MEMORANDUM ORDER NO. 2007-003

TO: PEZA-Registered Export-Producers and IT Enterprises
Economic Zone Administrators and Managers
PEZA Unit Heads in the PEZA-Customs Documentation Units

FROM: Director General LILIA B. DE LIMA

SUBJECT: Roll Out of the Implementation of the PEZA Electronic Import Permit System (e-IPS) for Import Shipments Arriving in Luzon International Seaports

DATE: 02 April 2007

Implementation of the PEZA Electronic Import Permit System (e-IPS), as provided in PEZA Memorandum Orders No. 2006-003 dated 11 September 2006 and No. 2007-002 dated 20 February 2007, is hereby expanded to cover applications for import permits of export-producers and IT enterprises for import shipments arriving in Luzon international seaports (specifically South Harbor of the Port of Manila and the Manila International Container Port), cleared through the corresponding PEZA-Customs Documentation Unit (PCDU) effective immediately.

The e-IPS implementation is intended to simplify procedures and accelerate approval cycle time in the processing of applications for tax and duty-free importations of PEZA-registered ecozone export enterprises (EEEs) and IT/IT-enabled enterprises (ITEEs). Specifically, the e-IPS will enable EEEs and ITEEes to electronically file their Import Permit Applications, pay the required processing fees through electronic modes of payments and print system-generated electronic Import Permits.

Pursuant to its Guidelines issued on 14 July 2006, PEZA has accredited two Value-Added Solutions Providers (VASPs), to assist economic zone enterprises in the implementation of the e-IPS, namely:

E-Konek Pilipinas Inc. (E-Konek)
• InterCommerce Network Services Inc. (INS)

The procedure for the implementation of the e-IPS is presented in Annex 1 and shall be subject to the following rules and conditions:

1. PEZA-registered EEEs and ITEEes entitled to avail of the tax and duty-free importation privilege for production inputs shall register with the Office of the PEZA Zone Administrators / Managers by providing, among others, the following information:


"Trabajo at kabuhayan sa bawat tao"

President Gloria Macapagal-Arroyo
a. Company official(s) of managerial rank/position, who will be responsible for e-IPS transactions, with contact information;

b. Preferred PEZA-accredited VASP(s) they have contracted for access to the e-IPS;

c. PEZA-registered broker(s)/forwarder(s) authorized to arrange e-IPS transactions, if any, provided it is understood that the economic zone enterprises shall be fully responsible for all e-IPS transactions, including those undertaken by its authorized broker(s)/forwarders;

d. Preferred electronic mode(s) of payment of the PEZA Processing Fee for Import Permit applications; and

e. Other information as may be required for participation in the implementation of the e-IPS.

The proforma economic zone enterprise application letter to PEZA is presented as Annex 2. The e-IPS Enrollment Form is available on-line at the VASPs' websites.

2. PEZA-registered EEEs and ITEEs enrolled for the implementation of the e-IPS shall submit to the Office of the PEZA Zone Administrators/Managers soft- and hardcopies of their Lists of Importables, in MS Excel format, consisting of the following:

a. For EEEs: raw materials, parts and components, supplies, spare parts and other inputs required in the manufacture of their registered export-products or activities. Production machinery and equipment shall not be included in the lists of importables;

b. For ITEEs: computer hardwares and parts, softwares, call center workstations/accessories, network equipment, data source documents and other inputs for their registered IT activities.

The Lists of Importables should include the corresponding 8-digit HS code of each item, based on the ASEAN Harmonized Tariff Nomenclature (AHTN) of the Philippine Tariff Commission 2004 and subsequent amendments thereto. The format of the List of Importables is presented in Annex 3.

3. Hazardous chemicals, explosives, telecommunication equipment and other items required by EEEs and ITEEs as production inputs, which are covered by import controls/clearances implemented by government agencies (e.g., DENR-EMB, PNP, PDEA, NTC etc.), specialized equipment/vehicles and construction related equipment/materials that are subject to approval of the PEZA Board/Head Office, shall be excluded from the Lists of Importables.

4. Economic Zone Administrators/Managers shall review the Lists of Importables and endorse the validated lists to the PEZA-MIS Department through e-mail.
(c/o mis@peza.gov.ph) within five (5) days from receipt of the Lists from EEEs and ITEEs.

5. PEZA MIS shall upload the Lists of Importables in the PEZA Database and immediately advise the concerned EEEs and ITEEs, through the respective economic zone and their contracted VASPs that they can start submitting their Import Permit applications through the e-IPS.

6. EEEs and ITEEs shall be responsible for the following:

   a. Accuracy of the descriptions and corresponding HS Codes of the items included in their Lists of Importables;
   b. Ensuring security of their Users' Codes;
   c. Monitoring Import Permit applications filed by their authorized representatives, brokers and forwarders;
   d. Confirming or denying ownership of import application filed electronically for the enterprise in accordance with the procedures of the VASPs;
   e. Confirming delivery of the goods at their plant site.

