



BUREAU OF CUSTOMS

Professionalism Integrity Accountability



Date JUN 29 2020

CUSTOMS MEMORANDUM ORDER (CMO)

NO. 15-2020

SUBJECT: GUIDELINES ON THE ACCREDITATION AND SUPERVISION OF VALUE ADDED SERVICE PROVIDERS FOR THE E2M (E2M-VASPs)

Introduction. This Order implements Customs Administrative Order (CAO) No. 10-2019 in relation to Section 109, Chapter 2, Title I, Section 1200, Chapter 1, Title XII, Section 1513, Title XV and other relevant provisions of Republic Act No. 10863 otherwise known as the Customs Modernization and Tariff Act (CMTA).

Section 1. Scope. This Order shall cover the accreditation and monitoring of Value Added Service Providers (VASPs) to provide front-end services for the E2M customs system.

Section 2. Objectives.

- 2.1. To establish the administrative and operational guidelines for the accreditation and supervision of VASPs;
- 2.2. To harness the technical expertise and maximize the participation of the private sector in the delivery of world-class-quality front-end customs ICT services of the Bureau;
- 2.3. To implement customs best practices towards the achievement of the Bureau's key result areas in trade facilitation, revenue generation, enforcement, and professionalization of personnel; and
- 2.4. To manage the use of third-party systems by customs stakeholders in the processing of import and export entries, registration, and other value added services offered to the transacting public.

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A Modernized and Credible Customs Administration that is Among the World's Best

Section 3. Definition of Terms.

- 3.1. Bureau** – shall refer to the Bureau of Customs.
- 3.2. Confidential Business Information** — shall refer to information which concerns or relates to the operations, production, sales, shipments, purchases, transfers, identification of customers, inventories, or amount or source of any income, profits, losses, expenditures¹.
- 3.3. E2M-Value Added Service Provider (VASP)** — shall refer to any Bureau-accredited ICT company who may provide the services enumerated in the scope of this Order and collect transaction fees as authorized by the Bureau.
- 3.4. Non-Disclosure Agreement (NDA)** — shall refer to an agreement that protects organizational/stakeholder information and informs signatories of their responsibility to protect, use and disclose information in a responsible and authorized manner. This agreement addresses the requirement to protect confidential and/or personal information using legally enforceable terms.²
- 3.5. Personal Information** — shall refer to any information, whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual or an organization. For the purpose of this CAO and in order to comply with Republic Act No. 10173 (Data Privacy Act), all information stated herein is treated as having personal information.³
- 3.6. Service Level Agreement (SLA)** — shall refer to the documented agreement between the VASP and the Bureau that identifies the services to be provided and service targets⁴ which



¹ cf. R.A. 10667, "Philippine Competition Act", Chapter 1, Section 4.

² cf. International Organization for Standardization (2013), Information technology, Security techniques, Code of practice for information security controls (ISO/IEC Standard No. 27002) Section 13.2.4.

³ cf. I.R.R. of R.A. 10173, Rule 1, Section 3(l)

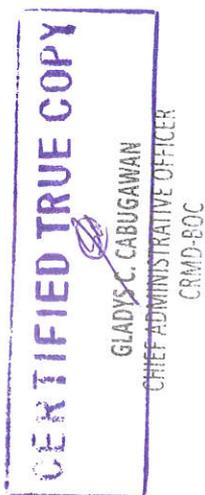
⁴ cf. International Organization for Standardization (2015), Information technology, Service Management, Part 10: Concepts and terminology (ISO/IEC Standard No. 20000-10) Section 2.29

define the parameters for evaluating the delivery and performance of a service.

- 3.7. VASP Accreditation Committee (VAC)** — shall refer to the BOC body responsible for the accreditation, supervision, and control of VASPs.

Section 4. General Provisions.

- 4.1.** The E2M-VASPs to be accredited under this Order shall provide front-end services for the receipt and transmission of electronic data or documents required by the E2M customs system.
- 4.2.** Electronic data or documents collected by a VASP which are not yet accepted by the customs automated system (E2M) shall be considered as private information between the E2M-VASP and its client. However, once the customs automated system (E2M) accepts the data, the E2M-VASP shall now be considered as an agent or service provider for and in behalf of the Bureau of Customs. As such, the protection and security of the accepted data shall be of paramount importance on the part of the E2M-VASP.
- 4.3.** The E2M-VASP shall be fully compliant with the requirements under the Data Privacy Act, particularly the appointment of a regular data protection officer and the personal information processing system to the National Privacy Commission.
- 4.4.** The E2M-VASP shall likewise be fully compliant with the guidelines issued by the Philippine Competition Commission in so far as processing of confidential business information are concerned.
- 4.5.** Any information or by-products of said information collected by the E2M-VASP from the Bureau shall be the exclusive property of the Bureau.
- 4.6.** The E2M-VASP shall not disclose or share any personal information or confidential business information including its by-products relating to the importer, exporter or any of its client without the prior written consent of the Bureau.
- 4.7.** The E2M-VASP shall provide the Bureau any and all information upon latter's request. The VASP shall likewise make available its



