

**Republic of the Philippines**  
**Bureau of Customs – Philippine Economic Zone Authority**  
**Manila**

Joint Memorandum Order  
No. 2-2002

Pursuant to the Memorandum of Agreement entered into by and between the BUREAU OF CUSTOMS (BOC) represented by Commissioner Antonio M. Bernardo, PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA) represented by Director-General Lilia B. de Lima and Semi-conductors and Electronics Industries in the Philippines, Inc. represented by its President, Norberto A. Viera on the 20<sup>th</sup> day of April, 2002 at the City of Baguio, Philippines, the following rules and regulations are hereby prescribed to implement the Automated Export Documentation System (AEDS) at the Ecozones under PEZA:

**1.0 Objective**

Contribute to making the conduct of export operations at the Ecozones simpler, more convenient and less costly even as the protection against smuggling and the promotion of government interest is enhanced

**2.0 Scope**

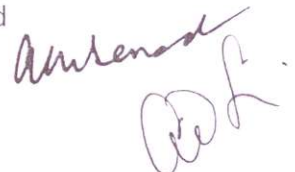
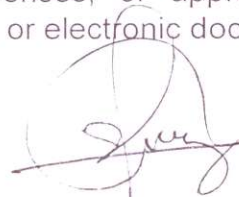
This Order shall cover semiconductor and electronic export shipments from Ecozones loaded at NAIA. The export procedure of other products or from other sources or for loading at other ports shall be covered by separate Orders.

**3.0 General Provisions**

**3.1 Harmonization of Export Procedures with RA 8792.** – The export procedures and documentation system for PEZA Ecozone locators shall be harmonized with RA 8792 or the E-Commerce Act dated 14 June 2000 to include:

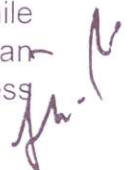
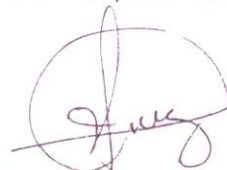
3.1.1 Acceptance of the creation, filing or retention of the Export Declaration (ED) in the form of an electronic data message;

3.1.2 Issuance of permits, licenses, or approval in the form of electronic data messages or electronic documents; and



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- 3.1.3 Acceptance of payments and issuance of receipts acknowledging such payments through systems using electronic data messages or electronic documents
- 3.2 **Electronic Filing and Processing of EDs.** – Will be by electronic means through the Customs computer system herein referred to as the AEDS.
- 3.3 **Elimination of the Customs Boatnote and PEZA Tally Sheet.** – The printed ED, which is the Automated Customs Operations System (ACOS) Single Administrative Document (SAD), shall take the place of the boatnote which will no longer be required. Similarly a tally sheet will no longer be required because the quantities and items in the ED should exactly reflect the actual quantity of exports.
- 3.4 **Encrypted Barcode as Authority to Load (ATL).** – A systems generated barcode utilizing encryption technology shall be the electronic signature granting ATL. Airline officials concerned shall verify the authenticity of the barcode using their AEDS workstations to access the particulars of the official ED from the export server for comparison with the copy accompanying the shipment before accepting the same for loading.
- 3.5 **Selective Customs Document Examination and Shipment Inspection.** – Must in general be undertaken by zone Customs officers before the shipment exit the zone gates and only selectively when there is derogatory information received via Customs authorized channels or when the Customs officer has reason to suspect that the shipment is attendant with fraud and/ or is in violation of Customs and other government rules and regulations. For this purpose, no export shipment may be allowed exit at the exporter's premises nor the zone gate within 30 minutes from the issuance of the ATL to provide sufficient time to Customs and PEZA officers to verify shipments subject of derogatory information. A report on all examination conducted must be prepared copies of which must be provided the locator and the Enterprise Assistance Division (EAD) office.
- 3.6 **Handling of Rush Shipments.** – Exports that cannot wait for the 30-minute no-exit rule may be volunteered for inspection ahead of time.
- 3.7 **No Re-processing of ED at NAIA.** – No further pre-shipment processing of the ED will be required by NAIA Customs except when there is strong derogatory information of a change of contents while the shipment is in transit such as when the travel time took longer than expected following the procedure in the export release process described below.