7. PEZA-accredited VASPs and banks are authorized to collect e-IPS access and e-Payment service-fees from EEEs and ITEEs based on market driven rates.

8. Effective 01 June 2007, PEZA shall no longer allow use of Open Import Permits for import shipments arriving at the 2 Luzon seaports.

For clarifications and assistance, please contact the Office of PEZA Economic Zone Administrators/Managers or the PEZA Enterprise Operations Department [Telephone No. (02) 551-34-52] or the PEZA MIS Department [Telephone No. (02) 551-95-91].

For strict compliance of all concerned.
# PEZA Electronic Import Permit (e-IP) System

## PROCESS FLOW

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>Responsible Entity</th>
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</thead>
<tbody>
<tr>
<td><strong>STEP 1. List of Importables</strong></td>
<td></td>
</tr>
<tr>
<td>1.1 Accomplish the e-IP Registration Form</td>
<td>1.1 Enterprise</td>
</tr>
<tr>
<td>1.2 Prepare list according to format and submit to PEZA Zone Office</td>
<td>1.2 Enterprise</td>
</tr>
<tr>
<td>1.3 Review list and endorse to PEZA Head Office</td>
<td>1.3 ZA/ZAICMOC</td>
</tr>
<tr>
<td>1.4 Upload the validated list into the PEZA data server</td>
<td>1.4 Head Office- MIS</td>
</tr>
<tr>
<td><strong>STEP 2. Enrollment with Accredited VASPs</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 Comply with VASP enrollment requirements</td>
<td>2.1 Enterprise</td>
</tr>
<tr>
<td>2.2 Nominate authorized users (company representative and/or brokers)</td>
<td>2.2 Enterprise</td>
</tr>
<tr>
<td><strong>STEP 3. Enrollment for Payment of PEZA Fees</strong></td>
<td></td>
</tr>
<tr>
<td>3.1 E-bank mode: Open Account with authorized Banks</td>
<td>3.1 Enterprise, Banks, VASP</td>
</tr>
<tr>
<td>3.2 Advance Payment mode: make advance payment to the PEZA Zone Office, then PEZA Zone Officer encodes O.R. No. and amount paid. System debits actual fees for every application</td>
<td>3.2 Enterprise, Zone Office</td>
</tr>
<tr>
<td>3.3 Cash mode: pay to Zone per I.P. application then Zone Officer encodes O.R. No. and amount paid</td>
<td>3.3 Enterprise, Zone Office</td>
</tr>
<tr>
<td><strong>STEP 4. Connectivity Test and Users Training</strong></td>
<td></td>
</tr>
<tr>
<td>4.1 Check connectivity to the system</td>
<td>4.1 VASP</td>
</tr>
<tr>
<td>4.2 Network, system trouble shooting</td>
<td>4.2 VASP</td>
</tr>
<tr>
<td>4.3 Customer Assistance</td>
<td>4.3 VASP</td>
</tr>
<tr>
<td><strong>STEP 5. Electronic filing of Import Permit</strong></td>
<td></td>
</tr>
<tr>
<td>5.1 Authorized representative files application using VASP solution and services</td>
<td>5.1 Enterprise representative</td>
</tr>
<tr>
<td>5.2 Screening and Approval process: authorized user? E-IP registered enterprise? Approved importable item? IP fee Payment remitted and confirmed? Ownership confirmed? Others?</td>
<td>5.2 VASP System (and e-Bank as applicable)</td>
</tr>
<tr>
<td>5.3 Print approved Import Permit (valid for 15 days)</td>
<td>5.3 Enterprise representative</td>
</tr>
<tr>
<td><strong>STEP 6. Release of Goods at Port of Entry</strong></td>
<td></td>
</tr>
<tr>
<td>6.1 File system generated e-IP print out (Import Permit) together with support documents (the same as in the manual process)</td>
<td>6.1 Enterprise representative</td>
</tr>
<tr>
<td>6.2 Validation of the printed e-IP(IP number, Enterprise items: description, quantity and value, IP fee paid, validity); support documents: required clearances compiled e.g. PNP, PDEA; check any alert to hold process</td>
<td>6.2 PCDU</td>
</tr>
<tr>
<td>6.3 Issue endorsement to BOC for transshipment permit</td>
<td>6.3 PCDU</td>
</tr>
<tr>
<td>6.4 Process transshipment permit, CEWE</td>
<td>6.4 BOC</td>
</tr>
</tbody>
</table>
6.5 Issue Authority to Withdraw, endorse release at the gate and tag the IP as "Used" in the PEZA System | 6.5 PCDU, PEZA Police

