

**[BOC CUSTOMS MEMORANDUM ORDER NO. 43-
2010, October 13, 2010]**

**PROCEDURES FOR THE IMPLEMENTATION OF E2M CUSTOMS
SYSTEM - PHASE 4 TRANSIT/TRANSSHIPMENT SYSTEM IN ALL
CUSTOMS PORTS NATIONWIDE**

1. OBJECTIVES

1.1 To implement the e2m Customs System – Phase 4 Transit/Transshipment Entry System in all Customs Ports nationwide.

1.2 To provide facility to monitor and control the movement of goods within the national border for shipments that use a specific point of entry but will be subsequently moved to the final domestic port of destination.

1.3 To effect smooth transition from the current manual procedures to the intended customs procedures under the e2m Customs System.

2. SCOPE

The following components of the e2m Customs System must have been implemented:

- Client Profile Registration System (CPRS)
- Electronic Manifest System (EMS)
- Import Assessment System (IAS)
- Payment Abstract Secure System v. 5.0 (PASS5)
- On-Line Release System (OLRS)
- License and Clearance System (LCS) for government agencies

This Order shall not cover all transit shipments destined for PEZA or Freeport/ Special Economic Zones.

Only Importers/Brokers accredited under the Client Profile Registration System (CPRS) can electronically lodge their declaration thru the Accredited Value Added Service Providers (VASPs).

3. OPERATIONAL PROVISIONS

3.1 Port of Discharge

3.1.1 Pre-lodgement of Declaration

3.1.1.1 Importer or his authorized representative pre-lodges the transit/transshipment entry through the VASP. The VASP in turn, converts the entry into XML message and saves this XML message to the appropriate directory in the BOC-VASP Gateway. The BOC-VASP Gateway receives and validates the XML file from the Importer/VASP.

3.1.1.2 The system automatically verifies or checks the required License, Clearance, Clearance and Permits granted by the Issuing Agency, if required.

3.1.1.3 The e2m Customs System shall calculate the full duties and taxes essential in the validation and other checks in processing transit/transshipment declarations and verifies the validity of the General Transport Surety Bond (GTSB) and its remaining balance under the Importer's Bonds Account number.

3.1.1.4 Tax Exemption Certificates (TECs) issued by the Department of Finance will not be considered in the full assessment of the duties and taxes due on the shipment during lodgement. Instead, the TEC will be utilized at the Port of Final Destination during lodging of the import entry.

3.1.1.5 The selectivity module of the e2m Customs System is triggered during the assessment process.

3.1.1.6 The amount of duties, taxes and other charges due shall be charged against the GTSB to cover the movement of the cargo from the Port of Discharge to the Port of Final Destination.

3.1.1.7 The specified Port of Destination in the declaration should match with the information in the final destination field indicated in the covering House Bill of Lading/House AirWaybill.

3.1.1.8 If the transit declaration fails to satisfy at least one of the verifications, the system automatically rejects the entry by sending an "error" message to the VASP for transmission to the originator if to the VASP the declaration fails to pass any of the verification processes.

3.1.1.9 If entry meets all validation rules, the system assigns a registration number to the said transit/transshipment declaration. At this point, the declaration is recognized by the Customs system as official and accepted.

3.1.1.10 The House Bill of Lading/House Air Waybill referred to in the declaration shall be "earmarked". No other declaration can be accepted if the House Bill of Lading/House Air Waybill has already been earmarked.

3.1.2 Office of the Deputy Collector for Operations

3.1.2.1 Importer/Declarant upon notification by the VASP shall proceed to the Customs house and present his documents such as the hard copy of the transshipment entry commercial invoice, Bill of Lading/Air Waybill, packing list, clearances, permits and all its attachments to the Office of the Deputy Collector for Operations.

3.1.2.2 The assigned personnel at the office of the Deputy Collector checks if all the necessary documents i.e. license, clearances are present or submitted, including the assessment of the required fees.

3.1.2.3 After the declaration has been assessed the system generates an Assessment Notice that contains the essential details of the declaration with the accounting information necessary for the processing of the declaration.

3.1.2.4 The e2m Customs System shall write off the House Bill of Lading and House Airway Bills after the declaration has been registered.

3.1.2.5 After the declaration has been finally assessed, payment of the required fees shall follow the procedures prescribed under PASS5.

3.1.3 Release of Cargo

3.1.3.1 The status "PAID" tagged by the Payment Application System on the SAD upon settlement of payables triggers the Online Release processing. The handling of the SAD is transferred to OLRs that facilitates the release of goods from the transit facility and tags the manifest record as "RELEASED" for cleared cargo.

3.1.3.2 The confirmation message from PASS5 together with the status "RELEASED" tagged by the OLRs on the manifest triggers the Transshipment Entry System to generate a Transshipment Manifest having a Transshipment manifest Number derived from the Transshipment Entry Declaration.

3.1.3.3 The manifest is written off by the SAD that shall be filed at the Port of Destination

3.1.3.4 A unique identification number is assigned that shall ensure that declaration/cargo will not be altered during the transit process.

3.1.3.5 The Transshipment Entry System sends notification message to the Deputy Collector of Operations at the Port of Destination via electronic