technical expert to testify on matters involving the processing of personal or confidential business information.

- 4.8. The E2M-VASP is prohibited from outsourcing any function or component of their system to third parties without the written consent of the Bureau.
- 4.9. The Bureau may change or modify any of the accreditation criteria as may be deemed necessary by the Commissioner to address a particular system requirement arising from the issuance of new rules and regulations.

Section 5. Accreditation Committee. The accreditation of E2M-VASPs shall be the responsibility of the VASP Accreditation Committee (VAC) which shall be headed by a Chairman, who must be a Deputy Commissioner. The members shall be composed of representatives from the various concerned groups of the Bureau.

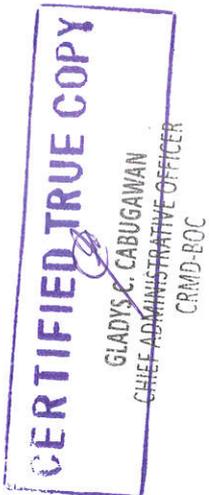
5.1. The VAC shall perform the following functions:

- 5.1.1. Facilitate and fast-track the accreditation process;
- 5.1.2. Recommend relevant policies, responsibilities and liabilities of VASPs, rules and processes related to all issues surrounding the accreditation of VASPs;
- 5.1.3. Recommend evaluation criteria and timeframes for accreditation of VASPs for approval of the Commissioner;
- 5.1.4. Conduct review and make recommendations on VASP fees; and
- 5.1.5. Receive and act on complaints by VASP clients.
- 5.1.6. Perform other functions necessary for the effective and efficient implementation of this Order.

5.2. The VAC may establish a Technical Working Group (TWG) to provide the guidelines on the technical and operational standards to be complied with by the E2M-VASP, as well as make recommendations to the VAC on other related matters.

5.3. The VAC shall have a Secretariat which shall perform the following functions:

- 5.3.1. Keep a record of the minutes of the meetings and the attendance;
- 5.3.2. Ensure that proper notice of the date and agenda of the meetings are given in advance to the members;



- 5.3.3. Receive formally the documents in behalf of the VAC; and
- 5.3.4. Perform other functions that may be assigned by the VAC.

Section 6. Accreditation Requirements.

6.1. Eligibility Requirements. Entities shall be eligible to be accredited as an E2M-VASP if they conform to the following minimum eligibility criteria:

6.1.1. It shall be comprised of Filipino individuals, or duly organized corporations under the laws of the Republic of the Philippines, provided that the corporation complies with the sixty percent (60%) - forty percent (40%) Filipino-foreign ownership rule under existing laws.

6.1.2. Joint venture companies are eligible provided that at least sixty percent (60%) of the legal and beneficial ownership or interest of the joint venture belongs to citizens of the Philippines in accordance with the prevailing nationality rules.

6.1.3. Has been operational in the Philippines for the immediately preceding five (5) consecutive years. In case of a joint venture, all member companies should have been operational for the immediately preceding five (5) consecutive years.

6.1.4. Any further requirements shall be defined in the Terms of Reference (ToR).

6.2. Documentary Requirements. The following documents shall be submitted to support the application for accreditation:

- a. Letter of intent
- b. Certificate of Registration (corporation/partnership) or DTI Business registration (sole proprietorship)
- c. Articles of Incorporation/Partnership and By-laws for Corporations
- d. Latest General Information Sheet (stamped received by SEC)
- e. BIR Certificate of Registration (Form 2303)
- f. Latest Tax Clearance Certificate (per Executive Order No. 398, series of 2005)

- g. Latest Audited Financial Statement (stamped received by BIR and SEC)
- h. Annual Income Tax Return for the immediately preceding 3 years
- i. Value-added tax (VAT) or percentage tax returns covering the Immediately preceding year
- j. Official Receipt and Billing Statement copy
- k. Proof of payment of application fee

Certified true copies of the above requirements shall be submitted, as may be required.

