



# Bureau of Customs

## ITS ROLE IN EXPORT CONTROL



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# Bureau of Customs

- The Bureau of Customs is one of the lead agencies responsible for the control and monitoring of the export-import of Weapons of Mass Destruction and dual purpose articles in the Philippines





# Bureau of Customs

- It is considered the first and the last line of defense in the enforcement of export control laws in the country





# Functions

1. The assessment and collection of the lawful revenues from imported articles and all other dues, fees, charges, fines and penalties accruing under the tariff and customs laws





# Functions

2. The prevention and suppression of smuggling and other frauds upon the customs





# Functions

3. The supervision and control over the entrance and clearance of vessels and aircraft engaged in foreign commerce





# Functions

4. The enforcement of the tariff and custom laws and all other laws, rules and regulations relating to the tariff and customs administration





# Functions

5. The supervision and control over the handling of foreign mails arriving in the Philippines, for the purpose of the collection of the lawful duty on the dutiable articles thus imported and the prevention of smuggling through the medium of such mails







# Functions

6. Supervise and control all import and export cargoes, landed or stored in piers, airports, terminal facilities, including container yards and freight stations, for the protection of government revenue



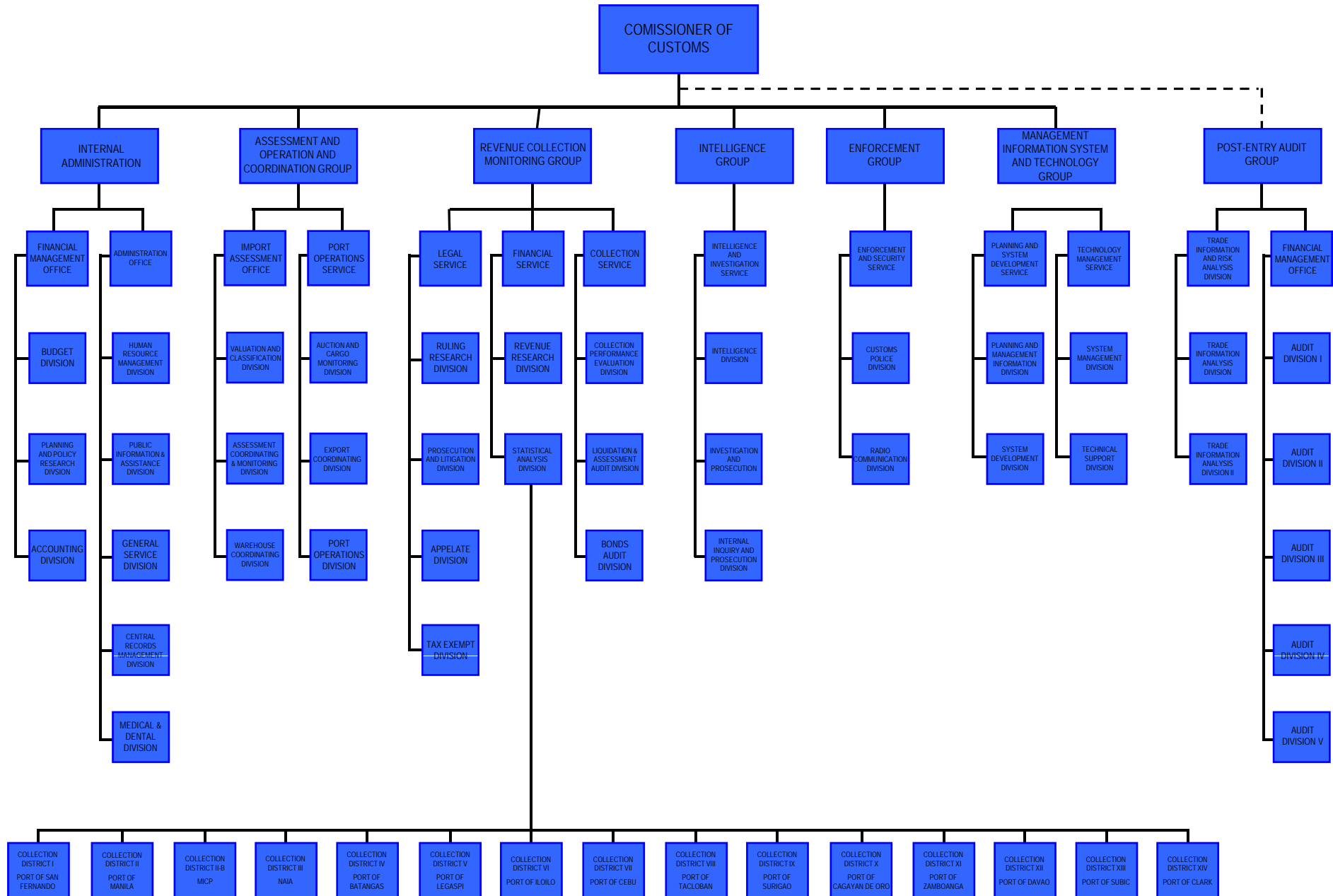


# Functions

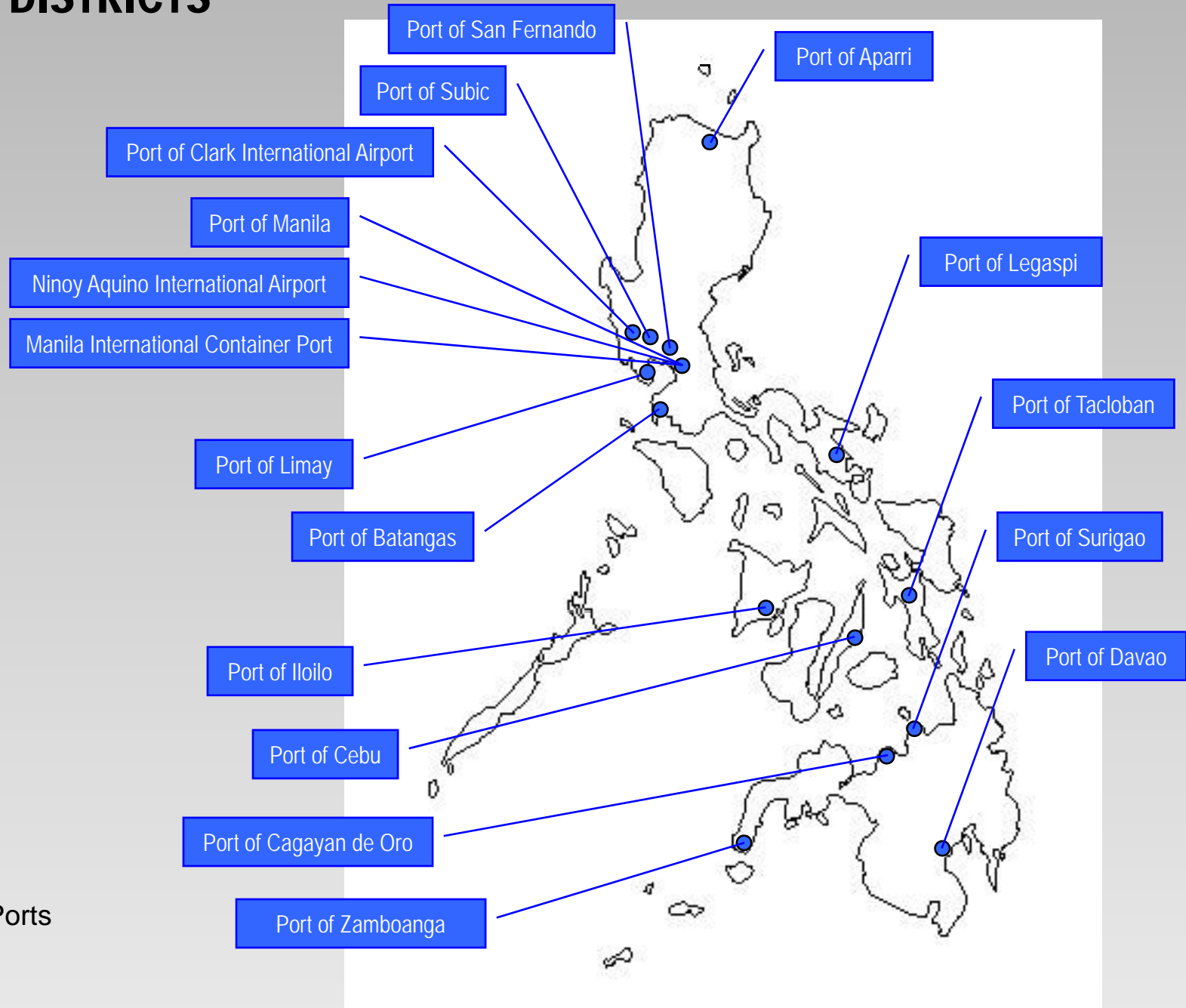
7. Exercise exclusive original jurisdiction over seizure and forfeiture cases under the tariff and customs laws



