



CUSTOMS ADMINISTRATIVE ORDER (CAO)

NO. 02-2021

SUBJECT: CLEARANCE OF GOODS UNDER THE INFORMAL ENTRY PROCESS

Introduction. This CAO implements Section 402, Chapter 1, Title IV; Section 800, Chapter 1, Title VIII, other relevant provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA) and other related laws.

Section 1. Scope. This CAO applies to all importations cleared through the Informal Entry Process whether or not subject to payment of duties and taxes except accompanied baggage, De Minimis importations and relief consignments which shall be covered by their respective regulations.

Section 2. Objectives.

- 2.1. To identify and segregate the importation of personal and household effects and other qualified non-commercial goods, not intended for sale and commerce, from the mainstream of commercial importation of highly dutiable goods intended for commercial purposes.
- 2.2. To facilitate clearance of goods under the Informal Entry Process without prejudice to the Bureau's other functions of revenue collection, and prevention of smuggling and other customs fraud.
- 2.3. To prescribe a uniform and systematic procedure on the clearance of goods under the Informal Entry Process consistent with international standards and customs best practices, making full use of Information and Communications Technology (ICT) - enabled system for monitoring and control.

Section 3. Definition of Terms. For purposes of this CAO, the following terms shall be defined as follows:

- 3.1. **Air Waybill (AWB)** — shall refer to a transport document for airfreight used by airlines and international freight forwarders which specify the holder or consignee of the bill who has the right to claim delivery of the goods when they arrive at the port of destination. It is a contract of carriage that includes carrier conditions, such as limits of liability and claims procedures. In addition, it contains transport instructions to airlines and carriers,

a description of the goods, and applicable transportation charges.¹

- 3.2. Bill of Lading (BL)** — shall refer to a transport document issued by shipping lines, carriers and international freight forwarders or non-vessel operating common carrier for water-borne freight. The holder or consignee of the bill has the right to claim delivery of the goods at the port of destination. It is a contract of carriage that includes carrier conditions, such as limits of liability and claims procedures. In addition, it contains transport instructions to shipping lines and carriers, a description of the goods, and applicable transportation charges.²
- 3.3. Bureau** — shall refer to the Bureau of Customs.³
- 3.4. Clearance** — shall refer to the completion of customs and other government formalities necessary to allow goods to enter for consumption, warehousing, transit or transshipment, or to be exported or placed under another customs procedure.⁴
- 3.5. Commercial Quantity** — shall refer to the quantity for a given kind or class of articles, which are in excess of what is compatible with and commensurate to the person's normal requirements for personal use.⁵
- 3.6. Conditionally Tax and/or Duty-Exempt Importation** — shall refer to goods exempt from the payment of import duties and/or taxes upon compliance with certain formalities prescribed under pertinent customs issuances.⁶
- 3.7. Formal Entry Process** — shall refer to the cargo clearance process for imported shipments considered to be of commercial nature which are those in excess of FOB or FCA value limitation for informal entry and those for which the informal entry process may not be used, subject to the exceptions provided under the CMTA.
- 3.8. Free Carrier (FCA)** — shall mean that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The parties are well

¹ cf. CMTA, Title I, Chapter 2. Section 102 (d).

² cf. CMTA, Title I, Chapter 2. Section 102 (h).

³ cf. CMTA, Title I, Chapter 2. Section 102 (i).

⁴ cf. CMTA, Title I, Chapter 2. Section 102 (k).

⁵ cf. CAO No. 2-2016 on "Imported Goods with De Minimis Value Not Subject to Duties and Taxes",

⁶ cf. CMTA, Title VIII, Chapter 1. Section 800, first par.

advised to specify clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.⁷

- 3.9. Free on Board (FOB)** — shall mean that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipments or procures the goods already delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.⁸
- 3.10. Goods** — shall refer to articles, wares, merchandise and any other items which are subject of importation or exportation.⁹
- 3.11. Goods Declaration** — shall refer to a statement made in a manner prescribed by customs laws, rules and regulations for the entry or admission of imported goods.¹⁰
- 3.12. Goods of Commercial Nature** — shall refer to goods that are intended to be used solely for commercial purpose, including but not limited to, sale, lease, hire or barter.
- 3.13. Household Effects** — shall refer to furniture, dishes, linens, libraries and similar household furnishing for personal or family use.¹¹
- 3.14. House Airway Bill (HAWB)** — shall refer to an airway bill covering a single, individual shipment or consignment issued by the freight forwarder or consolidator to the consignor or sender containing the names and addresses, respectively, of both the consignor or sender and the consignee or receiver and the detailed, specific description of the goods shipped through air.¹²
- 3.15. House Bill of Lading (HBL)** — shall refer to a bill of lading covering a single, individual shipment or consignment issued by the freight forwarder to the consignor or containing the names and addresses, respectively, of both the consignor or sender and the consignee or receiver and the detailed, specific description of the goods shipped through sea.¹³