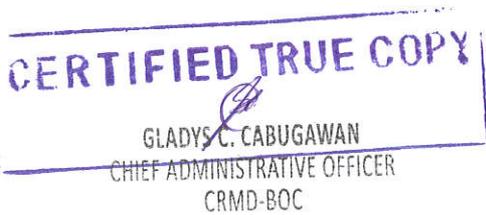
Section 7. Accreditation Process.

- 7.1. Through the VAC, the Bureau shall publish an Invitation to Apply for Accreditation, simultaneously in a newspaper of general circulation and in the Bureau's official website for two (2) consecutive weeks.
- 7.2. The E2M-VASP applicant shall submit its Letter of Intent (LOI) together with other eligibility documents and the application fee as stated in the Invitation to Apply for Accreditation.
- 7.3. All requirements shall be personally-delivered and submitted by the E2M-VASP applicant on or before the date and time specified in the Apply for Accreditation, to the VAC Secretariat. LATE AND INCOMPLETE SUBMISSIONS WILL NOT BE ACCEPTED. Since documentary requirements have to be signed, certified and/or notarized, documents submitted by email, facsimile transmission, or any other forms of electronic submission will not be entertained and allowed.
- 7.4. Within seven (7) working days from the date of submission of the complete documentary requirements, the VAC shall determine whether the company is eligible for application for accreditation as E2M-VASP. If the company is not qualified, the VAC shall issue a written notice, stating the reasons therefor.
- 7.5. Companies that pass the eligibility requirements are qualified to proceed to the next stage.
- 7.6. The Bureau shall release the Term of Reference (ToR), along with the Non-Disclosure Undertaking (NDU) to be signed by the

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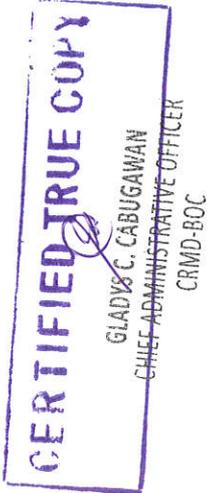
candidate E2M-VASP. The ToR shall include, among others, the system and other functional requirements for the technical proposal, and the financial requirements for the financial proposal.

- 7.7.** Candidate VASPs prepare and submit their technical and financial proposals within the time provided.
- 7.8.** The Bureau releases its Testing Criteria that will be used as guide for testing the E2M-VASP System. Using the agreed Testing Criteria as reference, the Bureau shall organize a Quality Assurance Team (QAT) which shall determine the compliance of the candidate E2M-VASP to the system requirements. The testing shall also include, among others, checks for user-friendliness of the system.
- 7.9.** The VAC, with the assistance of the TWG and the QAT, shall conduct an evaluation and ranking of the system and other related services of the E2M-VASP applicants.
- 7.10.** Based on the results of the evaluation and ranking, the VAC shall submit a recommendation for accreditation to the Commissioner for approval. The Bureau shall accredit not more than three E2M-VASPs.
- 7.11.** Upon approval of the Commissioner, VAC shall issue a Notice of Accreditation to the selected qualified E2M-VASPs.
- 7.12.** Accredited E2M-VASPs shall sign a Service Level Agreement (SLA) prepared by the Bureau.
- 7.13.** Accredited E2M-VASPs cannot implement or commence with any VASP services until it has passed QAT and has been granted the notice to commence/implement by the VAC.
- 7.14.** The E2M-VASPs shall submit to the VAC the schedule of fees/charges for approval. A public consultation may be conducted if deemed appropriate under the circumstances.
- 7.15.** The Bureau reserves the right to change any of the accreditation criteria as may be deemed necessary by the Commissioner.



Section 8. Conditions for Accreditation.

- 8.1.** Signing of a Service Level Agreement (SLA);
- 8.2.** Signing of a Non-Disclosure Agreement (NDA);
- 8.3.** Payment of the accreditation fee of Two Hundred Thousand Pesos (PhP 200,000.00) for the first year, and Fifty Thousand Pesos (PhP 50,000.00) for the succeeding years, shall be imposed. Provided that renewed accreditation shall only pay Fifty Thousand Pesos (PhP 50,000.00) per annum. Provided, further that the rate may be adjusted by the Commissioner, subject to the Approval of the Secretary of Finance; and
- 8.4.** The posting of a Performance Bond, issued by a Bureau accredited surety company, amounting to Five Million Pesos (Php 5,000,000.00), which shall be forfeited in favor of the Bureau in the event that the selected VASP is established to be in default of any of its obligations as provided under the SLA or NDA, without prejudice to other legal remedies that may be instituted to protect the interest of the government.



