

**[ BOC CUSTOMS MEMORANDUM ORDER NO. 21-2014, October 08, 2014 ]**

**PROCEDURES FOR THE ISSUANCE AND LIFTING OF ALERT ORDERS FOR FORMAL ENTRIES IN THE e2m SYSTEM**

*Adopted: 08 October 2014*

*Date Filed: 13 October 2014*

**A. Effectivity and Repealing Clauses**

1. This Customs Memorandum Order will take effect on 3 November 2014.
2. CMO 92-91 and CMO 104-92 are repealed insofar as they relate to formal entries processed through e2m. They continue to apply for informal entries, and for manually processed formal entries.

**B. General Principles**

1. No shipments may be held by any Customs official for any reason, except if that shipment is the subject of an Alert Order issued in accordance with this CMO.
2. Except for shipments tagged "red" by the Risk Management Office, and shipments subject to spotcheck upon orders of a District Collector, no shipments may be physically examined except if that shipment is the subject of an Alert Order issued in accordance with this CMO.
3. If an Alerting Officer as defined in Section C.1 of this CMO becomes aware that any shipment falls under any of the following categories as listed in the Tariff and Customs Code of the Philippines, Section 1401 that Alerting Officer shall issue an Alert Order on that shipment prior to conducting examination on it.
  - a. The government surveyor's seal on the container has been tampered with or broken or the container show signs of having been opened or having its identity changed;
  - b. The container is leaking or damaged;
  - c. The number, weight, and nature of packages indicated in the customs entry declaration and supporting documents differ from that in the manifest;
  - d. The importer disagrees with the findings as contained in the government surveyor's report
  - e. The articles are imported through air freight where the Commissioner or Collector has knowledge that there is a variance between declared and true quantity, measurement, weight and tariff classification
4. Once an Alert Order is issued on a shipment, that shipment may not be released except in accordance with the procedures outlined in this CMO.
5. The owner of a shipment has the right:
  - a. to know whether an Alert Order has been issued in his shipment

- b. to a speedy disposition of any Alert Order issued on his shipment
6. The public has the right to know about any Alert Order for which a shipment, or part of a shipment, was seized or charged additional duties, taxes, and/or penalties.
  7. For purposes of this CMO:
    - a. An Alert Order is an order issued by an Alerting Officer authorized to do so under this CMO, to not release any part of a shipment until:
      - i. The shipment is physically examined, and
      - ii. The Alerting Officer authorizes its release, which may be subject to the fulfillment of certain conditions.
    - b. A shipment is defined as the goods covered by a single Master or House Bill of Lading or Airway Bill.
    - c. An entry is the import or export entry for the shipment which is the subject of an Alert Order.
    - d. An item or items are the portions of a shipment for which declarations are made individually. The number of items in a shipment are shown in box 5 of the Single Administrative Document in e2m, or the Import Entry and Internal Revenue Declaration (IEIRD), for the entry. Each item in a shipment, and the item number for that shipment, are as identified in boxes 31 and 32 of the Single Administrative Document (SAD) or Import Entry and Internal Revenue Declaration (IEIRD) for the entry.

**C. Who can issue and lift an Alert Order**

1. Alert Orders may be issued only by the following Alerting Officers:
  - a. The Commissioner
  - b. Deputy Commissioner, Intelligence Group
  - c. Deputy Commissioner, Enforcement Group
  - d. All District Collectors, for shipments arriving within their District, including sub-ports within their Districts.
2. Decisions on the final disposition of the Alert Orders-including whether specific items shall be released without payment of additional duties, taxes, and/or penalties, released with payment of additional duties, taxes, and/or penalties, or seized, shall be made by the Alerting Officer which issued an Alert Order on a shipment.
3. Neither the issuance nor the lifting of an Alert Order shall require prior authorization of the Commissioner. However, Alerting Officers must strictly follow the procedures, notifications, and reporting requirements in this CMO.
4. Subject to the written approval of the Commissioner, the Deputy Commissioners of the Intelligence Group and the Enforcement Group may delegate the following powers to up to two officials of their respective groups, and the District Collectors to up to one person in his or her District:

Section of this CMO	Powers
D.1.a	To issue an alert order through the Hold and Alert System in e2m.
F.3.a	To tag a shipment as "Recommend for Lifting"

	through the Hold and Alert System in e2m
F.4.a	To tag a shipment as "Recommend for Additional Payment" and enter the additional amount to be paid, through the Hold and Alert System in e2m

The delegations of these powers is intended only to assist the Alerting Officers in using the e2m system. It is not intended to empower persons who are not Alerting Officers make decisions on Alert Orders. Decisions to issue Alert Orders and on their disposition shall be made at all times by the Alerting Officers, not by any persons to whom they delegate the powers to issue or lift Alert Orders in the e2m system. Alerting Officers shall be responsible for monitoring the use of their powers by the persons to whom these powers are delegated, and shall be accountable for any violations of this CMO by such persons, as if they themselves committed such violations.