⁷ cf. CAO No. 02-2016 on "Imported Goods with De Minimis Value Not Subject to Duties and Taxes", Section 3.3.

⁸ cf. CAO No. 02-2016 on "Imported Goods with De Minimis Value Not Subject to Duties and Taxes", Section 3.4.

⁹ cf. CMTA, Title I, Chapter 2, section 102 (x).

¹⁰ cf. CMTA, Title I, Chapter 2, section 102 (y); cf. RKC, General Annex, Chapter 2 "Definitions", 19/F8.

¹¹ cf. CAO No. 01-2018.

¹² cf. CAO No. 01-2018.

¹³ cf. CAO No. 01-2018.

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3.16. Informal Entry Process — shall refer to the clearance process for imported goods with FOB or FCA value of less than Fifty Thousand Pesos (P50,000.00) and personal and household effects or goods, not in commercial quantity, not for sale, lease, hire or barter and other shipments covered under Section 4 of this CAO.

3.17. Lodgement — shall refer to the electronic registration of a goods declaration with the Bureau,¹⁴ in a manner prescribed under customs laws, rules and regulations.

3.18. Non-Commercial Goods — shall refer to goods, not otherwise falling under the definition of personal and household effects that are not intended to be used for any commercial purposes, including sale, lease, hire or barter.

3.19. Off-dock Customs Facilities and Warehouses (CFW) — shall refer to a customs facility located outside the airport or seaport established for temporary storage of goods. It is considered part of customs premises under the exclusive control, direction and management of the Bureau.

3.20. Personal Effects — shall refer to commodities whether new or used, for personal use or consumption and not for commercial purposes, such as wearing apparel, personal adornments, electronic gadgets, toiletries, or similar items.¹⁵

3.21. Prohibited Goods — shall refer to the following goods, the importation and exportation of which are prohibited:

- a. Written or printed goods in any form containing any matter advocating or inciting treason, rebellion, insurrection, sedition against the government of the Philippines, or forcible resistance to any law of the Philippines, or written or printed goods containing any threat to take the life of, or inflict bodily harm upon any person in the Philippines;
- b. Goods, instruments, drugs and substances designed, intended or adapted for producing unlawful abortion, or any printed matter which advertises, describes or gives direct or indirect information where, how or by whom unlawful abortion is committed;
- c. Written or printed goods, negatives or cinematographic films, photographs, engravings, lithographs, objects, paintings,

¹⁴ cf. CMTA, Title I, Chapter 2, section 102 (dd).

¹⁵ cf. CAO No. 01-2018.

- drawings or other representation of an obscene or immoral character;
- d. Any goods manufactured in whole or in part of gold, silver or other precious metals or alloys and the stamp, brand or mark does not indicate the actual fineness of quality of the metals or alloys;
 - e. Any adulterated or misbranded food or goods for human consumption or any adulterated or misbranded drug in violation of relevant laws and regulations;
 - f. Infringing goods as defined under the Intellectual Property Code and related laws; and
 - g. All other goods or parts thereof which importation are explicitly prohibited by law or rules and regulations issued by the competent authority.¹⁶

3.22. Provisional Goods Declaration — shall refer to a goods declaration made in a manner prescribed by customs laws, rules and regulations for the entry or admission of imported goods pending submission of information or supporting documents, clearances or permits required by the Bureau or other regulatory agencies.

3.23. Regulated Goods — shall refer to goods, the importation and exportation of which are subject to regulation and shall only be allowed after securing the necessary clearances, licenses, and any other requirements prior to importation or exportation. In case of importation, submission of requirements after arrival of the goods but prior to release from customs custody shall be allowed but only in cases provided for by governing laws or regulations.¹⁷

3.24. Restricted Goods — shall refer to the following goods, the importation and exportation of which are prohibited, except when authorized by law or regulation:

- a. Dynamite, gunpowder, ammunitions and other explosives, firearms and weapons of war, or parts thereof;
- b. Roulette wheels, gambling outfits, loaded dice, marked cards, machines, apparatus or mechanical devices used in gambling or the distribution of money, cigars, cigarettes or other goods when such distribution is dependent on chance, including jackpot and pinball machines or similar contrivances, or parts thereof;
- c. Lottery and sweepstakes tickets, except advertisements thereof and lists of drawings therein;

¹⁶ cf. CMTA, Title I, Chapter 3, Section 118.

