 27-2009, July 24, 2009 ]**

**PROCEDURES FOR THE IMPLEMENTATION OF E2M CUSTOMS SYSTEM-PHASE 3: IMPORT ASSESSMENT SYSTEM (IAS) IN ALL CUSTOMS PORTS NATIONWIDE**

**1. Objectives**

1.1 To implement the Electronic to Mobile (e2m) Customs System - Phase 3: IAS in all Customs Ports nationwide

1.2 To provide detailed instructions to declarants, brokers, importers, warehouse operators, shipping lines, forwarders, transit storage facilities, authorized agent banks (AABs), accredited Value-Added Service Providers (VASPs), government agencies issuing licenses and clearances, the concerned Department of Finance (DOF) offices issuing Tax Exemptions and Tax Debit Memos and personnel of the Bureau of Customs (BOC) on the customs clearance processes to be observed under IAS of e2m Customs System

1.3 To effect smooth transition from the current procedures under the Automated Customs Operation System (ACOS) to the intended customs procedures under the e2m Customs System

2. **Scope** - The following components of e2m Customs System shall be implemented:

2.1 Client Profile Registration System (CPRS)

2.2 Electronic Manifest System (EMS), a separate CMO shall be issued

2.3 Formal Entry System (FES)

2.4 Warehousing Entry System (WES)

2.5 Payment Abstract Secure System version 5.0 ( PASS5)

2.6 Other Settlement Modes (OSM) consisting of Tax Exemptions, Import Entry Declaration (IED) for Advance Duties, Tax Debit Memos (TDM), Deferred Payment of Government Account (DPGA)

2.7 On-Line Release Systems (OLRS)

2.8 License and Clearance System (LCS) for government agencies that are already connected to the National Single Window (NSW)

**3. General Provisions**

3.1 Lodgment of Import Declarations under the e2m Customs System

3.1.1 Only Customs brokers and importers registered with CPRS pursuant to CMO 39-2008 shall be allowed to submit import declarations in e2m Customs system.

3.1.2 e2m Customs import declarations must be electronically lodged through the accredited VASP

3.1.3 For the proper accomplishment of the import declaration, shown in Item 4.1 are the new information or data required under e2m Customs System.

### 3.2 Licenses, Clearances and Permits

3.2.1 The Central Valuation Classification Review & Ruling Committee (CVCRRRC) created under CMO No. 7-2006 shall identify the Asean Harmonized Tariff Nomenclature (AHTN) Codes that will require a license or permit, in consultation with the concerned other Government Agencies (OGAs). The CVCRRRC shall review the e2m Customs Required License Reference Table (LRT) and endorse the list of additional commodity codes requiring a license or permit to be uploaded by the Management Information System and Technology Group (MISTG).

3.2.2 In the e2m Customs System, the Importers/Customs Brokers are required to secure licenses or permits for the covered commodities before the electronic lodgment of import declarations; otherwise the system will reject the lodgment of the import declaration.

3.2.3 In the case of ATRIG, where the commodity code for which the ATRIG is to be issued is not in the e2m Customs LRT, an appropriate communication from the concerned BIR office and duly endorsed by the Office of the Commissioner shall be sufficient for MISTG to provisionally upload the recommended AHTN code into the LRT, for later review by the CVCRRRC in consultation with the said agency.

3.2.4 Separate Customs regulations may be issued to cover the particular procedure to be followed by the importer in acquiring the electronic license or permit in each of the e2m Customs-ready issuing agency.

3.2.5 License and clearance issued by government agencies that are not yet connected to the NSW or not yet e2m Customs-ready.

3.2.5.1 All licenses and clearances shall be processed in the current procedure of tagging the import declaration into the SELECTED channel to enable the verification of the license or clearance by the BOC examiner.

3.2.5.2 The importer or his authorized broker and OGA shall use the AHTN Code listed in LRT.

## 4. Operational Provisions

### 4.1 New information or data in the e2m Customs SAD

GENERAL SEGMENT

28 Bank Code "998"

- |    |               |  |
|----|---------------|--|
| 28 | Branch        | "NA" - if head office  |
| 28 | Bank Ref. No. | The AAB Reference Number that was assigned to the debit account by the importer's bank of choice shall be indicated in this field. The Bank Reference Number consists of 17 characters with the format of NNNNNNNNN-NNNNNNN where N stands for a numeric digit.<br><br>Previously, this field contained the Document Serial Number of the BOC-issued IEIRD form. |

ITEM SEGMENT

- |    |                              |   |
|----|------------------------------|---|
| 37 | PROCEDURE<br>Additional Code | Government importations availing of the Deferred Payment scheme shall indicate the code "DPG" in the Additional Code portion of this box. |
|----|------------------------------|---|

- |                              |   |
|------------------------------|---|
| PROCEDURE<br>Additional code | Additional Codes as attached "Annex A"[*] |
|------------------------------|---|

ATTACHED DOCUMENT TAB (per item)

- |                    |   |
|--------------------|---|
| License Code       | Refers to the AHTN Code of the commodity that requires a license/permit.  |
| BOC License Number | Refers to the License Number generated by e2m Customs system when the license/permit was submitted by the issuing government agency to the e2m Customs License Clearance System.<br><br>The BOC License Number shall be given to the importer by the license-issuing agency.<br>Important : The BOC License Number is different from the Issuing Agency |

GENERAL SEGMENT

- |               |   |
|---------------|---|
| Date of Issue | Reference Number<br>Refers to the date of issuance of license/permit by the Issuing Agency. |
|---------------|---|