N.B. Export Release is a module in ASYCUDA that allows a Customs officer at the Customs exit station to key into the export declaration database the date and time, that the shipment covered by an export declaration was actually cleared for loading into the carrying aircraft.

**3.8 Export Release Module for Capturing Arrival Data at Port of Loading.** – The date and time of the shipment receipt at the airline warehouse for loading shall be captured by AEDS. Post Loading Certificates shall be issued based on the information contained in the AEDS database.

**3.9 Reduced Copies of ED.** – In lieu of the four copies of the paper ED, only one copy of the SAD with a barcode shall be printed. In lieu of providing National Census Statistics Office (NCSO) and Department of Trade and Industry (DTI) copies (paper) of the ED, the BOC shall provide electronic files of EDs processed on a monthly basis to these government agencies. The exporter shall make a copy of the ED for his file. The original ED shall be presented by the exporter or his representative to the airline personnel who in turn will turn these over to the Customs Trade Control Examiner (TCE) assigned at the airline warehouse.

**3.10 Automated Export Statistics Generation.** – BOC and NCSO shall together develop a system by which export statistics can be generated by the latter utilizing the data generated by BOC from the AEDS database.

#### 4.0 Operational Provisions

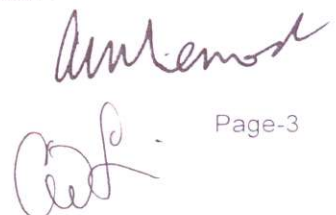
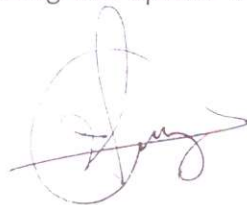
The following are the processes and activities to be undertaken by entities concerned (see Annex “A” for the flow diagram of the processes/activities).

##### 4.1 Locator/Exporter or Representatives

4.1.1 When the goods are ready for shipment and necessary documents such as commercial invoice and packing list have been prepared, the locator/exporter or representative shall compose the ED using the ACOS-DTI for Export module loaded at the locator's workstation.

4.1.2 Before lodging the declaration, the locator should review the correctness of encoding particularly on the mandatory fields.

4.1.3 Lodge the ED by choosing the option “Assess”.



Keying in the declarant's password in this electronic filing of declaration is equivalent to signing the declaration.

4.1.4 Print the ATL as soon as ACOS has completed processing the declaration.

4.1.4.1 One would know that the processing is complete and that the ATL is ready for printing when a WINDOW comes up on the computer screen showing the Customs Reference Number assigned by the system.

4.1.4.2 The printed ED will have a BARCODE of coded information representing the system generated electronic signature that makes the ED the ATL. The said SAD with the commercial invoice and packing list must accompany the shipment from the Ecozone to the transportation company at the port of export.

4.1.5 Actual exit of the shipment from the locator/exporter premises must be deferred for 30 minutes starting at the time of printing of ED to allow time for BOC personnel at the EAD to determine if the shipment must be inspected following section 3.5 of this Order.

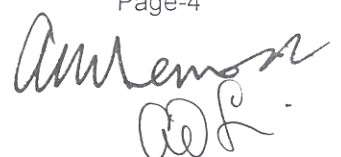
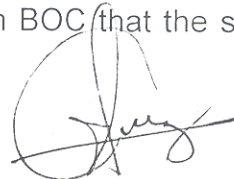
4.1.5.1 Rush export shipments that cannot wait for the prescribed 30-minute allowance for Customs inspection can be volunteered for inspection ahead of time.