# ORGANIZATIONAL CHART OF THE BUREAU OF CUSTOMS



# COLLECTION DISTRICTS



Legend

● 17 Major Ports



# Laws and Regulations on Export Control

- RA 1937

An Act to Revise and Codify the Tariff and Customs Laws of the Philippines

- ◆ Section 102 Prohibited Importations

The importation into the Philippines of the following articles is prohibited:

- ★ Dynamite, gunpowder, ammunitions and other explosives, firearm and weapons of war, and detached parts thereof, except when authorized by law





# Laws and Regulations on Export Control

- RA 1937

An Act to Revise and Codify the Tariff and Customs Laws of the Philippines

- ◆ Section 1020 Detention of Warlike Vessel Containing Arms and Munitions about to depart from the Philippines which circumstances render it probable that such vessel is intended to be employed by the owner or owners to cruise or commit hostilities upon the subjects, citizens, or property of any foreign prince or state, or of any colony, district, or people with whom the Philippines is at peace





# Laws and Regulations on Export Control

- RA 1937  
An Act to Revise and Codify the Tariff and Customs Laws of the Philippines
  - ◆ Section 2520 Bringing of Unmanifested Arms, Explosives or War equipment by any vessel or aircraft





# Laws and Regulations on Export Control

- RA 1937

An Act to Revise and Codify the Tariff and Customs Laws of the Philippines

- ◆ Section 2530 Property Subject to Forfeiture:
  - ★ Any vessel or aircraft, including cargo, which shall be used unlawfully in the importation or exportation of articles or in conveying and/or transporting contraband or smuggled articles in commercial quantities







# Laws and Regulations on Export Control

- RA 1937

An Act to Revise and Codify the Tariff and Customs Laws of the Philippines

- ◆ Section 2530 Property Subject to Forfeiture:

- ★ Any article of prohibited importation or exportation, the importation or exportation of which is effected or attempted contrary to law, and all other articles which, in the opinion of the Collector, have been used, are or were intended to be used as instrument in the importation or exportation of the former





# Laws and Regulations on Export Control

- RA 1937

An Act to Revise and Codify the Tariff and Customs Laws of the Philippines

- ◆ Section 2530 Property Subject to Forfeiture:
  - ★ Unmanifested article found on any vessel or aircraft, if manifest therefore is required





# Laws and Regulations on Export Control

- RA 1937

An Act to Revise and Codify the Tariff and Customs Laws of the Philippines

- ◆ Section 2530 Property Subject to Forfeiture:

- ★ Any article sought to be imported or exported:

(4) On the strength of a false invoice or other document executed by the owner, importer, exporter or consignee concerning the importation or exportation of such article.