CONTAINERS LIST

- |    |                      |  |
|----|----------------------|--|
| 31 | Container Reference  | Refers to the container number(s) covered by the shipment. Container numbers stated in the declaration are checked against the corresponding Bill of Lading. |
| 31 | Description of Goods |  |

TERMS OF PAYMENT SEGMENT

- |      |   |
|------|---|
| Code | Refers to the Codes used for Non-Cash Instruments:<br>56 for a Tax Exemption Certificate<br>57 for an IED (Advance Duty Payment)<br>58 for a Tax Debit Memo |
|------|---|

Account No. Refers to the Reference Number for:

- the TEC
- the IED
- the TDM

#### 4.2 Entry Processing Unit (EPU) and Submission of Documents

4.2.1 For Yellow and Red Lane Shipments - The Importer/Customs Broker shall submit all copies of the IEIRD together with the required supporting documents to EPU on the date of electronic lodgment with e2m Customs System. If lodgment was accepted by the System on a date/time beyond BOC regular office hours, the IEIRD and supporting documents shall be submitted before noon of the next BOC regular working day. The Importer/Customs Broker shall indicate the computer-generated Customs Reference Number on the "Entry No." field found on the upper right side portion of Box No. 4 of the IEIRD thereof. The EPU shall stamp "Received" on the original working copy of the IEIRD, indicating the date and time of receipt, and then sign the same as evidence of receipt. The EPU shall validate the Customs Reference Number indicated in the IEIRD against the e2m Customs System. EPU shall then forward the submitted IEIRD and its supporting documents to the Division/Section concerned following the prescribed procedures.

4.2.2 For Super Green Lane Shipment, the Importer/Customs broker shall submit a copy of the SAD printed from the VASP system ( VASP-SAD) with all the required documents to the EPU on Tuesday or the second working day of the succeeding week. The EPU shall stamp "Received" on the copy of the VASP-SAD, indicating the date and time of receipt, and then sign the same as evidence of receipt. The EPU shall validate the Customs Reference Number indicated in the VASP-SAD against the e2m Customs System. EPU shall then forward the submitted VASP-SAD and its supporting documents to the Formal Entry Sections concerned or its equivalent units following the prescribed procedures.

4.2.3 For Green Lane shipments, the Importer/Customs Broker shall submit all copies of the IEIRD together with the required supporting documents to EPU on the date of electronic lodgment. If lodgment was accepted by the System on a date or time beyond BOC regular office hours, the IEIRD and supporting documents shall be submitted before noon of the next BOC regular working day. The Importer/Customs Broker shall indicate the computer-generated Customs Reference Number on the "Entry No." field found on the upper right side portion of Box No. 4 of the IEIRD thereof. The EPU shall stamp "Received" on the original working copy of the IEIRD, indicating the date and time of receipt, and then sign the same as evidence of receipt. The EPU shall validate the Customs Reference Number indicated in the IEIRD against the e2m Customs System. EPU shall then forward the submitted IEIRD and its supporting documents to the Formal Entry Sections concerned or equivalent units following the prescribed procedures.

4.3 Assessment - Assessment shall follow the existing procedures for amendment (Register), Re-route and Assess.

4.4 Payment -

4.4.1 To ensure that an e2m Customs declaration is accepted and assessed successfully, all OSM payments claimed in the declaration should be existing in the e2m Customs database before the declaration making the reference is lodged. This is the responsibility of the importer and his designated broker.

4.4.2 Payment for duties, taxes and other charges must comply with CAO 10-2008 and CMO 6-2009.

4.4.3 Utilization of a Tax Exemption Certificate shall follow the procedure below.

4.4.4 Utilization of a Tax Credit Certificate through a Tax Debit Memo (TDM) for payment shall follow the procedure below.

4.4.5 Utilization of TDM previously used for payment and with remaining balance shall follow the procedure below.

4.4.6 In case of opening of letter of credit with AAB, advance payment of duties shall be submitted to e2m Customs through the accredited VASPs through the filing of IED in the form of a SAD.

4.4.6.1 The net duty payable must be paid within the IED validity period which is seven (7) days reckoned from the date the payment instruction is generated by the system.

4.4.6.2 New IEDs intended to pay for shipments arriving at the implementation Port shall be lodged with e2m Customs on or after the Date of Implementation (DOI).

4.4.6.3 IEDs with existing balances shall be treated as described below.

4.4.7 Processing of Deferred Payment for Government Agencies shall follow the provisions for government importations provided below.

4.4.5 Post-Entry Modification shall follow the current procedure until a revised procedure is implemented.

#### 4.6 Utilization of Tax Exemption Certificate (TEC)

##### 4.6.1 TEC to be issued on or after DOI

4.6.1.1 Importers with shipments arriving at the implementation Port on or after DOI and intending to use a TEC to effect the release of the shipments shall apply for the exemption at any of the following DOF Revenue Department offices: Mabuhay Lane, Internal Revenue Division and the Customs and Tariff Division.

4.6.1.2 The BIR, in the course of issuing an ATRIG, also prescribes exemption from excise tax or Value-Added Tax (VAT). The BIR shall encode the exemption details of the ATRIG into e2m Customs TEC, in addition to encoding the details of the ATRIG in the e2m Customs LCS.

4.6.1.3 Aside from the currently required supporting documents (Bill of Lading, Invoice, etc.), importer shall also present to the DOF or BIR, as