¹⁷ cf. CMTA Law, Title I, Chapter 3, Section 117.

- d. Marijuana, opium, poppies, coca leaves, heroin or other narcotics or synthetic drugs which are or may hereafter be declared habit forming by the President of the Philippines, or any compound, manufactured salt, derivative, or preparation thereof, except when imported by the government of the Philippines or any person duly authorized by the Dangerous Drugs Board, for medicinal purposes;
- e. Opium pipes or parts thereof, of whatever material; and
- f. Any other goods whose importation and exportation are restricted.

The restriction to import the above stated goods shall include the restriction on their transit.¹⁸

3.25. Tax Exemption Indorsement (TEI) — shall refer to an indorsement from the Department of Finance-Revenue Office (DOF-RO) embodying the specific tax exemption granted on importations, issued to a specific individual or entity, authorizing the Bureau to release the specified shipment in accordance with law and pertinent customs rules and regulations applicable to the specified exempted shipment.¹⁹

Section 4. General Provisions.

4.1. The following shipments shall be cleared through Informal Entry Process:

4.1.1. Goods of Commercial Nature with FOB or FCA value of less than Fifty Thousand Pesos (P50,000.00).

4.1.2. Personal and household effects or goods, not in commercial quantity, whether or not subject to duties and/or taxes.

4.1.3. Conditionally Tax and/or Duty-Exempt Importations under Section 800 of the CMTA:

a. Importation of Returning Residents and OFWs as embodied separately in CAO no. 6-2016.²⁰

b. Balikbayan Boxes sent to families or relatives by Qualified Filipinos While Abroad and consolidated

¹⁸ cf. CMTA, Title I, Chapter 3, Section 119.

¹⁹ cf. DOF-RO Tax Exemption Manual.

²⁰ cf. CMTA, Title VIII, Chapter 1, Section 800 (f).

shipment of duty and tax-free Balikbayan boxes as embodied separately in CAO no. 1-2018.²¹

- c. Shipments containing wearing apparel, goods of personal adornment, toiletries, portable tools and instruments, theatrical costumes and similar effects accompanying travelers, or tourists, or arriving within a reasonable time before or after their arrival in the Philippines, which are necessary and appropriate for the wear and use of such persons according to the nature of the journey, their comfort and convenience subject to conditions as may be required by the DOF and the Bureau.²²
- d. Shipments containing Personal and household effects belonging to foreign consultants and experts hired by, or rendering service to, the government, and their staff or personnel and families accompanying them or arriving within a reasonable time before or after their arrival in the Philippines, in quantities and of the kind necessary and suitable to the profession, rank or position of the person importing said items, for their own use and not for barter, sale or hire, subject to conditions as may be required by the DOF and the Bureau.²³
- e. Shipments containing professional instruments and implements, tools of trade, occupation or employment, wearing apparel, domestic animals, and personal and household effects belonging to persons coming to settle in the Philippines or Filipinos or their families and descendants who are now residents or citizens of other countries, such parties hereinafter referred to as overseas Filipinos subject to conditions as may be required by the DOF and the Bureau.²⁴
- f. Shipments containing Importations for the personal or family use of members and attachés of foreign embassies, legations, consular officers and other representatives of foreign governments and for official use subject to conditions as may be required

²¹ cf. CMTA, Title VIII, Chapter 1, Section 800 (g).

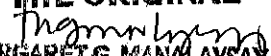
²² cf. CMTA, Title VIII, Chapter 1, Section 800 (h-1).

²³ cf. CMTA Law, Title VIII, Chapter 1, Section 800 (h-2).

²⁴ cf. CMTA Law, Title VIII, Chapter 1, Section 800 (i).