5. All Alerting Officers and any persons to whom they delegate the powers described in Section C.4 of this CMO must obtain and use unique usernames and passwords to the e2m system when performing their functions under this CMO. No Alerting Officer or person exercising delegated powers shall use a username or password that is not theirs, nor allow their username or password to be used by any other person.

#### **D. Procedure for Issuing Alert Orders**

1. An Alerting Officer issuing an Alert Order must do so through the Hold and Alert System in the e2m system.
  - a. The Alerting Officer must fill in a new "Hold and Alert Application Form" and enter the following information in the relevant blanks:
    - i. The Port of Entry
    - ii. The Requesting Officer, who is the Alerting Officer
    - iii. The Office of the Requesting Officer, which shall be either of the following:
      1. Office of the Commissioner
      2. Intelligence Group
      3. Enforcement Group
      4. The specific Collection District headed by the District Collector
    - iv. The Registry Number
    - v. If known, the Number of Containers
    - vi. The House BL number or House Airway Bill Number
    - vii. The Master BL number
    - viii. In the blank for "Description of Contents", the name and position of "Officer-on-Case" for the Alert Order.
2. If, and only, the e2m system is not accessible, then the Alerting Officer may issue the Alert Order manually. As soon as possible, and in any case before 10 a.m. of the working day following the day an Alert Order is issued manually,

the Alert Order must also be issued in e2m following the process in Section C.1 of this CMO.

## **E. Procedures after issuance of Alert Orders**

1. The template for the Alert Order Report is shown in Annex A of this CMO. On the same day that the Alert Order is issued through the e2m system, the Alerting Officer should fill out Section A (items 1 to 17) of this form and forward it to the District Collector or Sub-Port Collector of the district or sub-port where the shipment which is the subject of the Alert Order. The Alerting Officer shall also furnish the Office of the Commissioner with a copy of the Alert Order Report Form, Section A.

2. No later than one day after receiving the filled-out section A from the Alerting Officer, the District Collector or Sub-Port Collector shall assign a Point Person for the Alert Order from among the staff of the district or sub-port, and fill in that Point Person's name and contact information in the Alert Order Report Form, Section A, Item 18. This Point Person shall be responsible for:

- a. Notifying the owner of the shipment and its Customs Broker, that the shipment is the subject of an Alert Order.
- b. Scheduling the 100% physical examination of the shipment which is the subject of the Alert Order
- c. Determining and notifying the following of the date, time and location of the examination:

- i. The Owner of the shipment
- ii. The Customs Broker for the shipment
- iii. The Officer-on-Case for the Alert Order, as designated by the Alerting Officer. If the Alert Order was issued by a District Collector, the Point Person shall be the same as the Officer-on-Case

- d. Conducting, or causing the conduct by an examiner of, the physical examination of the shipment.
- e. For each item in the shipment, recording the results of the examination, and the recommended disposition of the Alert Order, to the Alerting Officer. This shall be done using the Alert Order Report Form. The results of the examination shall also be entered in the "Inspection Act" section for the entry in e2m.
- f. For purposes of recording and comparing any details regarding a shipment, the details "as declared" shall be the descriptions, classifications, quantities, and values as declared in the SAD in e2m. If there is any discrepancy between the information in the SAD in e2m and the IEIRD, the Point Person shall use the information in the IEIRD if and only if the importer or its broker submitted the IEIRD before the Alert Order was issued.

3. The examination should be conducted as soon as possible, and unless there are justifiable reasons for delay, within one week after the issuance of an Alert Order.

4. No later than one day after the conduct of the physical examination, the Point Person shall fill in the following sections of the Alert Order Report Form a. Section B, sub-sections 19-21 b. For each item:

- i. Section B, sub-section 22, sub-items (i) to (xi)
- ii. Section B, sub-section 23, Detailed Calculations