# Laws and Regulations on Export Control

- RA 5207

An Act Providing for the Licensing and Regulation of Atomic Energy Facilities and Materials, Establishing Rules on Liability for Nuclear Damage, and for Other Purposes





# Laws and Regulations on Export Control

- RA 6425  
The Dangerous Drugs Act





# Laws and Regulations on Export Control

- RA 6969

An Act To Control Toxic Substances and Hazardous and Nuclear Wastes, Providing Penalties for Violations Thereof, and for Other Purposes





# Laws and Regulations on Export Control

- RA 8294

An Act Amending The Provisions of Presidential Decree No. 1866 As Amended, Entitled "Codifying The Laws On Illegal/Unlawful Possession, Manufacture, Dealing In, Acquisition Or Disposition of Firearms, Ammunition or Explosives or Instruments Used in the Manufacture of Firearms, Ammunition or Explosives, And Imposing Stiffer Penalties for Certain Violations Thereof, And for Relevant Purposes





# Laws and Regulations on Export Control

- PD 930  
Simplifying Export Procedures and Documentation by Realigning Functions Of Certain Government Offices/ Agencies Involved In Processing Export Documents, By Authorizing the Issuance of Periodic Clearances, by the Adoption of Standardized Export Documents, And for Other Purposes







# Laws and Regulations on Export Control

- PD 1484

Amending Certain Sections of Republic Act Numbered Fifty-two Hundred and Seven Entitled "An Act Providing for the Licensing And Regulation of Atomic Energy Facilities and Materials, Establishing the Rules on Liability for Nuclear Damage, And for Other Purposes





# Laws and Regulations on Export Control

- PD 1866  
Codifying The Laws On Illegal/Unlawful Possession, Manufacture, Dealing In, Acquisition or Disposition, Of Firearms, Ammunition Or Explosives, And Imposing Stiffer Penalties for Certain Violations Thereof And for Relevant Purposes





# Laws and Regulations on Export Control

- EO 522

Amending EO No. 60 Series of 1967, Prescribing Rules And Regulations For the Control and Supervision of the Importation, Sale and Possession of Chemicals Used as Ingredients in the Manufacture of Explosives, And for Other Purposes





# Laws and Regulations on Export Control

- DENR Administrative Order No. 39 Series of 1977  
Chemical Control Order for Cyanide and Cyanide Compounds





# Laws and Regulations on Export Control

- DENR Administrative Order No. 2005-05  
Toxic Chemical Substances for Issuance of Chemical Control Orders





# Laws and Regulations on Export Control

- National Defense Ministry  
Circular No. 22  
Export of Defense Items





# Laws and Regulations on Export Control

- National Defense Ministry  
Circular No. 28  
Guidelines and Policies in the  
Disposition of Application for  
Importation of Firearms,  
Ammunition, Explosives and  
Explosive Chemicals and  
Ingredients





# Laws and Regulations on Export Control

- National Defense Ministry  
Circular No. 48  
Export of Defense/ Military Items  
and of Commercial Firearms,  
Ammunition and Explosives







# Laws and Regulations on Export Control

- National Defense Ministry  
Circular No. 49  
Importation of Firearms,  
Ammunition, Explosives and  
Explosive Ingredients





# Laws and Regulations on Export Control

- PNP Circular No. 03-2006  
Export of Defense/ Military Items and Commercial Firearms, Ammunition and Explosives





# CUSTOMS CARGO CLEARANCE PROCESS: The e2m Customs Project



- Electronic to Mobile Customs Project
- Launched in 2005
- One of the mission-critical & high-impact ICT projects of the National Government





# e2m Objectives



- Streamline the core processes (import & export) of the Bureau of Customs
- Enhance trade facilitation between the Bureau & its stakeholders





# What is e2m?



- An internet-based technology that allows Customs Officers and Traders to handle most of their transactions via the internet





# What is e2m?



- Makes use of advanced technology including electronic signatures to provide government officials with new tools to enable them to make dramatic improvements in security, trade efficiency and to fight against corruption





# Major e2m application systems

- Import and Assessment Systems
  - ◆ A set of applications that handles import transaction processing with the ultimate objective to release low-risk shipments in 30 minutes or less





# Major e2m application systems

- Import and Assessment Systems
  - ◆ Electronic Manifest System
  - ◆ Internet Lodgment of Import Entries
  - ◆ Electronic Assessment System
  - ◆ Risk Management System
  - ◆ Licensing and Clearance System
  - ◆ Payment System
  - ◆ Online Release System







