

**[ BOC CUSTOMS MEMORANDUM ORDER NO. 49-94,  
November 22, 1994 ]**

**GUIDELINES IN THE IMPLEMENTATION AND APPLICATION OF  
E.O. 145, MODIFYING THE RATES OF DUTY OF CERTAIN  
IMPORTED ARTICLES AS PROVIDED FOR UNDER THE TARIFF  
AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO  
IMPLEMENT THE PHILIPPINE SCHEDULE OF TARIFF REDUCTION  
ON ARTICLES INCLUDED IN THE ACCELERATED AND NORMAL  
PROGRAMMES OF THE COMMON EFFECTIVE PREFERENTIAL  
TARIFF (CEPT) SCHEMES FOR THE ASEAN FREE TRADE AREA  
(AFTA)**

**I.  
Objectives**

General:

1.1. To effectively implement the provision of E.O. No. 145.

Specific:

1.2. To prevent unqualified shipments from availing of the preferential rate provided for under E.O. 145.

1.3. To facilitate the evaluation process for CEPT applications by providing clear guidelines and evaluation procedures.

**II.  
Definition of Terms**

Definition of terms and codes as used in this guidelines and in the materials needed for implementation of the schemes, such as, Products and Tariff Reduction Program ASEAN (Annex "A"<sup>\*</sup>); EO 145 as per CMC 14-94; CEPT Agreement as circularized under CMC 3-93, Rules of Origin (Annex "B"<sup>\*</sup>); and the Operational Certification Procedures for the Rules of Origin of the CEPT for the AFTA (Annex "C"<sup>\*</sup>).

2.1. CEPT the Common Effective Preferential Tariff and it is an agreed effective tariff originating from ASEAN member states, and which have been identified for inclusion in the CEPT Scheme.

2.2. AFTA — Asean Free Trade Area

2.3. PTA — Preferential Trading Arrangements

2.4. Inclusion List means a list containing products that are included for extension of Tariff Preferences under the CEPT Scheme.

2.5. Exclusion List means a list containing products that are excluded from the extension of tariff preferences under CEPT Scheme.

2.6. C.O. — Certificate of Origin

2.7. Products and Tariff reduction Program ASEAN — an integrated listing of products of all ASEAN member states and the corresponding rates of duty which are included in the CEPT Scheme.

Codes used:

DGT — Digit

CC — Country Code

B — Brunei Darussalam

I — Indonesia

M — Malaysia

P — Philippines

S — Singapore

T — Thailand

### **III.**

#### **Administrative Provision**

3.1. A special unit shall be created in the Formal Entry Division in the Principal Port of entry in every collection district. This special unit shall be called Preferential Rate Unit — FED (PRU — FED). Its function shall be to evaluate in accordance with the guidelines set forth in this Customs Memorandum Order, application of ASEAN Free Trade Area (AFTA) member -countries for availment of tariff rate preferences on products exported by said AFTA member-countries to Philippines under the Common Effective Preferential Tariff (CEPT) Scheme.

3.2. The PRU — FED shall be composed of customs personnel who are at least COO III in rank. Its head, as well as the members thereof, shall be designated by the District Collector of Customs.

3.3. For greenlane qualified shipments, the application for the CEPT rate shall be lodged directly with the PRU — FED as provided for under CMO 40 — 94.

3.4. A Committee, to be called, the "Oversight Committee, AFTA CEPT" is also hereby created. It shall be composed of the following:

3.4.1. Director, IAS - Chairman

3.4.2. Deputy Collector for Assessment, POM - Vice-Chairman

3.4.3. Deputy Collector for Assessment, MICP - Member

3.4.4. Deputy Collector for Assessment, NAIA - Member

3.4.5. Head of the Secretariat - Member

3.4.6. Chief of the Export Coordination Division - Member

3.5. The Oversight Committee shall perform the following functions:

3.5.1 To see to it that the necessary mechanics for the effective implementation of the CEPT Scheme are immediately put in place.

3.5.2. To formulate plans and policies and submit the necessary recommendations to the Commissioner of Customs on how the

operations of the CEPT Scheme may be made more effective and to devise ways of preventing the possible abuse of the Tariff rate privileges accorded under it.

3.5.3. To coordinate with the private sector in the selective/random verification of the existence of businesses of certain suppliers for purposes of determining the origin of particular articles claiming for preference.

3.5.4. To computerize the implementation of the CEPT Scheme.

#### **IV. Operational Procedures**

4.1. For shipments availing of the preferential rate under the CEPT-AFTA (E.O. 145), box 37 of the import entry must be marked accordingly and the Certificate of Origin Form D must be a mandatory supporting document.

4.2. For Greenlane qualified shipments under CMO 37-94, the entry must be first presented to the PRU — FED in 3.1, which office shall be responsible for forwarding the entry to the EPD after action on the preferential rate application. For yellow and red lane shipments, the entry must be lodged with EPD directly.

4.3. Procedures in verifying authority of Certificates of origin

4.3.1. Upon receipt of the Certificates of Origin, the PRU — FED Officer shall match the signature of the issuing official with the specimen/signature submitted.

4.3.2. The official seal/stamp on the C.O. shall also be matched with the sample submitted.

4.3.3 Any discrepancy found in the signatures and seal/stamp of the C.O. shall be subjected to verification with the issuing country.

4.4. Procedure in verifying the Certificate of Origin with the issuing authority. (Rule 16, Operational Certification Procedures for the rules of origin).

4.4.1. When there is a reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the products or certain parts thereof, a check with the issuing authority shall be undertaken in the following manner:

4.4.1.1. The PRU — FED officer assigned shall prepare an official written request on a customs letterhead addressed to the CEPT AFTA OVERSIGHT COMMITTEE, specifying the reason/s for the request and any additional information suggesting that the particulars given on the said C.O. maybe inaccurate.

4.4.1.2. The written request shall be signed by the PRU — FED officer assigned duly noted by the Deputy Collector or Assessment and shall be accompanied by the original copy and triplicate of the C.O.