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by the Department of Foreign Affairs (DFA), DOF and the Bureau.²⁵

- g.** Coffins or urns containing human remains, bones or ashes, used personal and household effects (not merchandise) of the deceased person, except vehicles, the FCA or FOB value of which does not exceed one hundred fifty thousand pesos (P150,000.00).
 - h.** Shipments containing personal and household effects of any officer or employee of the DFA, including any attaché, civil or military or member of the staff assigned to a Philippine diplomatic mission abroad by the Department or any similar officer or employee of other departments assigned to any Philippine consular office abroad, or any AFP military personnel accorded assimilated diplomatic rank or on duty abroad who is returning from a regular assignment abroad, for reassignment to the home office, or who dies, resigns, or is retired from the service subject to conditions as may be required by the DFA, DOF and the Bureau.²⁶
- 4.1.4.** Those falling under the remaining sub-paragraphs of Section 800 of CMTA, Conditionally Tax and/or Duty-Exempt Importations shall fall under Informal Entry Process provided that its FOB or FCA value as determined by the Bureau is less than fifty thousand pesos (P50,000.00).
- 4.1.5.** Clearance of previously imported diplomatic supplies and equipment of foreign embassies and tax-exempt institutions sold to a non-privileged buyer shall be manually processed under the Informal Entry Division.
- 4.2.** Importation of motor vehicles, motorcycles and motor scooters regardless of the consignees, including those under Section 800 of the CMTA, shall be under the Formal Entry Process.

Section 5. Operational Provision.

- 5.1. Lodgement and Filing of Goods Declaration.** Goods declaration shall be lodged with the Bureau's E2M system and

²⁵ cf. CMTA Law, Title VIII, Chapter 1, Section 800 (l).

²⁶ cf. CMTA Law, Title VIII, Chapter 1, Section 800 (aa).

shall be filed at the Informal Entry Division (IED) or equivalent unit of the port concerned. The declarant shall accomplish, submit and register the goods declaration online following a prescribed format.

Pending implementation of the Informal Entry System, the declarant shall file the goods declaration using the Informal Import Declaration and Entry (IIDE) BC Form No. 177.

5.2. Documentary Requirements. The goods declaration shall be signed by the declarant and/or the customs broker, duly notarized and submitted to the IED or equivalent office or unit through the Customer Care Center (CCC), with the following supporting documents:

5.2.1. BL/HBL or AWB/HAWB;

5.2.2. Commercial invoice or any other verifiable commercial document evidencing value;²⁹

5.2.3. Packing list or any other similar document that contains the itemized specific information of the importation;

5.2.4. Gate Pass BC Form No. 201 for airport, in case of manual filing; and

5.2.5. Other documents as may be required by rules and regulations, such as:

a. Import authority, permit, clearance or license for imported goods listed in the official list of regulated goods as posted in the BOC website. For this purpose, the Bureau shall periodically update the official list of regulated goods;

b. Sanitary and Phytosanitary (SPS) certificate, if applicable;

c. Authority to Release Imported Goods (ATRIG), if applicable; and

d. Tax Exemption Indorsement (TEI).

5.3. Period to Lodge Goods Declaration. Goods declaration must be lodged within fifteen (15) calendar days from the date of discharge of the last package from the vessel or aircraft. The period for the lodgement of the goods declaration may be adjusted by the Commissioner.

²⁹ cf. CMTA, Title IV, Chapter 1, Section 414.

The period to lodge the goods declaration may, upon written request, be extended on valid grounds for another fifteen (15) calendar days subject to the approval of the Collector of Customs, as may be authorized by the Commissioner. Provided, that the request is made before the expiration of the original period within which to lodge the goods declaration and is based on the following grounds:³⁰

- 5.3.1.** Fraud committed against the owner, importer or consignee;
- 5.3.2.** Accident;
- 5.3.3.** Mistake;
- 5.3.4.** Excusable negligence;
- 5.3.5.** Force Majeure;
- 5.3.6.** Technical issues as certified by the Management Information System Technology Group (MISTG); and
- 5.3.7.** Other analogous circumstances

Request for extension shall be acted upon within three (3) working days otherwise the request for extension shall be deemed approved.³¹ The 15-day extension period to lodge the goods declaration shall retroact to the day immediately after the expiration of the original period. No further extension shall be allowed.

The right to request for an extension to lodge a goods declaration before the expiration of the original period, if applicable, shall be without prejudice to the option of the importer to lodge a Provisional Goods Declaration.

5.4. Provisional Goods Declaration.³² Provisional Goods Declaration (PGD) may be allowed in order to facilitate trade and to prevent goods from being declared abandoned. The Bureau shall assign a specific code to identify that the goods declaration is provisional in nature upon lodgement. Goods declaration shall be considered full and complete insofar as supporting documents and information are concerned if the declarant does not indicate the provisional nature of such lodgement.