# Electronic Manifest System (EMS)

- Covers the advance submission of electronic inward cargo manifest by the shipping lines 12 hours before the arrival of goods
- Provides adequate time for Customs personnel to profile importations
- Focus on suspected shipments
- Check importers/brokers even before the arrival of the cargo vessel





# Benefits of the EMS



- Minimized vulnerability to data manipulation
- Virtual pre-arrival processing for faster release
- Importers declare exact weight or volume (otherwise, electronic processing stops)





# Internet Lodgment of Import Entries

- Via Value-Added Service Providers (VASP)
- Implemented nationwide where the public can file import entry declarations at any time within the convenience of their homes, offices, or any location where internet access is available
- Transactions are registered a few seconds after a click of a button





# Benefits of VASP

- No need to go to the port to file import entries
- Less expenses
- Less vulnerable to data-encoding error
- The importer is made fully accountable for the accuracy of the encoded data





# Electronic Assessment System

- Computer-aided processing of imports for quick and accurate computation of duties and taxes based on the materials that have been electronically submitted
- A one-stage process where the BOC Appraiser calculates the duties and taxes
- Duties and taxes are electronically sent to the bank and importer for the electronic debit/transfer of payment





# Benefits of Electronic Assessment

- Simplified appraisal process
- No need for the BOC to benchmark computations against arbitrary computation by importers/brokers





# Risk Management System

- Helps ensure that only high risk shipments will be subjected to examination
- Facilitates the release of low-risk shipments





# Risk Management System

- Contains the controls necessary to classify the processing of declarations and direct them to the appropriate processing channels:



RED

– documentary check and physical examination

YELLOW

– documentary check only

GREEN

– release without further inspection







# Benefits of Risk Management System

- Only high-risk shipments undergo inspection
- Optimizes the use of expensive container x-ray machines





# Licensing and Clearance System

- The electronic verification of licenses/ clearances/ permits to prevent fraudulent use, or the use of spurious documents
- In conjunction with other government agencies
- Available to the public any time within the convenience of their homes, offices, or any location where internet access is available
- Only electronic permits will be accepted



# Licensing and Clearance System

<b>Government Agency Issuing License/Permit/ Clearance</b>	<b>Areas of Responsibility Product/Commodity Description</b>
Environmental Management Bureau (EMB), DENR	Issues permits required for the clearance of: Cyanide, Mercury, Asbestos, Polychlorinated Biphenyl Chlorofluorocarbon, other ozone depleting substances
Energy Regulatory Board (ERB), DOE	Issues permits required for the clearance of: refined petroleum products, coal and coal derivatives
ives Office	Controls the import and export of all firearms, ammunition, explosives, and various chemicals for the manufacture of explosives (Chlorates, Nitrates, and Nitric acid)

# Licensing and Clearance System

<b>Government Agency Issuing License/Permit/ Clearance</b>	<b>Areas of Responsibility Product/Commodity Description</b>
Philippine Drug Enforcement Agency (PDEA) and; Dangerous Drugs Board (DDB)	Essential chemicals and controlled precursors and dangerous drugs (Ketamine, Pseudoephedrine, Oripavine, and Amineptine, Acetic Anyhdride)
Philippine International Trading Corporation (PITC)	Issues permits required for the clearances of all commodities originating from the following socialist and centrally-planned economy countries (Albania, Angola, Ethiopia, Laos, Libya, Mongolia, Mozambique, Myanmar, Nicaragua, and North Korea)

# Licensing and Clearance System

<b>Government Agency Issuing License/Permit/ Clearance</b>	<b>Areas of Responsibility Product/Commodity Description</b>
Philippine Nuclear Research Institute (PNRI)	Issuance of clearance authorization for the importation and exportation of radioactive materials and related devices



# Benefits of Licensing and Clearance System

- Prevents reuse, revision or fabrication of import permits
- Provides a reliable cancellation of import permits
- Allows faster processing time





