



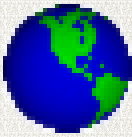
Customs Reforms and Modernization (The Philippine Experience)

Customs Cooperation Committee Conference

**Beijing, China
21-24 April 2004**

**By: Deputy Commissioner George M. Jereos
Philippine Bureau of Customs**

Role of Customs Administration in Economic Development and Services in the Trade Community in Particular



World Trade Organization (WTO)

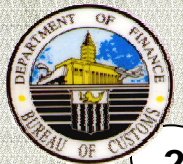
- Increasing importance of international trade to the economic well-being of nations

Computerization

- Economic growth
- Increased trade flows
- Collect more revenue
- Adopt modern technology and efficient streamlined procedures

WTO Agreement on Customs Valuation

- Valuation system based on the transacted price between the importer and his supplier



Vision Statement

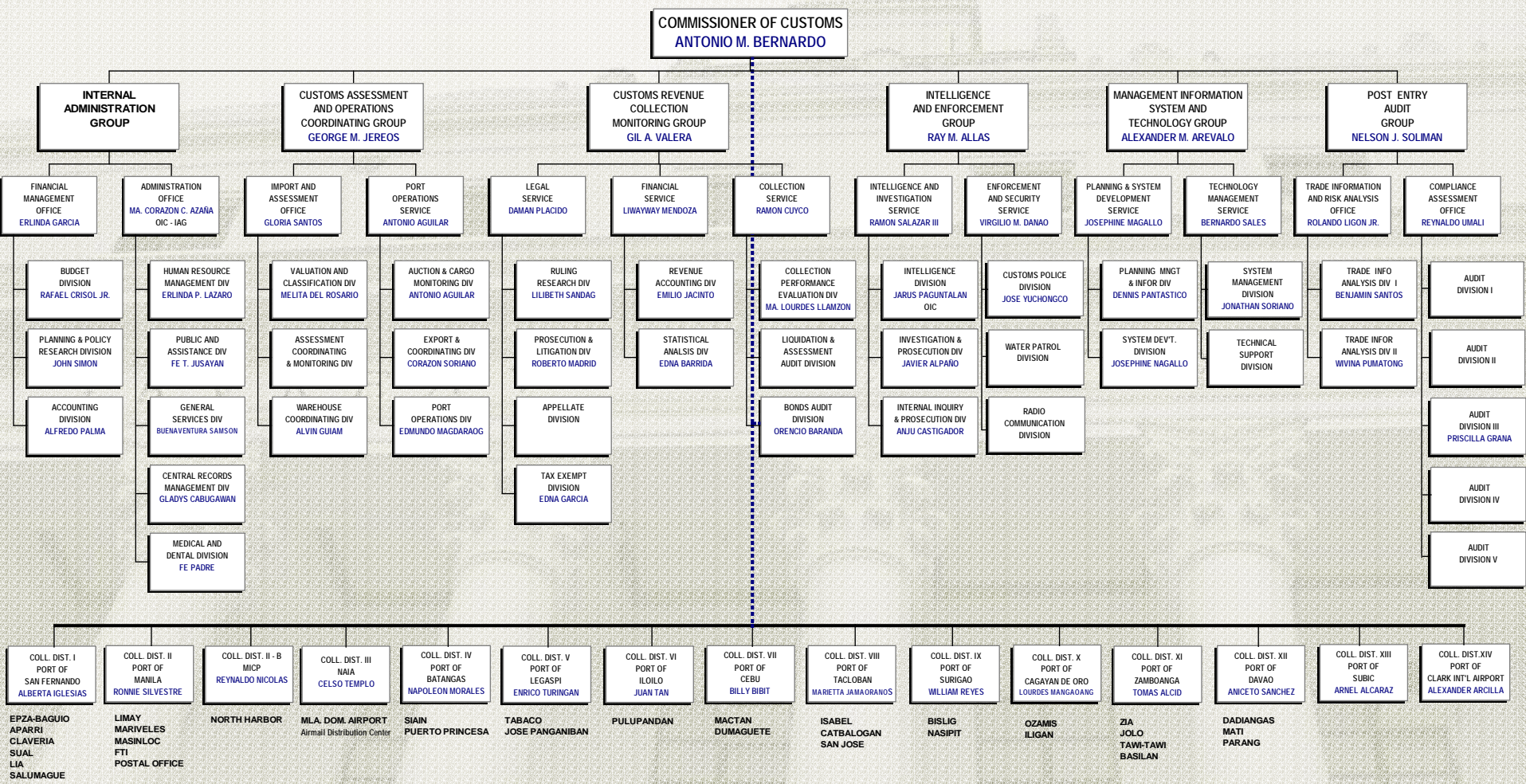
A customs service more responsive to clients' needs and supportive of government goals, adhering to world's best practices; one that every Filipino can truly be proud of.