5.4.1. The filing of Provisional Goods Declaration shall be allowed under the following circumstances:

³⁰ cf. CMTA, Title IV, Chapter 1, Section 407, 3rd paragraph; cf RKC, General Annex, Chapter 3(b) "The Goods declaration", Sections 3.23 and 3.24.

³¹ Republic Act No. 11032 "Ease of Doing Business Act", Section 9 (b)(1).

³² CMTA, Title IV, Chapter 1, Section 403; cf. RKC, General Annex, Chapter 3(a) "Goods declaration format and contents", Section 3.13.

- a. When no regulatory permit, clearance or license has been presented at the time of lodgement, provided that the importer has filed his application for such permit, clearance or license, prior to the departure of the goods from the country of origin or the arrival of the goods into the Philippines, depending on the policy of the concerned regulatory agency;
- b. When the TEI has not been issued, provided an application has already been filed at the time of lodgement; or
- c. Any other situation where the declarant lacks certain information or document to make a complete goods declaration provided it is not due to the declarant's negligence or fault.

5.4.2. Lodgement of Provisional Goods Declaration may be allowed provided the following documents are presented:

- a. Pro forma invoice;
- b. Duly endorsed BL or AWB, or in the absence thereof, a written order by the carrier or agent of the vessel or aircraft;
- c. Advanced copies of Certificate of Origin, if applicable; and
- d. Duly notarized undertaking by the declarant that the other supporting documents required shall be submitted within forty-five (45) calendar days from lodgement of Provisional Goods Declaration. The 45-day period may be extended for another 45 days for valid reasons upon approval of the written request by the Collector of Customs,³³ provided that the said request for extension is made prior to the lapse of the original 45-day period.

The original grounds for filing a Provisional Goods Declaration should be the same reasons for the extension of the period to submit the required document. Further, the request for extension of period to submit the required documents shall be under pain of falsification for untruthful narration of facts.

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³³ cf. CMTA, Title IV, Chapter 1, Section 403, 1st paragraph; cf. RKC, General Annex, Chapter 3(b) "The Goods declaration", Section 3.17.



5.4.3. Effects of Provisional Goods Declaration.

- a. If the Collector of Customs accepts a provisional goods declaration, the duty and tax treatment of the goods shall not be different from that of goods with complete declaration;³⁴
- b. Tentative assessment of duties, taxes and other charges on goods covered by a provisional goods declaration shall be completed upon final readjustment and submission by the declarant of the additional information or documentation required to complete the goods declaration within forty-five (45) calendar days from the lodgement of the provisional goods declaration, subject to extension period of another forty-five (45) days for valid reasons.

5.4.4. The conditional release of goods under provisional goods declaration shall be governed by the following rules:

- a. In case of regulated shipments, the conditional release of goods shall not be permitted unless the regulatory agency concerned allows³⁵ such release, subject to the following conditions:
 - i. Goods shall be delivered to the importer's premises for storage and shall not be disposed until the required permit, clearance or license is issued and submitted to the Bureau within the prescribed period.
 - ii. A specific and sufficient security³⁶ shall be required to cover the duties, taxes and other charges of the goods, except in case of importers enrolled in any of the trade facilitation programs of the Bureau where a general security³⁷ or an undertaking may be required in lieu of a security.

³⁴ cf. CMTA, Title IV, Chapter 1, Section 403, 2nd paragraph; cf. RKC, General Annex, Chapter 3(b) "The Goods declaration", Section 3.14.

³⁵ In cases where regulatory agency through its existing regulations allows the submission of permit, clearance or license after arrival of the goods but prior to release from customs custody, e.g., Bureau of Internal Revenue (BIR) Authority To Release Imported Goods (ATRIG), Bureau of Product Standard (BPS) Import Commodity Clearance (ICC), National Telecommunications Commission (NTC) Clearance, where the regulatory agency allows post arrival issuance of such permit, clearance or license.

³⁶ cf. CMTA, Title XV, Section 1507.

³⁷ cf. CMTA, Title XV, Section 1507.



b. In all other cases, the conditional release of goods provisionally declared shall be subject to the following rules:

i. A specific and sufficient security³⁸ shall be required to cover the amount of duties, taxes and other charges that shall be collected when the lacking information or document is not submitted within the prescribed period.

ii. In case of highly compliant importers such as those enrolled in any of the trade facilitation programs of the Bureau or when the ground for provisional goods declaration does not affect the final computation of duties, taxes and other charges, no security shall be required for the conditional release of the goods.

