

[BC CUSTOMS ADMINISTRATIVE ORDER NO. 6-96, September 11, 1996]

RULES AND REGULATIONS ON EXAMINATION OF SHIPMENTS IN PORTS WITH SELECTIVITY SYSTEMS AND DESIGNATED EXAMINATION AREAS

1.0

Objectives

- 1.1 To implement the second phase of the ASYCUDA++, i.e. Selectivity System, under the Philippine Tax Computerized Project -BOC Component.
- 1.2 To provide the conditions for examination pursuant to Section 1401 of the Tariff and Customs Code of the Philippines (TCCP), as amended by R.A. No. 7650 in ports with Selectivity Systems and Designated Examination Areas (DEAs).
- 1.3 To facilitate the Customs clearance of legitimate imported goods.
- 1.4 To delineate responsibilities in the conduct of examination of shipments.
- 1.5 To enhance the Bureau's capability to detect shipments attendant with fraud.

2.0

Coverage

This Order shall apply to all ports with ASYCUDA++ system already operational and with DEAs in place and shall cover regular consumption entries, either containerized or breakbulk.

3.0

General Provisions

3.1 *Shipments subject to Examination* — Only the following shipments shall be subjected to examination:

3.1.1 Those containerized shipments selected by ASYCUDA Selectivity, the number of which shall be governed by the guideline that shall be issued by the Commissioner of Customs.

3.1.2 Those alerted/held shipments pursuant to CMO 104-92 and other subsequent CMOs that may be thereafter issued by the Commissioner pursuant to this Order.

3.1.3 Those shipments subject to regular physical examination as enumerated in Section 1401 of the TCCP, as amended by R.A. No. 7650. For the purpose of the implementation of this provision, Bureau officials and personnel with knowledge of the conditions referred to in the enumeration must recommend and/or cause the issuance of an alert order so that the required examination can be carried out pursuant to CMO 104-92 and its amendatory orders.

3.2 *Place of Examination* — Considering that the DEAs established for the Port of Manila and the MICP can only handle containerized shipments and pending the establishment of DEAs for breakbulk cargo, only containerized shipments shall be mandatorily examined at the DEAs except reefer cargoes selected RED which will be examined by DEA Examiners in the reefer cargoes area until such time that the DEA will be equipped to handle the same. Until further orders, breakbulk cargoes shall be examined where they are stored. However, the place of examination for those shipments allowed for release under Tentative Liquidation may be specified by the Commissioner of Customs in a separate CMO he may issue for this purpose.

3.3 *Time of Examination* — Examination of goods required under this Order shall be in the course of delivery of the goods and after the duty stop has been lifted under the On-Line-Release-System.

3.4 *Extent of Examination* — Only regular examination shall be undertaken unless a more detailed examination is called for based on the outcome of the regular examination. To avoid congestion in the DEA and to speed up the process, examination of cargo should be on-board the trucks, i.e. there is no need to dismount the cargo from the truck unless it would be physically difficult to examine without the goods being dismounted. If discrepancy evidencing prima facie fraud is discovered in the course of examination, the goods must be taken to the HOLD CONTAINER AREA (containerized) or the Security Warehouse (Breakbulk) for proper disposition.

3.5 *Responsibility for Triggering of Selectivity* — The selection process shall be managed within ASYCUDA++ and shall be triggered by the COO V (or designated official) when the clearance process reaches his (her) level.

3.6 *Procedure Prior to Triggering of Selectivity* — Current procedures shall be observed up to the level of the COO III. The COO III shall undertake all the processes required of him as of the date of the order except for the physical examination of the goods, which must now be pursued following the procedures and conditions provided herein.

3.7 *Responsibility to Bring Shipment to DEA* — It shall be the responsibility of the arrastre operator to transfer all shipments selected for examination under ASYCUDA++ selectivity and correspondingly tagged for examination under the OLRS to bring the shipment to the DEA by generating a job order form.

3.8 *Responsibility of Importer/Representative* — It shall be the lookout of the importer/representative to be present during the transfer of the goods to the DEA and to witness the examination thereat as well as to immediately pull the shipment out when cleared. Examination shall immediately be undertaken upon arrival of the goods at the DEA. In the absence of the importer/representative, a representative from the Chamber of Customs Brokers shall witness the examination on behalf of