Section 9. Period and Renewal of Accreditation.

- 9.1.** The selected E2M-VASPs shall be given accreditation status for a period of three (3) years and will be renewable thereafter subject to the payment of annual fee set by the VAC, evaluation of the quality of their performance as measured by the SLA, and continued compliance with eligibility requirements.
- 9.2.** The Bureau may carry out further accreditation processes after three (3) years of operation of the initially accredited E2M-VASPs.

Section 10. Pre-termination. The Bureau may pre-terminate the accreditation of an E2M-VASP for any of the following:

- 10.1.** Violation of the provisions of this Order and related rules and regulations, including SLA and NDA;
- 10.2.** Violation of the Customs Modernization and Tariff Act (CMTA), Data Privacy Act, Philippine Competition Act, and other related laws;

10.3. Actions inimical to the security and integrity of the Bureau operations; and

10.4. Other violations as may be determined by the Commissioner.

Section 11. Fees Payable to the E2M-VASP by the Transacting Public.

11.1. The E2M-VASPs shall determine its fee structure based on several factors such as market conditions and systems sustainability requirements, among others. A maximum fee may be set per type of transaction. The fee structure shall form part of the requirement for accreditation pursuant to Section 7.14 of this Order.

11.2. The Bureau shall not collect those fees on behalf of the E2M-VASPs.

11.3. Any changes to the fee structure shall be subject to the approval of the Commissioner upon the recommendation of the VAC, and a maximum fee may be set per type of transaction.

Section 12. Monitoring and Supervision Fee. The Bureau may collect from the E2M-VASPs a service fee for monitoring and supervision of the E2M-VASPs system. Unless otherwise provided in the TOR, the same shall be equivalent to ten (10%) percent of the fees collected in accordance with the published rate. The monitoring and supervision shall be subject to periodic adjustment by the Commissioner, upon the recommendation of the VAC.

Section 13. E2M-VASP System.

13.1. The technical requirements and specifications for the E2M-VASP Systems shall be detailed in the TOR to be approved by the Commissioner.

13.2. The E2M-VASP Systems shall be capable of handling the receipt and transmission of electronic data or documents required by the E2M customs system, which includes but shall not be limited to:

13.2.1. Transmission of BOC Stakeholders Information Profile

13.2.2. Transmission of Import and Export Declarations

13.2.3. Transmission of Raw Materials Liquidation Information

13.2.4. Transmission of Surety Bonds Information



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- 13.2.5. Transmission of Payment Information
- 13.2.6. Transmission of Online Release Information
- 13.2.7. Transmission of Advance Manifest; and
- 13.2.8. Other services as may be determined by the Commissioner.

13.3. The E2M-VASP Systems shall have the following minimum-security features:

- 13.3.1. The system and data should be secured against unauthorized access or tampering;
- 13.3.2. The system shall be compliant with the data privacy and security standards of the Bureau; and
- 13.3.3. The system shall provide an audit trail.

Section 14. Treatment of Electronic Data coming from E2M-VASPs. For purposes of customs procedures, electronic data coming from E2M-VASPs such as documents, permits, licenses or certificates shall be acceptable and shall have the legal effect, validity or enforceability as any other document or legal writing. Upon compliance by the E2M-VASP of the requirements, the Bureau shall recognize the authenticity and reliability of electronic documents by transmitting the acceptance or approval of the same in the form of electronic data messages or electronic documents.

Section 15. Notification on Customs Systems Updates. The Bureau shall give prior notice to E2M-VASPs on changes in customs procedures to enable the E2M-VASPs to make the necessary changes in their systems in order to ensure compliance to said new procedural and data requirements.

Section 16. Sanctions and Penalties.

- 16.1. An E2M-VASP that is not able to meet its SLA targets shall be subject to the penalties stated in the SLA, without prejudice to the right of the Bureau to exercise its right to revoke or pre-terminate the accreditation status.
- 16.2. Any person or entity who obstructs, or attempts to obstruct, the implementation of this Order and its related rules and issuances, or who assists in the same, or allows himself/herself to be used in the commission of the same, shall be subject to the appropriate civil, criminal and/or administrative penalties.
- 16.3. In addition to the sanctions under the CMTA, and Civil Service laws, rules and regulations, any Bureau official and/or employee

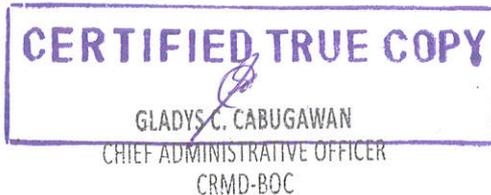
found to have violated any of the provisions of this Order or commit acts prejudicial to the effective implementation of this Order, shall be immediately relieved, transferred to another office, or assigned to a less sensitive position in the Bureau.

