



Date 20 AUG 2020

CUSTOMS MEMORANDUM ORDER (CMO)
NO. 19-2020

SUBJECT: GUIDELINES IN THE IMPLEMENTATION OF CONTAINER CONTROL PROGRAMME ("CCP") AND THE PORT CONTROL OFFICE ("PCO") PURSUANT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE BUREAU OF CUSTOMS AND THE UNITED NATIONS OFFICE ON DRUGS & CRIMES -WORLD CUSTOMS ORGANIZATION ("UNODC-WCO")

Section 1. Scope. This Order shall apply to all containerized shipments, including Unit Load Devices (ULDs) for air cargo, discharged at all ports of entry under the jurisdiction of the Bureau of Customs (Bureau).

Section 2. Objectives.

- 2.1. To establish the administrative, operational, reporting and security guidelines for the effective implementation of the CCP in the Philippines;
- 2.2. To provide for the rules and regulation in implementing and operating the CCP through the PCO in the Philippines; and
- 2.3. To provide additional risk management tool in the conduct profiling, identification and selection of containers likely to contain illicit goods.

Section 3. Establishment of Port Control Office (PCO). Pursuant to the memorandum of understanding between the Bureau and UNODC, the Bureau commits to actively participate in the CCP under the UNODC-WCO Programme which aims to create an effective and sustainable capacity to profile high-risk containers.

To distinguish however and to avoid confusion, however, with the Customs Container Control Division (CCCD) of the ports, the Container Control Unit (CCU) shall be

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renamed as Port Control Office (PCO). The PCO shall consist of officers from the Bureau and other law enforcement agencies which may be deputized under the law. The PCO shall be under the control and supervision of the Deputy Commissioner for Intelligence Group or other group as may be directed by the Commissioner.

To pursue its objective, the Bureau undertakes to strengthen the PCO by conducting trainings under the CCP in modern risk management and profiling techniques in order to profile, identify, select, and examine high-risk containers likely to contain illicit goods. Containers subject of profiling activity shall not be limited to imported shipments but may also include export, transit and transshipment.

Section 4. Profiling Activity.

4.1. Profiling activity shall focus on the following areas:

- 4.1.1.** Weapons of Mass Destruction (WMD);
- 4.1.2.** Strategic trade goods;
- 4.1.3.** Illegal drugs;
- 4.1.4.** Precursor chemicals;
- 4.1.5.** Intellectual Property Rights (IPR) violations; and
- 4.1.6.** Environmental or other non-fiscal violations such as involving cultural properties, among others.

4.2. The PCO shall be given access to the automated Custom system (E2M) and shall be provided with all available data contained in the manifest in the pre-arrival/pre-departure phase, as well as, any other relevant available information that can contribute to a justified risk analysis and profiling. The Piers and Inspection Division of the Port of Manila and MICP shall provide a daily list of notices of arrival for vessels to the PCO. Once a PCO has been established at the outports, such as but not limited to Cebu and Davao, it shall also be provided with a list of vessel arrival by the PID or equivalent unit.

4.3. PCO officers shall likewise look into other available systems such as CTS, Panjiva, and other maritime tracker systems in order to determine low and high-risk shipments. PCO officers can request additional commercial data from the private sector like banking institution, subject to limitations prescribed by law. PCO officers shall conduct in-depth risk analysis by identifying known risk profiles based on all available information and applying techniques learned through trainings and mentoring.



- 4.4. Information and intelligence may also be obtained from any number of sources including, but not limited to other government Agencies such as Philippine National Police (PNP), Philippine Drug Enforcement Agency (PDEA), National Bureau of Investigation (NBI), including shipping lines and their representatives, importer and exporter representatives (brokers etc.), other CCP units operating globally and through open source.

Section 5. Operational Provisions. The following shall be undertaken after profiling activities:

- 5.1. If there is no need for non-intrusive or physical inspection, the record will be archived for statistical purposes.

- 5.2. In cases where it is determined by the PCO that a physical examination is warranted based on high risk indicators, the following steps should be followed:

5.2.1. For inbound and transshipment containers:

- a. The PCO through the Deputy Commissioner for Intelligence Group shall recommend for the issuance of a Pre-lodgement Control Order (PLCO) or Alert Order against the suspected high-risk shipment citing specific derogatory information in relation to Section 4.1 of this Order.
- b. For practicality, the PCO shall indicate whether the shipment shall be subject to non-intrusive inspection or physical examination.
- c. In case of non-intrusive inspection, the image of the scanned container shall be thoroughly reviewed and analyzed by the assigned x-ray inspector in order to determine whether the container shall be recommended for continuous processing or for physical examination to release the container or to subject the same container to physical inspection. PCO officer shall be present during the conduct of image analysis.
- d. In case where the physical examination was recommended, the same shall take place at a



designated and secure examination area or at the authorized cold storage facility in case of refrigerated containers and conducted by the assigned customs examiner in the presence of PCO officers and consignee or its duly authorized representative.

- e. The importer or his representative shall be notified of the date and place of the conduct of examination through available means of communication (i.e. letter sent to the business address of the consignee/licensed customs broker in their application submitted to the Account Management Office, electronic mail and SMS, if available.) The importer or his duly authorized representative must be present during the examination, but may not, in any way, interfere during the conduct of examination.
- f. The provisions of CAO No. 7-2019 and related issuances on the processing of PLCO and Alert Orders, and CAO No. 10-2020 on Seizure and Forfeiture Proceedings shall have suppletory application in the conduct of inspection or examination or further action on the shipment.

