

## **[ BOC MEMORANDUM, September 08, 1995 ]**

### **CAO 2-95 ADVISORY**

Be informed that on 15 Sept. 1995, CAO 2-95 with subject "Mandatory Filing of Entry and Payment of Duties and Taxes to the Authorized Agent Banks (AABs) as First Step in Customs Clearance for Shipments Covered by Consumption Entries" shall come into effect for the Port of Manila, the Manila International Container Port and the NAIA.

The following features of the revised clearance procedure are hereby highlighted for the guidance of all concerned.

1. The Order of Payment (OP) is no longer a required supporting document to the entry.
2. After preparation of the entry and before filing the same to the Bureau of Customs, the entry must be presented to an authorized agent bank for payment of duties and taxes except for the following types of shipment:
  - 2.1 Those exempt from payment of duties and taxes.
  - 2.2 Importations of government agencies and government corporations which shall be continued to be processed pursuant to Joint Order No. 2-91.
  - 2.3 Those paid with the use of Tax Credit Certificates.
3. After receipt of duties and taxes payable, the AAB shall machine validate the details of the payment on the IED/IEIRD/Withdrawal Permits or substitute documents and shall be signed by the duly authorized bank official and then returned to the importer/representative.
4. The IMPORTER/REPRESENTATIVE shall proceed to the Bureau of Customs for filing of the entry.

The above changes will dramatically speed up cargo release from Customs for the following reasons:

- a. Issuance of Release Instructions by Customs immediately upon receipt of entry will be possible for shipment identified as Low Risk.
- b. There will be no waiting time for the messengerial transmittal of bank payments from the AABs to the Bureau.
- c. Electronic transmittal of payment details allows electronic matching of payables and payments.

In addition to the above, importers will have the security against unscrupulous individuals appropriating payments for themselves.