<table>
<thead>
<tr>
<th>STEP 7. Delivery of the Goods to the Zone</th>
<th>7.1 PEZA Zone Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Confirmation of actual arrival at Zone Gate by scanning of the IP and actual inspection of goods, or confirmation after inspection by PEZA and BOC Examiners by signing the CEWE and tagging the IP as &quot;delivered&quot; in the eIPS</td>
<td></td>
</tr>
</tbody>
</table>

**NOTES:**

1. For subsequent filing of Import Permits – go through Steps 5, 6, 7
2. For amendments on the approved list of importables – go through Step 1.2 until 1.4
3. For system/network trouble or failure to connect – call the VASP, inform PEZA Zone Office
4. For continued system failures within 30 minutes or beyond the committed time by the VASP to resume service – Enterprise should proceed with the Manual System

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**a**/ The PEZA Accredited Value Added Solution Providers (VASPs) are as follows:

1. **E-konek Pilipinas Inc. (Ekonek)**
   - [http://www.ekonek.com](http://www.ekonek.com) or Telephone 879-43-69
   - Ms. Thelma Sotto, [tsotto@ekonek.com](mailto:tsotto@ekonek.com)
   - Mr. Jowie Pilac, [j pilac@ekonek.com](mailto:j pilac@ekonek.com)
   - Ms. Sandy Saguin, [ssaquin@ekonek.com](mailto:ssaquin@ekonek.com)

2. **InterCommerce Network Services Inc. (INS)**
   - Mr. Francis Lopez, [flopez@intercommerce.com.ph](mailto:flopez@intercommerce.com.ph)
   - Mr. Alex de Guzman, [adegzuman@intercommerce.com.ph](mailto:adegzuman@intercommerce.com.ph)
   - Ms. Kristine Bona, [kbona@intercommerce.com.ph](mailto:kbona@intercommerce.com.ph)

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**b**/ The following are e-Payment Banks:

1. Land of the Philippines (accredited by PEZA)
2. Rizal Commercial Banking Corporation (accredited by PEZA)
3. Union Bank of the Philippines (accreditation in process)
Annex 2

PROFORMA APPLICATION LETTER

Date

PEZA Zone Administrator / Manager
Zone Location
Address

Dear _______________

This is to submit our application for registration in the PEZA electronic Import Permit System (e-IPS). The list of importable items, in soft and hard copies, duly certified by our Company’s Manager for __________, Mr/Ms. __________ is enclosed and hereby endorsed for your review. The other details are as follows:

A. Responsible Officer/s: ____________________________________________
   (Name, position and contact numbers: email, telephone landline and cellphone)

B. Preferred Value Added Solution Provider: ____________________________

C. Preferred Date of e-IPS Activation: ________________________________

D. A copy of our enrollment form with the VASP is enclosed

E. Authorized Brokers/Forwarders
   (Locator may authorize more than one Broker; indicate the validity date of Broker's accreditation with PEZA; for each authorized Broker staff, indicate name, position, contact numbers through email, telephone landline and cellphone)

F. Modes of payment for PEZA Import Permit Fees (give details if cash per transaction or advance payment or name of Bank for e-pay, please don’t give Bank Account number)

We confirm that we have read the guidelines for the e-IP system as per PEZA Memo Order No. ______ dated ______ and that we are accountable for the designation of authorized users on our behalf, the list of importables, monitoring of e-IPS applications until delivery of the import shipment at our project site and compliance with clearances required by other government agencies. We certify that goods imported through the e-IPS shall be used only for our PEZA-registered activities.

Thank you.

Very truly yours,

(CEO/President)
PEZA-Locator
Annex 3

Format for the LIST OF IMPORTABLES

PEZA-Registered Enterprise: ________________________________
Certificate of Registration No.: ________________________________

Submitted by: (Name and Position): ________________________________
Date Submitted: ________________________________

List of Registered Activities:

<table>
<thead>
<tr>
<th>Original Registration Agreement</th>
<th>Date Approved:</th>
<th>Activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental</td>
<td>Date Approved:</td>
<td>Activities:</td>
</tr>
<tr>
<td>Supplemental</td>
<td>Date Approved:</td>
<td>Activities:</td>
</tr>
</tbody>
</table>

Required data (in MS Excel format).
1. Item/Goods Description – as indicated in the invoices, purchase orders
2. HS Code (8 digit HS Code, ASEAN Harmonized Tariff Nomenclature)

Optional data as may be required by a VASP (in MS Excel Format)
- Supplier Name
- Supplier Code
- Item Code or part number – as indicated in Purchase Orders, delivery/advance shipping notice, delivery confirmation and invoice
- Commodity Code
- Commodity Description
- Pre-Alert Description

Required Broker Certification

This is to certify that we have classified the import items listed herewith into the appropriate HS Code Tariff Classification pursuant to the latest ASEAN Harmonized Tariff Nomenclature (AHTN).

Name of Broker and Signature: ____________________________________________
PEZA Accreditation No. and validity date: ________________________________

Date: ________________