# Online Release System

- Provides electronic instructions to port operators or cargo handlers and warehouses to release a shipment only after the duties and taxes have been paid and all documentary and inspection requirements are met





# Benefits of Online Release System

- Insures payment of duties and taxes and other requirements are met prior to release of imports







# Major e2m application systems

- Export Processing Systems
  - ◆ A set of applications that handles the processing of export entries





# Major e2m application systems

- Export Processing Systems
  - ◆ Automated Export Document System
  - ◆ Automated Bonds Management System
  - ◆ Raw Materials Liquidation System





# Automated Export Document System

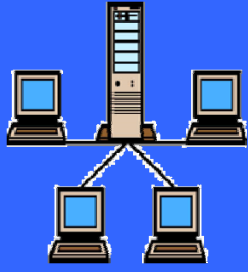
- Allow electronic submission of export declarations through VASPs
- Will be expanded to cover all exporters (economic zones, Customs Bonded Manufacturing Warehouse and regular exporters)



# Automated Export Document System



Exporter files  
Export Dec thru  
VASP



BOC-VASP  
Gateway



ASYCUDA  
Process:

- License verification
- Selectivity



Pre-load  
Inspection



Goods/ Article  
Exported

30 MINS



PEZA  
ZONE

BOC  
ZONE

LOE APPRVL  
SAD  
VIEWING &  
SELECTIVE  
INSPECTION

SAD VIEWING  
& SELECTIVE  
INSPECTION

# EXPANDED AEDS PROCESS FLOW FOR PEZA LOCATOR

ASSESSED  
PRINTED

RELEASED

TRANSFERRED

SIGN  
ED/ATL



Exporter  
/Forwarder

PEZA

BOC EXPORT DIVISION  
(PORT)

AIRLINE/CCD

Lodgement

Report Date &  
Time of Exit

Authentication  
& Reporting

Export  
Release

Cargo  
Acceptan  
ce

ce



# Special Projects

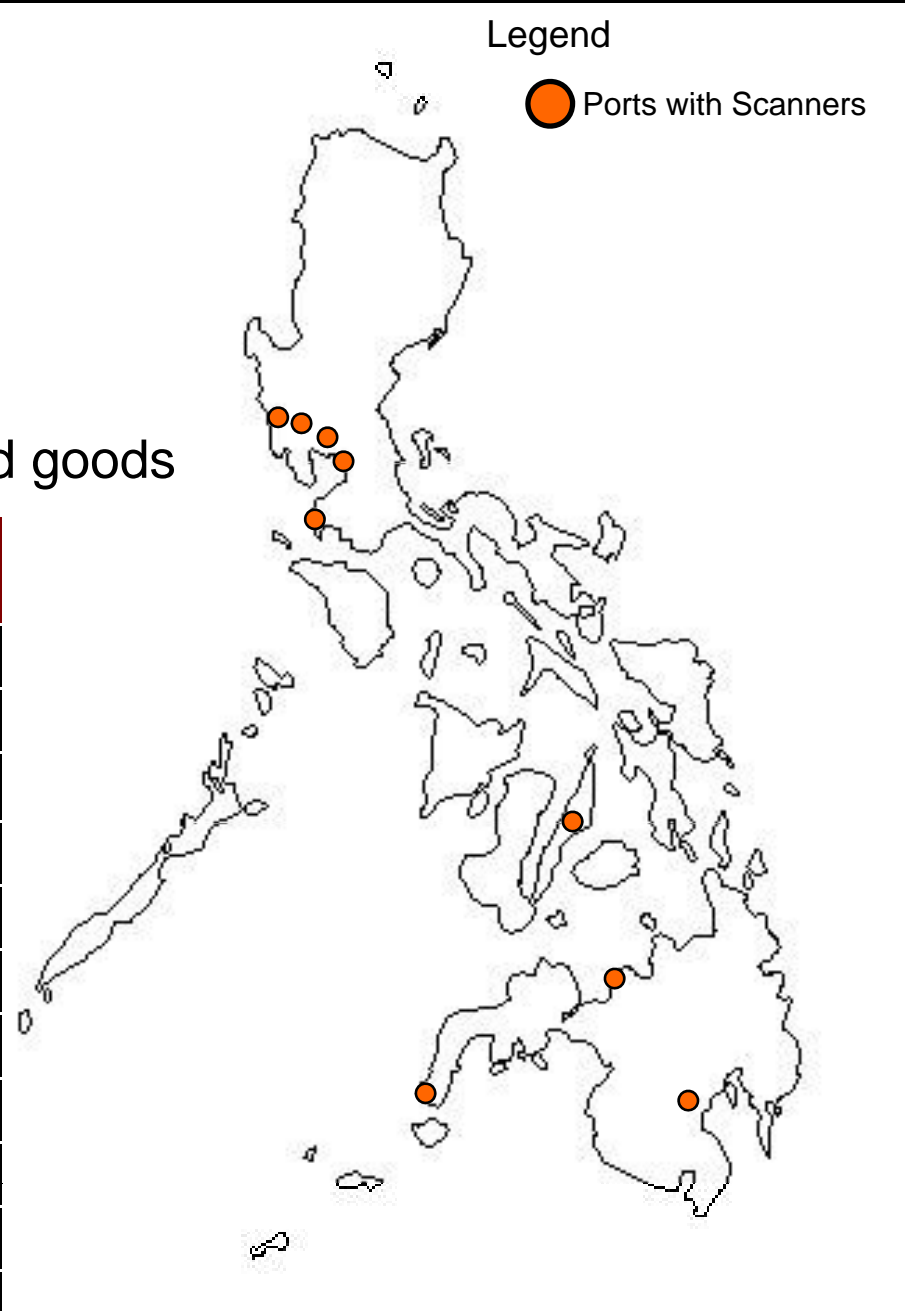
- Non-intrusive Container Inspection Project
- National Single Window (NSW) Project
- Megaports Initiative Project