16.4. The penalties as prescribed under Section 1430 of the CMTA, as may be pertinent or applicable, shall be imposed for violations of this Order and its related rules and issuances.

Section 17. Repealing Clause. All orders, memoranda, circulars and issuances inconsistent herewith are hereby repealed and/or deemed modified accordingly.

Section 18. Separability Clause. If any part or provision of this Order is later declared invalid or illegal, the remaining portion shall remain valid and enforceable.

Section 19. Effectivity. This Order shall take effect on JUL 17 2020.




REY LEONARDO B. GUERRERO
Commissioner
JUN 29 2020



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Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
Manila

TERMS OF REFERENCE

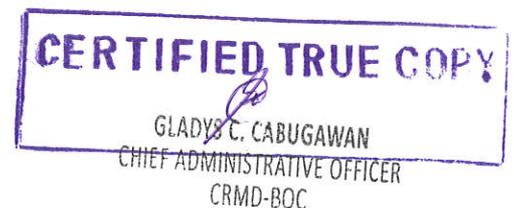
For Value Added Service Providers Accreditation

1.0 Introduction

The Philippine Bureau of Customs (BOC) stands at the crossroads of time. World markets have become increasingly competitive and various international trade agreements have dictated the goods and services are exchanged in the global community. To cope with these changes and given the government's thrust of continuously providing better, efficient and reliable front-line services to the trading community through partnership with the private sector, the BOC has been utilizing the services of Value Added Service Provider (VASP) as a link to deliver world-class quality front-end customs ICT services to the BOC's growing transacting public since 2010. Current developments in customs processing best practices and the increasing participation in international trade, and developments in ICT technology necessitates the need to emphasize the "VALUE" in Value Added Service Providers. BOC now seeks Service Providers who can innovate and add value to BOC's mandate to be a world class customs service.

These VASP services include, but are not limited to: providing expert technical assistance and support to the transacting public for efficient link with the BOC e-Customs System, providing available VASP support nationwide, providing support to the BOC in prosecuting violations of tariff and customs laws, receiving and transmitting of electronic data to concerned BOC offices and stakeholders, acting on the responses and messages returned by the BOC Gateway, and notifying clients on the status of the following:

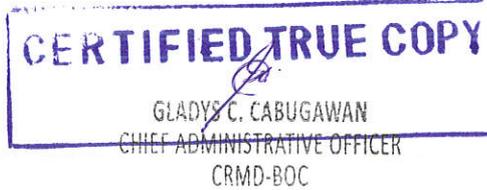
- a. BOC Clients
- b. Import Declarations (Consumption, Warehousing, Transit, Permit to Transfer, and Informal)
- c. Export Declarations
- d. Raw Materials Liquidation Information
- e. Surety Bonds Information
- f. Payment Information
- g. Online Release Information
- h. Manifest
- i. Trade Related Documents in Electronic Format
- j. Other services as may be defined by the Commissioner of the BOC



The prospective VASP must be all of the following:

- 1.1 A reputable ICT/IT company registered in the Philippines;
- 1.2 Has been operational in the Philippines for the immediately preceding five (5) consecutive years;

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- 1.3 Track record in relevant and modern customs ICT/IT operations for a minimum of five (5) years;
- 1.4 Capacity to provide application services on all VASP services enumerated in items a. to i. above;
- 1.5 The proposed solution, which includes the hardware, software and cyber security components, must be owned and controlled by the Service Provider;
- 1.6 Application and database servers hosting the central control software application and the database must be in the Philippines;

BOC shall prepare a reference document called VASP Systems Requirement Specifications (SRS) that details the specific technical requirements for the design and development of the VASP System. The VASP SRS will be provided only to eligible VASPs. The VASP SRS plus the VASP proposed system design shall be the basis for the conduct of Quality assurance testing.

2.0 Instructions to Apply for Eligibility

BOC will publish the Invitation to Apply for Eligibility in three (3) national newspaper for two (2) weeks and post it to the BOC Website as well as to the GPS (Philgeps) Website.

