

**[BOC Customs Memorandum Order No. 32-2015,
September 15, 2015]**

**REVISED RULES AND REGULATIONS FOR THE ESTABLISHMENT,
SUPERVISION AND CONTROL OF OFF- DOCK CONTAINER YARDS
AND/OR CONTAINER FREIGHT STATIONS (OCC) AND OTHER
OFF-DOCK CUSTOMS FACILITIES (OCF) OUTSIDE OF THE
CUSTOMS ZONES**

Adopted: 15 September 2015

Date Filed: 21 September 2015

Pursuant to Section 608 of the Tariff and Customs Code of the Philippines (TCCP), as amended, the rules and regulations governing Off-Dock Container Yards and/or Container Freight Stations (OCC) and other Off-Dock Customs Facilities (OFC) outside of the Customs Zones, are hereby promulgated:

1. Objectives

1.1 This Order is issued for the following purposes:

- To formulate guidelines that shall govern the establishment and supervision of Off-Dock Container Yards/Container Freight Stations (OCC), and Wharves, Warehouses, Examination Areas and other Off-Dock Customs Facilities (OCF) located outside of the customs zones used for the temporary handling and storage of imported goods; and
- To implement the Authorized Economic Operator (AEO) program established under the World Customs Organization (WCO) Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) and the WTO Trade Facilitation Agreement (WTO-TFA) by ensuring the integrity and security of cargo in cross-border trade from the supply source to customs clearance to final distribution at the point of destination;
- To harmonize the electronic cargo information requirements on inbound, outbound and transit shipments for use in a risk management approach to address security threats and ensure customs compliance;
- To provide the minimum supply chain security standards and best practices for AEOs through the use of advanced information technologies and the application of the standards in the operations of a company, particularly those activities relating to the documentation, handling, storage and transport of international cargo;
- To promote the utilization of these facilities for the promotion of security in the supply chain, the proper collection of duties and taxes, the prevention of the entry of drugs and other anti-social

goods, and the facilitation of the clearance process for imported goods.

2. Coverage

- 2.1 This Order shall cover all Off-Dock Container Yards/Container Freight Stations (OCC) and Wharves, Warehouses, Examination Areas and other Off-Dock Customs Facilities (OFC) located outside of the customs zones used for the temporary handling and storage of imported goods.
- 2.2 This Order shall likewise apply to all OFCs operated by consolidators and freight forwarders of consolidated cargo, including those handling "Balikbayan" Boxes.

3. General Provisions

- 3.1 An OCC or OFC duly established outside the Customs Zone shall be considered an extension of the port subject to customs supervision and control and to be treated like the container terminal inside the Customs Zone in all aspects, subject to whatever additional requirements, rules and conditions which may be imposed by the Commissioner of Customs.
- 3.2 An OCC shall exclusively handle only Less Container Load (LCL) shipments.
An OCF shall exclusively only Full Container Load (FCL) shipments. A facility shall either be an OCC or an OCF unless the same is given authority to operate both as an OCC and an OCF. An application to operate both as an OCC and OCF shall be treated as single application.
- 3.3 A Certificate of Authority (CoA) to Operate an OCC or OCF shall be valid for a period of three (3) years.
- 3.4 In addition to those prescribed in this Order, these facilities shall be subject to such requirements, rules and conditions which may be imposed by the Commissioner of Customs in the authority issued by BOC allowing the operation of such facilities and shall be made accessible to all authorized Customs Officials or representatives upon proper demand for ocular inspection.
- 3.5 Inventory and other management records of imported cargoes handled and stored by authorized operators shall be maintained and kept at all times in their places of business and shall be accessible and available online to the BOC. Such records shall also be subject to inspection by authorized customs officials or representatives and, upon proper demand, shall immediately be produced and submitted to such officials or representatives.
- 3.6 The Bureau shall maintain the number of OCCs and OFCs operating in a port to a number consistent with the business requirements of that port for such facilities as provided for under Section 1901 of the TCCP.

4. Operational Provisions

4.1 Application to Establish and Operate an OCC or OCF

- a. Documentary, Security and Other Requirements. Any person or firm desiring to establish and operate an OCC or OCF shall apply in

writing to the Collection District where the proposed OCC or OCF facilities are to be located and shall submit the following documents:

- Application Letter
- SEC Articles of Incorporation, BIR Certificate of Registration and Mayor's Permit (if not yet filed under the Client Profile Registration System – CPRS)
- Location and layout facility, including machineries, equipment and x- ray facility as applicable (including lease contract or title to the property)
- Audited Financial Statement for the last two (2) years immediately preceding the date of application
- Web-based inventory management system
- Customs facility for use of customs complement (or proposed facility)

An applicant must likewise have written and verifiable procedures on the following:

- Security procedures for service providers and vendors
 - Container security integrity and breach detection measures (e.g. container storage and seals)
 - Physical access controls (e.g. security personnel, employee ID system, searches, visitor/vendor verification)
 - Personnel security (e.g. pre-employment verification, background checks)
 - Procedural Security (e.g cargo control, shipping and receiving, container opening and release)
 - Security Training and Awareness
 - Physical Security (e.g. fences, gates, parking, building structures, locks and keys. Lighting, alarm systems and video surveillance cameras)
 - IT Security (e.g. password, accountability)
- b. The OCC or OCF management shall cause the mandatory and periodic training of a sufficient number of its personnel for handling/storage/ management of dangerous goods.
- c. Upon receipt of the above documents, the District Collector through the Deputy Collector for Operations, shall immediately direct an inspection of the proposed OCC or OCF and an evaluation on the merit of the application. The inspection report and evaluation together with the recommendation/s from the concerned customs officers shall be submitted to the District Collector within fifteen (15) working days upon receipt of the directive.
- d. Upon receipt of the evaluation and inspection report, the District Collector shall endorse the report to the Deputy Commissioner, Assessment and Operations Coordinating Group (AOCG). The Deputy Commissioner shall immediately endorse the report to the Director, Port Operations Service (POS) for review. The Director shall submit its final evaluation report within fifteen (15) working days from receipt of the report.
- e. The Deputy Commissioner, AOCG shall endorse to the Commissioner the report/recommendation for final approval of the application to
- f. operate an OCC or OCF, or both, through the issuance of a Certificate of Authority, which shall be valid for three (3) years.