Mission Statement

- **To maximize collection of government revenues**
- **To facilitate trade and commerce**
- **To prevent smuggling and enforce compliance with existing laws, rules and regulations on customs and tariff**
- **To implement international commitments on customs and trade**
- **To safeguard the general public/environment against the entry of hazardous and harmful materials and substances**
- **To support industry and work in partnership with the private sector to promote business in the country**

Overview of the Philippine Customs Administration

Organizational Structure



Overview of the Philippine Customs Administration

Number of District Ports - 15

Number of Sub-ports - 37

Collection District	Subports
I. Port of San Fernando	EPZA Baguio
	Aparri
	Claveria
	Sual
	Laoag International Airport
	Salumague
II.A Port of Manila	Limay
	Mariveles
	Masinloc
	FTI Customshouse
	Postal Office
	Rosario Cavite PEZA
	Laguna PEZA
II.B Manila International Container Port	North Harbor
III. Ninoy Aquino International Airport	Manila Domestic Airport
	Airmail Distribution Center
IV. Port of Batangas	Siain
	Puerto Princesa
V. Port of Legaspi	Tabaco
	Jose Panganiban
VI. Port of Iloilo	Pulupandan
VII. Port of Cebu	Mactan
	Dumaguete
VIII. Port of Tacloban	Isabel
	Catbalogan
	San Jose
IX. Port of Surigao	Bislig
	Nasipit
X. Port of Cagayan de Oro	Ozamis
	Iligan
XI. Port of Zamboanga	Zamboanga International Airport
	Jolo
	Tawi-tawi
XII. Port of Davao	Dadiangas
	Mati
	Parang
XIII. Port of Subic	-
XIV. Port of Clark International Airport	-

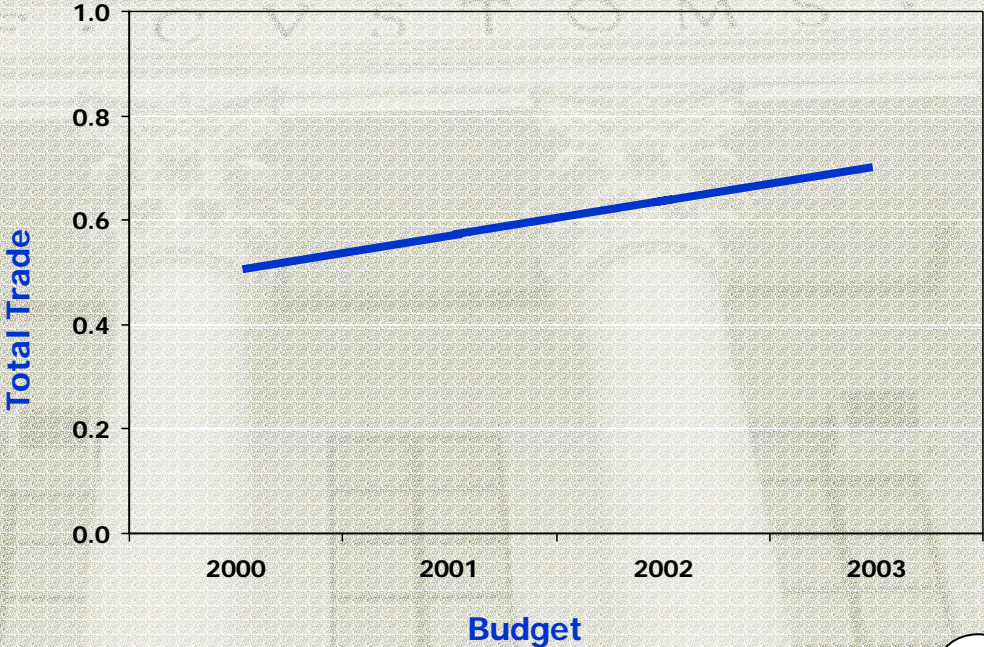
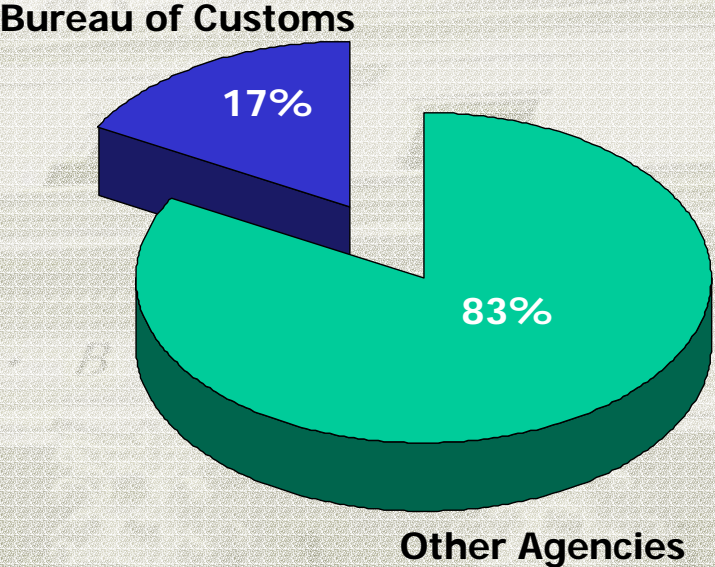
Overview of the Philippine Customs Administration