The prospective VASP shall submit its Letter of Intent (LOI) expressing its formal declarations that it meets the criteria for eligibility as enumerated in Section 1.0, items 1.1 to 1.7 above together with all legal, technical, financial and other documentary requirements for eligibility, as provided under section 3.0 hereof.

All requirements shall be hand -delivered and submitted in seven (7) copies (2 original copies and 5 photocopies) not later than 12:00 noon of _____ to the Value Added Service Provider Accreditation Committee (VAC) c/o Deputy Commissioner, MISTG, 2/F ICT Building, Bureau of Customs, Delgado St., Gate 3, Port Area ,Manila. LATE AND INCOMPLETE SUBMISSIONS WILL NOT BE ACCEPTED. Since documentary requirements have to be signed, certified and/or notarized, documents submitted by email, facsimile transmission, or any other forms of electronic submission are not allowed.

BOC reserves the rights to reject any or all applicants, to waive any informality or minor defect, and to accept the offers that are most advantageous to the Government.

BOC shall in no case be held responsible or liable for any or all cost associated with the applicant's participation on the accreditation process regardless of its results.

3.0 Eligibility Requirements

- 3.1 Companies shall be eligible to participate in the accreditation if they conform to the following eligibility criteria:

- 3.1.1. ICT/IT companies duly organized under the laws of the Republic of the Philippines, of which at least sixty percent (60%) of the outstanding capital stock must be owned and controlled by

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citizens of the Philippines, and with a **minimum paid up capital of PhP 10 Million**

- 3.1.2 Joint venture ICT/IT companies are eligible provided that Filipino legal and beneficial ownership or interest of the joint venture concerned shall be at least sixty percent (60%).
 - 3.1.3 The company (or lead company in case of a joint venture) should be capable of handling enterprise-wide or trade community system ICT/IT projects involving multiple stakeholders of port users comprising, among others, the following components:
 - Delivery of value-added network services
 - Training
 - Technical support and maintenance
 - 3.1.4 Has been operational in the Philippines for the immediately preceding **five (5)** consecutive years. In case of a joint venture, the lead company and the member company that comprise the joint ventures should have been operational for the immediately preceding five (5) consecutive years.
 - 3.1.5 Has a track record in relevant and modern customs ICT/IT operations for a minimum of **five (5)** years
 - 3.1.6 Has as its primary purpose, as indicated in its Articles of Incorporation, the provision of ICT/IT services.
 - 3.1.7 Has competent and qualified full-time local staff dedicated to the following organizational Key Process Areas: Basic Project Management & Process Standardization.
 - 3.1.8 Has been appraised under the Capability Maturity Model Integration (CMMI) framework with a Maturity Level of 3 or above OR will execute a sworn undertaking to comply with this requirement within 6 months from accreditation.
- 3.2 Class "A" Documents Required
- 3.2.1 Legal Documents
 - a. SEC Articles of Incorporation with updated General Information Sheet (stamped SEC-received copy)
 - b. Current Business Permit/municipal license, if applicable (certified true copy)
 - c. BIR Certificate of Registration (BIR Form 2303);
 - d. Copy of Official Receipt (OR) and Billing Statement
 - e. Sworn statement of the prospective service provider that it is not "blacklisted" or barred from the bidding by the Government or any of its agencies, offices corporations of LGUs, including non-inclusion in the Consolidated Blacklisting Report issued by GPPB (if available).
 - f. A notarized sworn statement by the responsible officer of the company attesting to the absence of any legal obstacle to its offer (e.g. no conflict of interest).
 - g. In the case of joint venture, all member companies should submit items a. to f. under Section 3.2.1., including a copy of the Joint Venture Agreement.

3.2.2 Technical Documents

- h. Company profile
- i. Statement of the prospective VASP of all its ongoing and completed government and private ICT/IT and related projects, and Customs-related contracts within the last **five (5) years** including contracts awarded but not yet started. The statement shall include, for each contract the following (Annex B)
 - The name and location of the contract/project;
 - Date of the contract;
 - Type or scope of services rendered;
 - Amount of scope of services rendered;
 - Value of uncompleted portion of services, if applicable;
 - Contract duration; and
 - Verifiable certificate or proof of completion issued by the client, in the case of completed contacts.
- j. The types and number of equipment that the company owns, has under lease, and/or has under purchase agreements, if any;
- k. The company statement:
 - Of the kind and number of its ownership and key staff, partners or principal officers, as well as their respective curriculum vitae;
 - On the company's technical competence, experience, and staff capabilities, particularly in relation to the key process areas provided in Section 3.1.7.
 - On any established quality management process, including recognitions in quality efforts, among others.



