

[BOC MEMORANDUM ORDER NO. 5-98, March 16, 1998]

**RULES AND REGULATIONS IMPLEMENTING JOINT ORDER 1-91
AS AMENDED**

1. Attached marked Annex "A" is the list of commodities making up paragraphs 3b (goods requiring laboratory or complex test procedures) and 3e (other shipments ascertained to be high risk) and are therefore subject to pre-shipment inspection (PSI).

2. As for paragraphs 3c and 3d, the presence of the key words "waste", "seconds", "stocklots", "off-grade", "off-specs", "used", "surplus" and other terms connoting non-prime shall be the basis of determining whether or not PSI is required.

3. Attached marked Annex "B^[*]" is the flowchart for the submission, reception and processing of the Import Advice Notice (IAN) application. The features of this, work process are the following:

3.1 In D1 of Annex "B" and as with the previous Comprehensive Import Supervision Scheme or CISS, the importer or his representative must first determine whether or not the commodity to be imported is covered by the SPACS (Selective Pre-shipment Inspection Advance Clearance System, the new CISS) and therefore, CRF is required. Para 5 of the Amended Joint Order 1-91 enumerates the shipments not covered by SPACS. The two new ones are:

a) all those entered under warehousing into Customs Manufacturing Bonded Warehouse (CBMWs)

b) all duty and tax shipments

If the shipment is altogether exempt from SPACS, the process ends there.

3.2 If the shipment is covered by SPACS, the importer shall proceed depending on the mode of financing of the shipment:

3.2.1 In D2 if the mode of financing the import is NON-LC, the IAN application shall be submitted to an SGS office for processing.

3.2.2 If the mode of payment is thru Letters of Credit, the importer has the choice (D3) of determining himself whether or not his shipment requires PSI or as in 3.2.1, leaving the matter to SGS by forwarding the IAN application to said office.

3.2.3 If the importer makes the decision himself in D3 he submits his