

## [ CUSTOMS MEMORANDUM ORDER NO. 07-2018, June 01, 2018 ]

### REVISED RULES FOR THE ELECTRONIC/MANUAL ISSUANCE AND LIFTING OF ALERT ORDERS AT ALL PORTS OF ENTRY

*Adopted: 31 May 2018*  
*Date Filed: 01 June 2018*

**Section 1. Objectives.** This Order is issued for the following purposes:

- 1.1 To ensure compliance with the provisions of the Customs Modernization and Tariff Act (CMTA) regarding issuance and lifting of Alert Orders;
- 1.2 To protect the integrity of the Alert Order System;
- 1.3 To promote transparency and accountability in the execution of duties and responsibilities with regard to the issuance/lifting of Alert Orders;
- 1.4 To avoid bureaucratic red tape and protect legitimate importers against unnecessary delay in the release of their lawful importations; and
- 1.5 To provide clear guidelines and procedures in the processing of shipments that is/are subject of an Alert Order.

**Section 2. Scope.** This Order shall apply to ALL shipments unloaded at all ports of entry under the jurisdiction of the Bureau of Customs ("BOC").

#### **Section 3. General Provisions.**

**3.1 Issuance of Alert Orders.** Alert orders shall be issued by the following:

- 3.1.1 Commissioner;
- 3.1.2 District Collectors having jurisdiction over the goods;
- and
- 3.1.3 Other Customs Officers duly authorized in writing by the Commissioner

Alert Orders shall be dated and assigned a unique reference number in series which shall be the basis for reporting to and monitoring by the Commissioner and the Secretary of Finance.

**3.2 Grounds for Issuance of Alert Orders.** Alert Orders shall be issued based on derogatory information. For this purpose, the following shall not be considered derogatory information:

- 3.2.1 General allegations of undervaluation;
- 3.2.2 General allegations of misclassification without providing the appropriate tariff heading and duty of the

shipment to be alerted;

3.2.3 General allegations of over-quantity without indicating the source of information supporting the allegation;

3.2.4 General allegations of misdeclaration in the entry without indicating the suspected actual contents thereof; and

3.2.5 General allegations of importations contrary to law without indicating the specific law or rule to be violated.

No Alert Order shall be issued on account of allegations of undervaluation unless said undervaluation is caused by the submission to customs of forged or spurious invoice or other commercial documents.

**3.3 Mandatory Information to be Indicated in the Alert Order Form.** The Alert Order Form (Annex "A"\*) must contain the following details:

3.3.1 Specific violations of the CMTA and other pertinent laws, rules and regulations. The specific section and paragraph of the CMTA and other laws, rules and regulations must be indicated;

3.3.2 Derogatory information (based on Sec. 3.2 of this Order);

3.3.3 Name of importer/exporter;

3.3.4 Email address of importer/exporter;

3.3.5 Name of broker;

3.3.6 Email address of broker;

3.3.7 Import/Export (Goods Declaration) Entry Number;

3.3.8 Bill of Lading Number;

3.3.9 Container Van Numbers;

3.3.10 Location of the goods sought to be alerted;

3.3.11 Date of Arrival/Discharge;

3.3.12 Vessel and Voyage Number;

3.3.13 Vessel Registry;

3.3.14 Port of Origin;

3.3.15 Port of Destination;

3.3.16 Contents as Declared;

3.3.17 BOC Officer who issued the Alert Order;

3.3.18 Date of Issuance of Alert;

3.3.19 Type of Alert (Manual or Electronic); and

3.3.20 In case of Manual Alert issued by the District Collector, the reason for issuance of Manual Alert.<sup>[1]</sup>

**3.4 When to Issue Alert Orders.** Alert Orders must be issued only after lodgment of the goods declaration and prior to release of goods from customs custody.

**3.5 How to Issue Alert Orders.** Alert Orders shall be issued electronically under the e2m alert system. Manual Alert Orders shall be issued ONLY under the following instances:

- 3.5.1 When the e2m system is NOT accessible;
- 3.5.2 When the Import Entry has already been finally assessed and the On-Line Release System (OLRS) has already been triggered in the e2m system;
- 3.5.3 For unmanifested cargoes/shipments;
- 3.5.4 For entries processed under Informal Entry;
- 3.5.5 For export cargoes; and
- 3.5.6 When issued by the Commissioner of Customs

In all cases when manual alert is issued, the District Collector shall immediately furnish copies of the Alert Order to the Customs Police and the wharfinger or warehouseman to ensure that the alerted shipments are not released without the approval of the Commissioner. In case of alerted shipments in Manila International Container Port (MICP) and Port of Manila (POM), the shipments must also be placed on hold by the District Collector through the "special stop" mechanism of the arrastre operator.

**3.6 Effect of Issuance of Alert Orders.** An Alert Order will result in the suspension of the processing of the goods declaration, release of goods, and the conduct of physical or non-intrusive inspection of the goods to verify the derogatory information against the shipment.

Under no circumstances shall the suspension of the processing of goods declaration be allowed except through an Alert Order issued by an authorized customs officer.

### **3.7 Implementation of Alert Orders.**

#### **3.7.1 E2m Alerts of the Commissioner of Customs**

When an Alert Order is issued through the e2m system, a hard copy of the Alert Order<sup>[2]</sup> shall be immediately prepared and forwarded to the District Collector having jurisdiction over the goods, for proper implementation of the Alert Order.

#### **3.7.2 Manual Alerts of the Commissioner of Customs**

When Manual Alert Order is issued by the Commissioner of Customs pursuant to paragraph 3.5.6 of this Order and OLRs has not yet been triggered, the District Collector of the concerned collection district must immediately issue an e2m alert.

#### **3.7.3 E2m Alerts of the District Collector**

When electronic alert through the e2m system is issued, a hard copy of the Alert Order<sup>[3]</sup> shall be immediately prepared and forwarded to the Commissioner of Customs for recording purposes.