3.2.3 Financial Documents

Company's audited financial statements, stamped "received" by the BIR for the last three (3) calendar years, showing, among others, the company's total and current assets and liabilities. At the time of the submission of the Eligibility Requirements, the company should have the minimum paid up capital of Php 5 Million.

3.3 Class "B" Documents

- 3.3.1 In case of a joint venture, a notarized Undertaking that the members shall be jointly and severally responsible for the obligations and civil liabilities of the Agreement that will given by the Bureau to the VASP: and

3.3.2 A notarized letter authorizing the Chairman of the VAC or his duly authorized representative/s to verify any or all of the documents submitted for the eligibility check.

3.4 The company or his duly authorized representative shall certify under oath that each of the documents submitted in satisfaction of the eligibility requirements is an authentic and original copy, or a true and faithful reproduction or copy of the original, complete and that all statements and information provided therein are true and correct.

3.5 Eligibility and Shortlisting Criteria

The Service Provider to be contracted under this TOR should comply with the eligibility requirements set forth under Section 3.1 of this TOR and all of the provided supporting documentary requirements as provided in Sections 3.2 & 3.3 (as provided for in **Annex A**), in addition to the eligibility requirements provided by the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, or the Government Procurement Reform Act (GPRA), as applicable.

4.0 Evaluation and Accreditation Criteria (Rating Scheme)

The VASP will be evaluated based on a quality-cost based evaluation process using the following criteria:

A. Technical Proposal (80%):

1. Experience and capability of the VASP
2. Qualifications of key personnel involved, consisting of work experience similar to the undertaking/job, or relevant to the undertaking/job, within the specified key process areas provided.
3. Work plan incorporating the proposed technology, approach and methodology (to be rated based on comprehensiveness, innovativeness, quality of interpretation of problems/risks, quality of suggested solutions, and degree of compliance with the provided SRS).

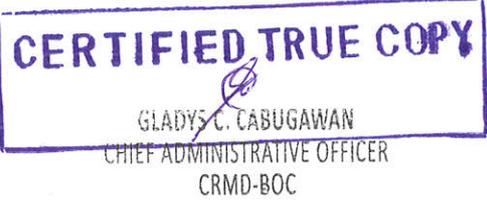
Should include the following:

- Full compliance with VASP SRS 2006 compliance (if latest, if not use the latest version)
- Details of the hardware, software, and network equipment or devices to be utilized in the solution.
- Discuss how security on the system will be implemented including the physical security and location of the VASP server and database
- Disaster recovery and fail-over support features. Downtime should be kept at minimal; to discuss with TWG and agree upon the acceptable service level agreement that is aligned with the current industry standard and a penalty upon failure to comply.

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CRMD-BOC

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- Discuss Audit control system to be used in keeping track of changes in the database. The system must be able to keep a history of all changes within the system and should provide a mechanism so as not to be tampered.
- The VASP should utilize a ticketing system for VASP-related complaints/issues (lodgement, accessibility, errors, etc.) raised by its stakeholders. The system should have a means of attaching a timestamp on when a request was made and how long until it is resolved. The VASP should then submit a summary report to the BOC on a monthly basis and a detailed report upon request of the BOC. The VASP and the TWG should agree upon an acceptable response time and ticket resolution and the penalty to be imposed should the VASP fails to comply.
- Discuss technical support and client/user training
- Discuss the workflow and procedure in processing the following :
 - o Import Declarations (Consumption, Warehousing, Transit, Permit to Transfer, and Informal)
 - o Export Declarations
 - o Raw Materials Liquidation Information
 - o Surety Bonds Information
 - o Payment Information
 - o Online Release Information
 - o Manifest
 - o Trade Related Documents in Electronic Format
- Must provide BOC dashboard view and reports related to the statistics on the processing of transactions.
- Must adhere to the latest accepted industry standard on IT Security.