4.1.5.2 Locator must make the request and notify BOC that the particular shipment is volunteered for inspection if he intends to move the shipment once the ATL has been secured.

4.1.6 If the shipment is identified for inspection as provided in section 3.5, the locator/exporter shall then receive the appropriate message from Customs through telephone or fax in which case the shipment must be prepared for inspection. Inspection must be undertaken at the clean room or appropriate place for inspecting sensitive and damage prone electronic and semiconductor exports.

4.1.7 After the conduct of physical examination and if the actual contents conform with the declaration, the locator/exporter can already take the shipment out of the zone.

4.1.8 After the prescribed 30-minute allowance has lapsed and in the absence of message from BOC that the shipment is subject to





physical inspection as in item 4.1.6 above, the locator /exporter forwards the required documents and shipment to the forwarder for transport.

## 4.2 BOC Officers at the Zone

- 4.2.1 Using the ACOS computer workstation at EAD, review declaration filed and identify shipment/s to be subjected to physical examination following section 3.5.
- 4.2.2 Immediately inform the locator and the gate guards through the fastest and reliable means (e.g. telephone, fax, etc.) of shipment selected for examination following Sec. 3.5.

It is the responsibility of the BOC staff at EAD to notify the subject locator/exporter to be able to prepare the shipment for inspection by any secure means within 30 minutes from the time of lodgment.

- 4.2.3 The designated Customs examiner concerned shall immediately proceed to the locator/exporter premises and conduct the physical examination of the goods.
- 4.2.4 After the inspection of goods and provided that everything is in order, the concerned personnel then gives clearance to the gate guard for the shipment's exit from the zone.
- 4.2.5 The said BOC staff shall submit the results of the physical examination to the PEZA and/or BOC heads.
  - 4.2.5.1 In cases of voluntary inspection and if everything is in order, the BOC authorized personnel shall issue clearance for the shipment to move out of the zone.

## 4.3 PEZA Gate Guard

- 4.3.1 The PEZA Gate Guard must insure that a shipment notified by BOC for inspection must be inspected before allowed exit from the zone. As for a non-notified shipment, guards must observe the 30-minute rule unless the shipment is a Rush Shipment examined pursuant to 4.1.5.1. There will be an exit date and time to be printed together with the barcode on box 51(a) of the ED. No shipment must be allowed to exit earlier than the

date/time unless the shipment has been examined pursuant to 4.1.5.1.

- 4.3.2 The PEZA guard at the gate shall verify the authenticity of the accompanying ED using the barcode scanner assigned to the gate.

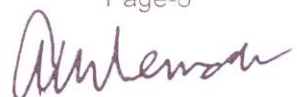
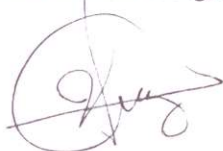
#### 4.4 Freight Forwarder/Customhouse Broker

- 4.4.1 The forwarder presents the printed ED/ATL at the gate for barcode verification prior to the departure from the zone.
- 4.4.2 The forwarder then transports the shipment to the airline customs bonded warehouse and presents the shipment together with the ED/ATL at the airline counter for the processing in 4.5 below.
- 4.4.3 For shipments already received by the airline, prepares or "cuts" the house air waybills based on data of actual weighing done by the airline officer.
- 4.4.4 Prepares master air waybills and consolidated manifest and provide copy for the airline officer.
- 4.4.5 Forwards the necessary airline documents to airline officer at the loading area.

N.B. For integrator airlines (providing door-to-door service), e.g. UPS, DHL, FedEx, the work of the freight forwarder listed in 4.4 and the airline in 4.5 may be performed by a single entity.

#### 4.5 Airline Officer

- 4.5.1 After the arrival of the export shipment & presentation of accompanying documents, the airline officer or receiving person scans the barcode on the ED to download the details of the ED from the export server. After confirming that the ED presented by the forwarder matches the ED on the system, compare the actual shipment with the ED.
- 4.5.2 If everything is in order, the airline officer then conducts actual weighing of the items prior to the loading of the cargo into igloo containers. If the actual weight differs from the declared weight,



he/she reflects the correct one in the air waybill and the export manifest.