5.4.5. Effects of the non-compliance with the conditions for the release of goods under provisional goods declaration.

a. In case the declarant fails to submit the required permit, clearance or license from the regulatory agency within the prescribed period, the regulated goods shall be subject to seizure, provided due notice is given to the declarant.

b. In case of release under the provisional goods declaration due to the lack of import documents to assess the correct duties, taxes and other charges, any security posted or undertaking submitted shall be subject to forfeiture for failure of the declarant to submit the required supporting documents or information within the prescribed period; Provided that due notice is given to the declarant, and without prejudice to any other legal remedy to recover duties, taxes and other charges that may be due on the importation.

5.5. Abandonment, Kinds and Effects of. The provisions on abandonment under Chapter 6, Title XI of the CMTA shall also apply to goods cleared under the Informal Entry Process.

³⁸ cf. CMTA, Title XV, Section 1507.

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5.6. Examination. Examination of goods, when required by the Bureau, shall be conducted immediately after the goods declaration has been lodged.

5.6.1. Physical Examination of Goods.

a. Grounds for the Conduct of Physical Examination.³⁹

- i.** The goods are electronically selected for physical examination;
- ii.** The goods are subject of an Alert Order issued by the competent authority;
- iii.** When the goods declaration is selected for documentary check only but there are issues and controversies surrounding the goods declaration and the import clearance process;
- iv.** It is directed in writing by the Commissioner on account of a derogatory information, in which case the shipment is considered alerted or subject to pre-lodgement control of the Bureau;
- v.** The importer or declarant requests for the examination of the goods;
- vi.** When the image result after non-intrusive inspection raises suspicion of irregularity that requires further physical examination; or
- vii.** When goods are cleared at the Off-dock CFW and no baggage or pallet x-ray machine is available.

5.6.2. Types of Examination of Goods under Informal Entry Process.

- a.** Unless an x-ray machine is installed, a mandatory physical examination shall be conducted for goods of a commercial nature with FOB or FCA value less than fifty thousand pesos (Php50,000.00) transferred to Off-dock CFW and other shipments subject of this CAO.
- b.** Mandatory x-ray inspection for all containerized cargo under the Informal Entry Process shall be conducted prior to assessment and payment of corresponding duties and taxes based on the documents presented. In cases where the x-ray image raises suspicion of irregularity, physical examination shall be conducted.

³⁹ cf. CMTA, Title IV, Chapter 2, Section 420.



- c. Mandatory x-ray inspection shall be conducted for all goods intended for airport warehouses and/or composite warehouses.
- d. The personal baggage or shipments of a diplomatic agent shall be exempt from inspection, unless there are serious grounds to believe that it contains articles not covered by the exemptions mentioned in paragraph 1 of Article 36 of the Vienna Convention on Diplomatic Relations, or the importation or exportation of the articles is prohibited by law or controlled by the quarantine regulations of the Philippines. Such inspection shall be conducted only in the presence of the diplomatic agent or of his authorized representative.⁴⁰

5.7. Risk Management Application. For the application of risk management, the Bureau shall utilize profiling techniques in the determination of the risk imports using selectivity parameters as may be determined by the Bureau.

5.8. Assessment. Goods falling under Informal Entry Process shall be assessed based on existing rules and regulations.

5.9. Payment. Customs duties, taxes and other charges shall be paid in cash through an Authorized Agent Bank (AAB), in-house bank, or the Collection Division of the port.

Unless otherwise directed by the Bureau, the following procedures for the payment of duties, taxes and other charges shall be strictly observed.

5.9.1. For sea shipments, the declarant/broker/importer or his authorized representative shall present the Order of Payment to the in-house Bank for acceptance of the payment using the Cash Miscellaneous Module of the BOC's E2M System. The in-house bank shall issue the Bureau of Customs Official Receipt (BCOR) which must reflect the computer-generated E2M Customs Receipt Number (ECRN). The original (white) and green copies of the BCOR must be given to the importer/broker or their authorized representative.

5.9.2. In case of air shipments, the order of payment shall be presented to the BOC cashier who shall issue a BCOR

⁴⁰ cf. Vienna Convention on Diplomatic Relations 1961.