B. Financial Proposal (20%):Details of Fee structure for all service types available to stakeholders.

C. Statement Of Ongoing And Completed Government And Private I.T. And Related Projects, And Customs-Related Contracts (Annex B)

5.0 Implementation Target Dates

The following are the milestones and the implementation target dates

- | | |
|--|----------------|
| 1. Publication of Invitation for Letter of Intent (LOI) | - 20 June 2020 |
| 2. Submission of Eligibility Requirements by interested companies | - 31 June 2020 |
| 3. Eligibility Check by VAC | - 02 July 2020 |
| 4. Issuance of VASP SRS with DNA to eligible Companies (VASP candidates) | - 08 July 2020 |

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- | | |
|---|----------------|
| 5. Submission of Technical and Financial Proposals by VASP candidates | - 15 July 2020 |
| 6. Selection of VASPs by VAC | - 30 July 2020 |
| 7. Development/Integration of Systems by VASPs | - 01 Aug 2020 |
| 8. Technical testing of VASP Systems | - 01 Sept 2020 |
| 9. Accreditation of VASPs | - 01 Oct 2020 |
| 10. LIVE RUN of VASPs | - 15 Oct 2020 |

6.0 Requirements to be Applied to Accredited VASPs

The following requirements and considerations shall be applied to the accredited VASPs:

- a. A Service Level Agreement (SLA) and Non-Disclosure Agreement (NDA) shall be signed between BOC and the selected VASPs.
- b. Upon signing, the accredited VASPs shall post **Performance Bond**, issued by a BOC-accredited surety company, amounting to **PhP 5 Million**. Said Performance Bond shall be forfeited in favor of BOC in the event it is established that the selected VASP is in default in any of its obligations under the law, applicable regulations or any of the material agreements.
- c. The qualified companies will be **given accreditation status for a period of three (3) years**, subject to an annual evaluation of the quality of their performance as measured by the SLA, and continuing compliance to the eligibility requirements.
- d. BOC may re-conduct accreditation process if there is only one (1) company accredited within the subject period.
- e. An initial **accreditation fee of Five Hundred Thousand (Php 500,000.00) Philippine Pesos (first year)** and an **annual renewal fee of Two Hundred Fifty Thousand (Php 250,000.00) (second and third year)**
- f. To qualify for accreditation, VASPs must successfully pass the technical acceptance tests (including systems integration, data security and integrity, communications, and performance) that will be conducted by the Management Information Systems and Technology Group of the BOC.
- g. BOC reserves the right to pre-terminate its Agreement with the selected VASP for any of the following:
 - o Violation of the provisions of the SLA and NDA
 - o Violation of the Customs Modernization and Tariff Act (CMTA), e-Commerce Act, Data Privacy Act of 2012, Philippine Competition Act of 2015 and other related laws
 - o Actions inimical to the security and integrity of the BOC customs operations
 - o Failure to maintain eligibility and technical capability conditions
 - o Other violations as may be determined by the Commissioner of BOC
- h. BOC reserves the right to change any of these accreditation criteria as may be deemed necessary.



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VASP Criteria for Eligibility

Annex A
Criteria for Eligibility and Shortlisting

Criteria	Compliance Documents	Weight
1. Applicable Experience	a. SEC or DTI Registration b. Sworn statement by legal officer of no blacklisting; no cases filed or pending in relation to BOC c. Certification of No Corporate Conflict of Interest relating to Customs Operations	40%
2. Qualification of Personnel	a. Curriculum Vitae of key officers and personnel involved in the Key Process Areas of the organization	40%
3. Current Workload	a. Computation of Net Financial Contracting Capacity b. Audited Financial Statements c. Statement of Ongoing and Completed Government and Private I.T. Related Projects, and Customs-Related Contracts	20%
Total		100%

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VASP Criteria for Eligibility

Annex B

**STATEMENT OF ONGOING AND COMPLETED GOVERNMENT AND PRIVATE
I.T. AND RELATED PROJECTS, AND CUSTOMS-RELATED CONTRACTS
WITHIN THE LAST THREE (5) YEARS INCLUDING CONTRACTS AWARDED
BUT NOT YET STARTED**

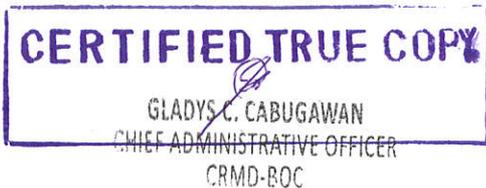
The following is the list of projects and contracts of < company name > required details of which are attached herewith, as part of the Eligibility Requirements for the selection and accreditation of Value Added Service Provider:

Completed Projects:

- 1.
- 2.
- 3.
- 4.
- 5.

On-going Projects:

- 1.
- 2.
- 3.
- 4.
- 5.



<complete name>
Signature of Authorized Representative

Date