# Non-intrusive Container Inspection Project

- X-ray Inspection Project
  - ◆ a key measure to detect smuggled goods

DISTRICT/ FIELD OFFICE	NO. OF X-RAY MACHINES PER DISTRICT/ FIELD OFFICE
Port of Manila	5
MICP	4
Port of Batangas	4
Port of Cebu	4
Port of Cagayan de Oro	2
Port of Zamboanga	1
Port of Davao	5
Port of Subic	2
Port of Clark	2
San Fernando	1
TOTAL	30





# National Single Window Project

- Aims to connect 40 agencies for the transmission of and access of accurate, timely and reliable electronic licenses, permits and clearances required in the cargo clearance process prior to release of the shipments of the BOC







# National Single Window Project

- Will provide the agencies with the ability to share and countercheck information online
- Empower the transacting public with a reduction in the time and the cost of doing business





# National Single Window Project

The NSW is a system which enables:

- A *single submission* of data and information





# National Single Window Project

The NSW is a system which enables:

- A *single and synchronous processing* of data and information





# National Single Window Project

The NSW is a system which enables:

- A *single decision-making* for customs release and clearance
  - ◆ A single decision-making shall be uniformly interpreted as a single point of decision for the release of cargos by the Customs on the basis of decisions, if required, taken by line ministries and agencies, and communicated in a timely manner to the Customs





# National Single Window Project

## Major Provision

- Government Departments and Agencies involved in the cargo clearance release must cooperate with each other in order to provide the Bureau of Customs with automated electronic system required for the establishment, implementation, and operation of the NSW, and eventually the ASW





# National Single Window Project

## Agencies involved:

1. Sugar Regulatory Authority (SRA) – hardware with software deployed
2. National Food Authority (NFA) – hardware with software deployed
3. Bureau of Internal Revenue (BIR) – hardware with software deployed
4. Bureau of Fisheries and Aquatic Resources (BFAR)
5. Philippine Economic Zone Authority (PEZA) – hardware with software deployed
6. Bureau of Product Standards (BPS)
7. Bureau of Import Services (BIS) – hardware with software deployed
8. Bureau of Animal Industry (BAI)
9. Bureau of Plant Industry (BPI)
10. National Meat Inspection Service (NMIS)