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evidencing payment of duties and taxes and other charges due.


The BOC Cashier shall also issue and sign the gate pass (BC Form No. 201) and shall forward the same together with the BCOR to IED or equivalent unit for signature of the COO III and COO V.

5.10. Release of Shipments. Once payment has been confirmed, the Bureau shall electronically transmit the release instruction to the respective terminal facility operator/ Off-dock CFW for the release of the goods to the proper party.

Pending full automation, the assigned Customs Operations Officer V (COO V) shall verify the BCOR presented by declarant and/or customs broker in the electronic payment system if payment has indeed been made. After verifying that the appropriate payment has been made, the COO V shall stamp on the white and green copies of the BCOR "Payment Verified" and retrieve the data corresponding to the BL of the particular IIDE. The COO V shall forward to the Chief Informal Entry Division or its equivalent unit the copies of BCOR with stamped marking "Payment Verified".

The Chief Informal Entry Division or its equivalent unit shall select from the e-manifest menu the operation "Manual Discharge" to perform manual write-off of the BL. On the "Manual Discharge Screen" of the e-manifest, the Chief Informal Entry Division or its equivalent unit shall encode the following data corresponding to the said shipment:

- a. Consignee's TIN
- b. Consignee's Name
- c. Broker's TIN
- d. Broker's Name
- e. Registration Serial – the value is always (I) which stands for Informal Entry
- f. Registration Number – the assigned number (Entry No.) of IIDE.
- g. Registration Date (mm/dd/yy)
- h. Transit Shed Code – the code for the Location of the goods assigned to the Port Operators/ Container Yard-Container Freight Station (CY-CFS), Off-dock Customs Facilities and Warehouse Operators
- i. Reference Year – the year of the Informal Entry Goods Declaration
- j. Declaration Office Code – customs office code of the port
- k. Commodity Code

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- l.** Total Number of Packages
- m.** Packaging Type
- n.** Total Gross Weight

The manual discharge shall trigger the electronic transmission of the release instruction to the respective terminal facility operator/ Off-dock CFW for the release of the goods to the proper party.

Section 6. Fees and Charges. The Bureau shall collect Import Processing fees, Container Security fees and Documentary Stamp Tax for goods declaration lodged under the Informal Entry Process at rates to be prescribed under a separate CAO on Customs Service Fees, Dues, and Charges.

Section 7. Adjustment of Value of Goods of Commercial Nature. The Commissioner may recommend the increase or decrease of the threshold value of Goods of Commercial Nature cleared through the Informal Entry Process, subject to the approval of the Secretary of Finance.⁴¹

Section 8. Use of ICT-enabled Customs Automated System. To enhance customs control and support a cost-effective customs operations geared towards a paperless customs environment, the Bureau shall, after due consultation with directly affected parties and stakeholders, develop, implement, or outsource an ICT-enabled customs cargo clearance system for informal entry process based on international standards. Towards this end, the Bureau shall communicate, exchange and process trade-and logistics-related information in the national and international level for the efficient and prompt clearance of goods and commodities in a technology-neutral and secured infrastructure for business, industries, and government.

Section 9. Penal Provision. Any person who makes or attempts to lodge, process and clear imported goods by means of false or fraudulent statements, shall be subject to sanctions and penalties provided under Section 1401, Chapter 1, Title XIV of the CMTA and other applicable penal provisions.

Section 10. Repealing Clause. All other rules and regulations issued by the Bureau which are inconsistent with this Order are deemed repealed or modified accordingly.

Section 11. Separability Clause. If any part of this CAO is declared unconstitutional or contrary to laws, the other parts not so declared shall remain in full force and effect.

Section 12. Review. This CAO shall be reviewed every three (3) years and be amended or revised, if necessary.

⁴¹ cf. CMTA, Title IV, Chapter 1, Section 402.

Section 13. Effectivity. This CAO shall take effect thirty (30) days after its complete publication in the Official Gazette or a newspaper of general circulation.

The Office of the National Administrative Registrar (ONAR) of the UP Law Center shall be provided three (3) copies of this CAO.

REY LEONARDO B. GUERRERO

Commissioner of Customs

MAY 04 2021



BOC-02-05714

Approved:

CARLOS G DOMINGUEZ
Secretary of Finance

MAY 18 2021



Bureau of Customs
CENTRAL RECORDS MGT DIVISION

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OF THE ORIGINAL

MARGARET G. MARALAYSAY
Administrative Officer V