4.5.3 He/she then receives the copies of the air waybill and consolidated manifest after the forwarder has processed the required documents as in item 4.4.3 and 4.4.4 above. He shall then gather all these documents from the various freight forwarders for submission to the Aircraft Operation Division (AOD).

4.5.4 The airline officer then gives copies of all air waybills of shipment loaded to the TCE to support the activity described in 4.6.3.

#### **4.6 BOC – TCE**

4.6.1 BOC-TCE detailed at the warehouse loading area of airline carriers, i.e. Pair Cargo, PAL – PSI, MIASCOR, Cargohaus, and others as may be authorized by Customs, shall observe the receiving operations of exports for any indication of fraudulent shipments. One indicator is the time lapsed from date/time allowed to exit the zone (4.3.1) at the Ecozone to arrival at the warehouse which must be within the expected travel time. Officers must be proactive in identifying questionable shipments instead of requiring that they be informed by airline personnel everytime there is a shipment.

4.6.2 In view of the customs processing already done at the zone as described in 4.2, BOC-TCE must only undertake selective interventions as described in 4.6.1 above. Unless there is an indication of fraud, BOC-TCE shall leave the receiving and preparation for loading of the goods to airline personnel.

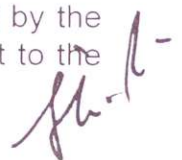
4.6.3 For exports already cleared by airline for loading, the BOC-TCE shall update record in ACOS by doing Export Release at the workstation of the Export Division based on the airline document received following 4.5.4.

4.6.4 TCE hands over all EDs received and process to the Export Division.

#### **4.7 BOC – AOD**

Insures that only those shipments in the manifest(s) presented by the airline are loaded on the aircraft. He then submits all manifest to the Export Division.

#### **4.8 BOC Export Division**





- 4.8.1 Export Division then conducts post loading documentary check of all shipments loaded in the aircraft as per report of the inspector and the TCE against ACOS.
- 4.8.1.1 The authentication of the ED gathered and submitted to the Division by the TCEs may be verified by scanning the barcodes and comparing the particulars thereon with those that will appear on the screen.
- 4.8.1.2 The manifests gathered by the AOD may be verified for any un-documented shipment by matching the shipment contained therein with the authentic EDs as determined above.
- 4.8.2 A list of shipments issued ED for the day but has not been export released may be generated from ACOS to identify shipments that may have been diverted to the Customs territory.
- 4.8.3 A list of shipments export released for the day may also be generated and compared with the manifest received from AOD to identify shipments received at the warehouse but not loaded on the aircraft and therefore, may potentially be diverted into the domestic market.
- 4.8.4 A report on the discrepancies discovered in 4.8.1 to 4.8.3 above must be prepared for submission to the head of the Export Division in order that needed investigation and action can be undertaken.

## 5.0 Administrative provisions

PEZA and customs officers shall be detailed at the EAD and at the airline offices during regular office hours and when required, outside office hours to insure continuity of the export process. Zone authorities must coordinate with the locators for the time outside office hours that EAD must be manned. Airline officials on the other hand must coordinate with customs airport personnel for office hours of customs personnel.

## 6.0 Superseding Clause

All rules and regulations inconsistent with this Order are hereby considered superseded or modified accordingly.



## 7.0 Effectivity

This Order shall take effect upon the approval by National Economic and Development Authority Board.

Bureau of Customs  
(BOC)

By:   
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ANTONIO M. BERNARDO  
Commissioner

Philippine Economic Zone Authority  
(PEZA)

By:   
\_\_\_\_\_  
LILIA B. DE LIMA  
Director General


## AEDS FLOW DIAGRAM