5.2.2. For outbound shipments:

- a. The PCO through the Deputy Commissioner for Intelligence Group shall recommend for the issuance of Alert Order against the suspected high-risk shipment citing specific derogatory information in relation to Section 4.1 of this Order, unless the shipment is selected "Red" under the risk management selectivity screen.
- b. The alerted or selected "Red" shipments shall be subject to non-intrusive inspection.
- c. The image of the scanned container shall be thoroughly reviewed and analyzed by the assigned x-ray inspector in order to determine whether the container shall be recommended for continuous processing or for physical examination to release the container or to subject the same container to physical



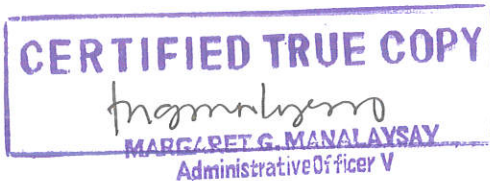
inspection. PCO officer shall be present during the conduct of image analysis.

- d. In case where the physical examination was recommended, the same shall take place at a designated and secure examination area or at the authorized cold storage facility in case of refrigerated containers and conducted by the assigned customs examiner in the presence of PCO officers and exporter or its duly authorized representative.
- e. The exporter or his representative shall be notified of the date and place of the conduct of examination through available means of communication (i.e. letter sent to the business address of the exporter/licensed customs broker in their application submitted to the Account Management Office, electronic mail and SMS, if available.) The exporter or his duly authorized representative must be present during the examination, but may not, in any way, interfere during the conduct of examination.
- f. The provisions of CAO No. 7-2019 and related issuances on the processing of PLCO and Alert Orders, and CAO No. 10-2020 on Seizure and Forfeiture Proceedings shall have suppletory application in the conduct of inspection or examination or further action on the shipment.

5.3. Delays in the selection of export or transshipment shipments shall, at all times, be avoided, unless there exists a just ground for suspicion.

If necessary, information relating to export and transshipment can be exchanged, via the CCP Communication Tool Container COM, with the next port of call and/or the final port of destination.

5.4. In case the shipment is selected as a result of the information supplied by another regulatory agency, the results of non-intrusive inspection and physical examination shall be provided to the said agency.



5.5. PCO officers may request for the list of overstaying shipments in the container yard. The following indicators shall be considered in determining if the overstaying shipments are high-risk:

5.5.1. When a shipment has not been declared with the Bureau within the reglementary period, counting from arrival at the port; or

5.5.2. There are indications that the container and/or its locks and seals have been compromised or tampered.

Overstaying shipments that are identified as high-risk shall be immediately recommended for issuance of a PLCO or Alert Order as the case may be.

If a Decree of Abandonment has been issued, the PCO officers shall request the port concerned to prioritize the 100% physical examination of the subject shipments.

5.6. If applicable, PCO officers shall regularly perform inspection of the locks and seals of overstaying containers at the container yard.

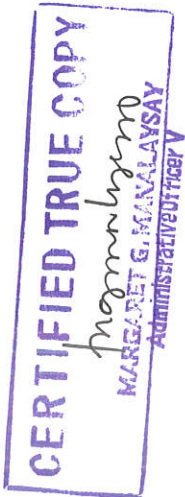
Port operators shall make sure that PCO Members are given full access to the subject shipment for them to be able to perform the physical inspection of the locks & seals on both conventional and refrigerated container.

Section 6. Expenses for Non-intrusive Inspection or Physical Examination.

Expenses for the non-intrusive inspection and/or conduct of physical examination of shipments covered by PLCOs and Alert Orders under this Order shall be borne by the Bureau subject to the provisions of Section 4.5 of CAO No. 7-2019 and related issuances.

Section 7. Confidentiality. All the information handled by the PCO officers shall be treated with utmost confidentiality.

Section 8. Reporting and Monitoring System. PCO officers shall prepare a detailed report of the results of the profiling and/or examination. The PCO shall



maintain an activity report summarizes their selection and obtained results and shall be forwarded, on a monthly basis, to the Office of the Commissioner. They shall also submit the activity report to the Office of the Container Control Program UNODC Bangkok.

The Bureau of Customs shall establish and maintain an ICT based system to validate all information and generate periodic management reports for purposes of monitoring progress and evaluation on the success or status of the Container Control Program.

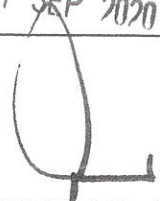

The collection, recording, storage maintenance, processing, sharing of data and information, and maintenance of data information in the CMO shall be secured and shall be consistent with the provisions of Republic Act No. 10173, also known as the "Data Privacy Act."

Section 9. Repealing Clause. All rules and regulations inconsistent with this Order are hereby deemed repealed, superseded or modified accordingly.

Section 10. Separability Clause. If any part of this Order is declared unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.

Section 11. Effectivity. This CMO shall take effect on 01 SEP 2020.



01 SEP 2020

REY LEONARDO B. GUERRERO
Commissioner
AUG 20 2020
 BOC-02-01364