

**[ BOC CUSTOMS MEMORANDUM ORDER NO. 34-2009, August 11, 2009 ]**

**RULES AND REGULATIONS STRENGTHENING THE FUNCTIONS OF WAREHOUSE COORDINATION DIVISION (WCD) UNDER THE OFFICE OF THE ASSESSMENT OPERATIONS COORDINATION GROUP (AOCG)**

**I. OBJECTIVES**

- a. To ensure that the rules and regulations on customs bonded warehouse are properly implemented thru effective coordination, evaluation, supervision and monitoring of relevant policies and guidelines as provided in Executive Order No. 127 and enhanced in Customs Administrative Order No. 1-2009 entitled "Revised Rules and Regulations for the Establishment, Operation, Supervision and Control of Customs Bonded Warehouses;
- b. To have a central office/unit responsible for coordination, evaluation, supervision and monitoring and warehousing activities/operations, including the liquidation of bonded raw materials and subsequent bonds cancellation;
- c. To have an organic unit or central office implementing a duly formulated effective internal control system to monitor and deter possible violations of rules and regulations on warehousing, such as setting a comprehensive database related to warehousing activities/operations;
- d. To protect the interest of the government against abuses of warehousing privilege by developing the Compliance Rate System (CRS), subject to the review by the Department of Finance and, establishing the Wastage Valuation Data Base (WVDB), which shall be utilized by the BOC in assessing the duties and taxes due on allowable residue/wastage/ by-products or other portion of the imported article/s which can no longer be used for the manufacture of article to be exported.
- e. To efficiently recommend to the Commissioner of Customs thru the Deputy Commissioner, AOCG, appropriate sanctions against CBW Operator found to be non compliant with existing customs rules and regulations;
- f. To have a real time data on warehousing activities/operations for reportorial purposes to the Commissioner of Customs and as may be required by other government agencies; and
- g. To perform other appropriate functions consistent with the assigned tasks of the AOCG that may be given by the Commissioner.

**II. SCOPE**

This Order covers all matters relating to the monitoring, supervision, coordination and evaluation of warehousing activities and its support operations, to include the

liquidation of bonded raw materials, by strengthening the functions of Warehouse Coordination Division, Import Assessment Service, AOCG, pursuant to Executive Order No. 127 and further enhanced under Customs Administrative Order No. 1-2009 dated 12 March 2009.

### **III. ADMINISTRATIVE PROVISIONS**

1. The Warehouse Coordination Division (WCD), is hereby directed to establish and maintain a comprehensive database of information related to warehousing activities and its support operations.

To this end, the Warehousing Documents and Records Division (WDRD) of the Port of Manila or its equivalent unit in all Ports are directed to furnish the WCD certified true copies of the 201 files of all customs bonded warehouse operators, including their respective extension warehouse, if any, sub-contractors, members, and/or client/end-users and such other relevant information as may be required.

2. In the same manner, in order to effectively monitor, supervise, coordinate and evaluate the warehousing activities, including the liquidation of bonded raw materials in all Ports, the Warehouse Operating Divisions or its equivalent unit in all Ports are directed to furnish the WCD, certified true copies of reports relating to warehousing activities/ support operations of customs bonded warehouse under their respective jurisdiction which shall include, among others, the Approved List of Importable Raw Materials, Latest ITDI Formula of Manufacture, Description of Finished Product in the Export Declaration, Summary of Monthly Reports of Filed and Processed Warehousing Entries and/or Transfer Notes, if any, Percentage of Sale to the Domestic Market, Quota Allocation for Regulated Commodities (e.g. sugar, resin), GTIS Accreditation for Garments, Service Agreement with Subcontractor together with the List of Raw Materials/Semi-Finished Articles to be Subcontracted, Statement of Full/Partial Liquidation submitted by CBW Operator, Description of Waste Materials/Rejects/By-Products, Withdrawal Permit filed covering the wastages/by-products and Duties and Taxes paid on wastages/rejects/by-products, if any;

3. Further, the WCD, shall be given free access to presently maintained and/or hereinafter to be established Automated Raw Material Inventory Management System (ARMIMS), Automated Bonds Management System (ABMS), Raw Material Liquidation System, and/ or counterpart systems. In the meantime, the Liquidation and Billing Division and Bonds Division or their counterparts in all Ports shall provide the same access to WCD to carry out the set forth objectives;

4. The WCD shall submit to the Commissioner of Customs thru the Deputy Commissioner, AOCG, a Monthly Comprehensive Report relative to the warehousing activities/operations of customs bonded warehouse operator, including its sub-contractor/s, member/s and/ or client/end-user/s, if any, applying for the accreditation of its member/s and/or client/ end-user/s, if any, or for the renewal of its license to operate.

5. The said Comprehensive Report shall include among others, WCDs' assessment and recommendation on the degree of compliance of concerned CBW including its sub-contractor/s, member/s and/or client/end-user/s, if any, with relevant laws, customs rules and regulations pertinent to warehousing;