

**[ BOC MEMORANDUM ORDER NO. 22-95, August 21, 1995 ]**

**GUIDELINES IN THE PROCESSING OF SHIPMENTS TO BE ENTERED INTO THE CUSTOMS TERRITORY FROM THE SPECIAL ECONOMIC ZONES**

**I.**

**Objectives**

1. To ensure collection of correct duties and taxes;
2. To prevent circumvention of government/customs laws, rules and regulations on shipments entered thru the Special Economic Zones (SEZ) but intended for local sales/consumption in the customs territory;
3. To obtain statistical data on the nature/quantity of goods entered into customs territory and the frequency of these transactions.

**II.**

**Coverage**

This Order shall apply to all importations initially entered in the SEZ but subsequently entered for consumption in the customs territory.

**III.**

**General Provisions**

**A. Alternative to Pre-Shipment Inspection**

Since importations into the SEZ are exempt from pre-shipment inspection under the Comprehensive Inspection Supervision Scheme (CISS), an alternative procedure in obtaining current values must be set in place, the features of which are as follows:

1. The SEZ Authority shall furnish the Collector of Customs a copy of duly approved Import Permits (IP) within forty-eight hours from approval together with a Pro-Forma invoice containing the following information:

- a. Supplier
- b. Country of Exportation
- c. Description of articles conformably with CMO No. 46-94
- d. Quantity
- e. Prices (FOB)

as well as copies of Price Catalogue, and/or publication whenever available.

2. The IP must state the intended use of the imported items by checking any of the following categories:

- a. Raw materials (whether finished or semi-finished) for manufacturing;
- b. For company use/consumption;
- c. For trading within or outside of the SEZ

3. IP for items for trading as well as those in the belief of the Collector will be pulled-out together with all the supporting documents mentioned in III.A.1 shall be sent to the Valuation Center and Library (VCL) by the Collector. VCL shall undertake to determine whether or not current values are available in VALSEE for the articles subject of the IP and inform the Collector of Customs of the values if available by fastest means. If there are no values or the values are no longer current, VCL shall obtain such values following existing procedures and update VALSEE accordingly as well as provide feedback to the Collector of Customs as soon as possible.

#### B. Use of Consumption Entry (BOC Form No. 236) as Pull-Out Document

Consumption entry shall be filed for all importations to be withdrawn from the zone and entered into the customs territory.

Any misdeclaration, undervaluation and other violations committed in connection therewith shall be proceeded against in accordance with the pertinent provisions of Tariff and Customs Code of the Philippines (TCCP), as amended.

C. Release of the shipment for entry into the customs territory shall comply with the following:

1. Shipment shall be examined one hundred percent (100%) by Customs in the presence of the SEZ authority's representative at the registered enterprise premises. Pictures shall be taken during the actual examination and the stuffing of articles into containers by the Customs Officer which shall form part of the records of the articles being withdrawn. (Please see Annex "A"\* hereof).

2. Containers of the articles to be withdrawn shall be sealed. The seals as attached shall be presented for inspection at the exit gate for verification as to tampering.

3. For breakbulk cargoes, spotchecking at the exit gate shall be mandatory to be undertaken by the assigned customs gate guards.

4. Payment of correct duties, taxes, and other charges based on the value information in the following priority:

- a. VCL Value Information as provided for in III.A.3.
- b. VALSEE computer file of the Port
- c. Last paragraph of Section 201 of the TCCP

5. If the item being pulled-out and entered into customs territory is a regulated item or needs prior import permit, requisite authority must be presented.

### IV.

#### Administrative Provisions

A. The registered zone enterprise concerned shall make available instant processing cameras for the use of Customs Officers in the examination of the articles for withdrawal from the zone and entry into the customs territory for local consumption.