# National Single Window Project

## Agencies involved:

11. Philippine Coconut Authority (PCA)
12. Fertilizer and Pesticides Authority (FPA)
13. Fiber Industry Development Administration (FIDA)
14. Bureau of Export Trade Promotion (BETP)
15. Bureau of Investment (BOI)
16. Intellectual Property Rights (IPR)
17. Philippine Shippers Bureau (PSB)
18. Securities and Exchange Commission (SEC)
19. Philippine National Police (PNP)
20. Philippine Drug and Enforcement Administration (PDEA)





# National Single Window Project

## Agencies involved:

21. Firearms and Explosives Office (FEO)
22. National Intelligence Coordination Agency (NICA)
23. Dangerous Drugs Board (DDB)
24. Bureau of Foods and Drugs (BFAD)
25. Bureau of Forestry (BOF)
26. Philippine Nuclear Research Institute (PNRI)
27. Insurance Commission (IC)
28. Air Transportation Office (ATO)
29. Land Transportation Office (LTO)
30. National Telecommunications Commission (NTC)







# National Single Window Project

## Agencies involved:

31. Optical Media Board (OMB)
32. Bureau of Immigration (BID)
33. Environment Management Bureau (EMB)
34. Bureau of Quarantine (BOQ)
35. Dept. of Health (DOH)
36. Dept. of Energy and Natural Resources (DENR)
37. Dept. of Finance (DOF)
38. Dept. of Foreign Affairs (DFA)
39. Central Bank (CB)
- 40-50. Others



# Import and Assessment System



Department of Finance

Philippine Economic Zone Authority



Department of Agriculture



Bureau of Treasury



National Economic Development Authority



Bureau of Internal Revenue



Department of Budget and Management



Bureau of Customs



Banko Sentral ng Pilipinas



National Statistics Office



Department of Trade and Industry





# Megaports Initiative Project

- Implementation of the Memorandum of Agreement (MOA) entered into by:
  - ◆ the Bureau of Customs (BOC)
  - ◆ Philippine Nuclear Research Institute (PNRI)
- Memorandum of the Undertaking (MOU) executed by
  - ◆ International Container Terminal Service, Inc. (ICTSI)
  - ◆ Asian Terminal Inc. (ATI)
- the operation of **Megaports Initiative Project (Radiation Portals)**
  - ◆ to prevent the illicit trafficking of Nuclear and other radioactive materials





# Megaports Initiative Project

- Establishment of a Central Alarm Station Monitoring Unit (CASMU)





# Megaports Initiative Project

- Manned 24/7 on a three-shift rotation by the Enforcement and Security Service Personnel of the Bureau of Customs





# Megaports Initiative Project

- Over-all Coordinator is the Chief of the Environmental Protection Unit, ESS



# Apprehensions made by the Bureau



- Philippine Custom authorities seized 54 high-powered rifles worth P25 million from a Panama-flagged vessel off the coast of Mariveles, Bataan

# Apprehensions made by the Bureau



- Customs Commissioner Napoleon Morales, with Gen. Eduardo Acuña and Customs Intelligence and Investigation Service director Filomeno Vicencio Jr., presents to media the laboratory equipment and ingredients for the manufacture of shabu seized at the Port of Manila





# Apprehensions made by the Bureau



- Bureau of Customs seized high powered firearms and ammunition in Cebu



# Apprehensions made by the Bureau



- Customs officials interrogate Kenyan woman Lina Aching after about 9.3 kilos of shabu, which has a street value of P40 million, was found in her luggage when she arrived at the Ninoy Aquino International Airport Friday

# Apprehensions made by the Bureau



Customs Commissioner Ruffy Biazon shows one of the four container vans seized by the bureau's enforcement group in Manila International Container Port MICP worth P31.8 million of various goods and laboratory equipment used for manufacturing of illegal drugs (shabu)





Thank you!

