

[BOC CUSTOMS ADMINISTRATIVE ORDER NO. 06-2013, December 12, 2013]

**IMPLEMENTATION OF THE MEMORANDUM OF UNDERSTANDING
AMONG THE GOVERNMENTS OF THE PARTICIPATING MEMBER
STATES OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS
ON THE SECOND PILOT PROJECT FOR THE IMPLEMENTATION OF
A REGIONAL SELF-CERTIFICATION SYSTEM**

OBJECTIVES:

1. To implement Executive Order No. 142 ("Implementing the Memorandum of Understanding (MOU) among the Governments of the Participating Member States of the Association of Southeast Asian Nations (ASEAN) on the Second Pilot Project for the Implementation of a Regional Self-Certification System");
2. To provide procedure on granting authority to the Participating Member States of the Second Pilot Project for the Implementation of a Regional Self-Certification System (hereinafter referred to as the "Second Pilot Project") to self-certify the origin of the goods to be exported;
3. To provide procedures on how the Philippine importers of goods from the Participating Member States of the Second Pilot Project can avail of the preferential tariffs under the ASEAN Trade in Good Agreement (ATIGA) using the Invoice Declaration of their exporters/suppliers; and
4. To provide guidelines for customs officers of the Preferential Rate Unit (PRU) in the Formal Entry Division (FED) or equivalent unit in the port granting ATIGA preferential tariff rates for goods coming from the Participating Member States of the Second Pilot Project using Invoice Declaration.

COVERAGE:

1. The Second Pilot Project will cover originating goods of qualified manufacturers/producers exporting to and importing from the Participating Member States.
2. For exportations to the Participating Member States, the Second Pilot Project will be limited initially to Port of Manila (POM), Manila International Container Port (MICP) and Ninoy Aquino International Airport (NAIA), without prejudice to the extension of this Pilot Project to all other ports within six (6) months of its effective implementation, taking into account, but in no way limited to, the rate utilization, the identification of the project and resolution of operational issues that may arise during the period, and the issues and concerns raised by exporters.
3. For importations from Participating Member States, the Second Pilot Project will be implemented in all ports.

DEFINITION OF TERMS:

1. **ATIGA** refers to the ASEAN Trade in Goods Agreement signed on 26 February 2009 in Cha-am, Thailand among ASEAN Member States to achieve free flow of goods in ASEAN as one of the principal means to establish a single market and production base for the deeper economic integration of the region towards the realization of the ASEAN Economic Community (AEC) by 2015;
2. **Authorization** is a privilege granted by the Bureau of Customs (BOC) to Certified Exporters;
3. **Certificate of Origin (Form D)** refers to the document issued by a competent authority certifying that a particular product conforms to the origin requirements under the ATIGA;
4. **Certified Exporter** means a producer/manufacturer duly authorized by the BOC to make out an Invoice Declaration on the origin of a good exported;
5. **Export Coordination Division** or **ECD** is the office under the BOC's Port Operations Service which is mandated to, among others, coordinate and monitor export activities in all Collection Districts, provide technical advice on export matters, and coordinate with agencies that have dealings on matters pertaining to exports;
6. **Exporter** means a natural or juridical person located in the territory of a Participating Member State where a good is exported from by such a person;
7. **Goods** shall include materials and/or products which can be wholly obtained or produced even if they are intended for later use as materials in another production process. The term "goods" and "products" can be used interchangeably (Paragraph (e), Article 25 of the ATIGA);
8. **Importer** means a natural or juridical person located in the territory of a Participating Member State where a good is imported into by such a person;
9. **Invoice Declaration** means a declaration as to the origin of goods exported made by a Certified Exporter on a commercial invoice, in accordance with Rule 12B of the Operational Certification Procedure (OCP) **of the MOU on Second Pilot Project**;
10. **Materials** means any matter or substance used or consumed in the production of goods or physically incorporated into another good or are subject to a process in the production of another good (Paragraph (g), Article 25 of the ATIGA);
11. **Originating goods** or **materials** means products that qualify as originating in accordance with the provisions of the ATIGA ROO (Paragraph (h), Article 25 of the ATIGA);
12. **Participating Member State** refers to the ASEAN Member State that has agreed to participate in the Second Pilot Project, which shall pertain to the Philippines, Indonesia, Lao PDR and/or other ASEAN Member States who may accede to the MOU on the Second Pilot Project
13. **Producer** means a natural or juridical person who carries out activities as set out in Paragraph (j), Article 25 of the ATIGA in the territory of a Participating Member State;
14. **Production** means methods of obtaining goods, including growing, mining, harvesting, raising, breeding, extracting, gathering, collecting, capturing, fishing, trapping, hunting, manufacturing, producing, processing or assembling goods (Paragraph (j), Article 25 of the ATIGA)
15. **Preferential Rate Unit** or **PRU** refers to the unit under the FED or its equivalent units in all ports that shall evaluate the authenticity and validity of the Certificate of Origin (Form D)/Invoice Declaration submitted by importers;
16. **Rules of Origin** refer to the rules/criteria for determining the national source of a product, especially for the purpose of determining eligibility for

preferential tariff treatment pursuant to the ATIGA; and

17. **Self-Certification** is a system which enables a Certified Exporter to make out an Invoice Declaration for the export of goods and declare, by itself, that its products have satisfied the Rules of Origin (ROO) under the ATIGA by making such declaration on the commercial invoice.

GENERAL PROVISIONS:

1. The implementation of the Second Pilot Project shall be under the direct supervision and control of the BOC's Assessment & Operations Coordinating Group (AOCG). As such, the AOCG shall determine/approve the exporters who will participate in the Second Pilot Project, and grant/confirm the "Certified Exporter" status. Likewise, the AOCG, through the ECD, shall monitor the proper use of the "Certified Exporter" status, including the verification of the authenticity and validity of the Invoice Declarations made and compliance with the law, rules and regulations pertinent to exportation and ATIGA ROO.
2. For purposes of the Second Pilot Project, only manufacturers/producers who meet the criteria as stated herein shall qualify for self-certification and be granted the "Certified Exporter" status.
3. Certified Exporters shall be authorized by the BOC to make Invoice Declarations with regard to the origin of the goods to be exported, subject to the requirements and/or conditions to be imposed under this Order.
4. The authorization granted to the Certified Exporter shall be valid during the implementation of the Second Pilot Project, unless otherwise suspended or revoked.
5. The authorization granted, suspended and/or revoked by the BOC shall be communicated to the Bureau of International Trade Relations under the Department of Trade and Industry, for onward transmittal to the ASEAN Secretariat.
6. For purposes of the Second Pilot Project, the BOC shall conduct orientation seminar/s for exporters/importers in the implementation thereof.

OPERATIONAL PROVISIONS:

1. Exporters who wish to apply for a "Certified Exporter" status must pass the following criteria:
 - a. Exporter is a legitimate manufacturer/producer;
 - b. Exporter must have been exporting products to any ASEAN Member State for at least one (1) year; and
 - c. Exporter must have responsible officer/s or person/s authorized to sign the Invoice Declaration and such officer/s and person/s must have sufficient knowledge and competence in ROO application, and have undergone training on the implementation of the Second Pilot Project conducted by BOC.
2. The BOC may grant the "Certified Exporter" status, subject to the following conditions:
 - a. The exporter must grant BOC access to records and premises for purposes of monitoring the use of the authorization and verifying the correctness of declarations made. The records and accounts must allow for the identification and verification of the origin of goods for which an