Personnel Complement

Collection District	Port/Offices	Per Plantilla	Actual
	Office of the Commissioner	1,404	1,004
I	District 1 – Port of San Fernando	64	49
II-A	District 2A – Port of Manila	1,621	1,319
II-B	District 2B – MICP	382	549
III	District 3 – NAIA	704	861
IV	District 4 – Port of Batangas	107	128
V	District 5 – Port of Legaspi	57	57
VI	District 6 – Port of Iloilo	55	47
VII	District 7 – Port of Cebu	167	208
VIII	District 8 – Port of Tacloban	69	51
IX	District 9 – Port of Surigao	69	32
X	District 10 – Port of Cagayan de Oro	168	150
XI	District 11 – Port of Zamboanga	85	72
XII	District 12 – Port of Davao	201	226
XIII	District 13 – Port of Subic	46	70
XIV	District 14 – Port of Clark	27	54
	TOTAL	5,226	4,877

Size of Total Trade as a Percentage of GDP and Importance of BOC in Revenue Generation

National Revenue



Philippine Strategy and Experience in Customs Reforms/Modernization

- The ISSP – Information Systems Strategic Plan
- Acquisition of Hardware and Software
- Creation of a Change Management Team

Philippine Strategy and Experience in Customs Reforms/Modernization

a) Electronic Manifest System

- Electronic copies of manifests were received from shipping/airlines and inputted to the BOC's system to cross-match with the entries filed

b) The Electronic Entry into the Bureau's computers

- Direct Traders Input (DTI)
- Entry Encoding Center (EEC)
- Electronic Data Interchange (EDI)

c) Assessment Module

- Automatically computes taxes and duties to be paid

Philippine Strategy and Experience in Customs Reforms/Modernization

d) Selectivity System

- Determines the Risk Profile of shipments by subjecting the data of the shipments to some criteria “screens” or “tests”

e) The Collection System

- Payment of duties and taxes in advance through 160 bank branches
- Payments are matched against what importers must pay as determined by the Assessment Module
- Remitted to the National Treasury
- Combination of several computer sub-systems, among which are:
 1. Project Abstract Secure
 2. Automated Matching of Payments & Payables
 3. Project Reconcile
 4. On-Line Release System (OLRS)

Recent Enhancements

Status of BOC Application Systems

Automated Customs Operations System (ACOS)

- Import Entry Processing System
 - Bonds & Liquidation System
 - Manufacturing Warehouse Liquidation System
 - Informal Entry Processing System
 - Transshipment & other Transfers Processing System
 - Licensing and Clearance System
- Export Entry Processing System
 - Assessment/Selectivity/Automated Release System
- Passenger Entry Processing
 - Passenger Database Assessment Module/Collection System/
Baggage Handling Monitoring System
- Cargo & Baggage Tracking
 - General Purpose Cargo & Baggage Handling System

Recent Enhancements

Status of BOC Application Systems

Operations Support Management System (OSMS)

- WTO Valuation System
 - Value Reference Information & Statistical Analysis using Data Warehouse
- Trade Compliance System
- Intelligence System
 - Intelligence Database
 - Client Registration Profiles Systems
 - Goods Intelligence System
- Statistical Analysis & Reporting System
- Legal Management System
 - Legal Database System
 - Cases Tracking System

Recent Enhancements

Status of BOC Application Systems

Resources Management & Information Support System (RMISS)

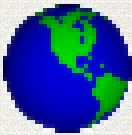
- Human Resources Management System
 - Human Resources Information System
 - Leave Monitoring System
 - Payroll System
 - Career Path System
- Financial Management System
 - Accounting System
 - Budget Monitoring
- General Services Management System
 - Fixed Asset Management System
 - Equipment Inventory & Control System

Sustainability

- Computerization must be sustained beyond the lifetime of the hardware initially procured
- Maintain a high level of efficiency and speed in processing data

New Challenges

- Protection for legitimate imports and local producers against illegal imports are at a high level
 - Regular discussions with stakeholders
- Rules of Origin whether for GSP and/or inter regional tariff preferences
- Intellectual Property Rights protection



Programs and Experiences in Regional Customs Modernization

- Common Effective Preferential Tariff Agreement among ASEAN members
- Standardized Tariff
- ASEAN Harmonized Tariff Nomenclature
- ASEAN Single Window
 - Common ASEAN Declaration Form
- ASEAN Customs Valuation Guide (ACVG)
 - Guideline for ASEAN member countries to have a uniform interpretation and application of the Article VII of the Valuation Agreement
- Code of conduct and client service charter focused on Customs Integrity



Thank You

Customs Cooperation Committee Conference

Beijing, China

21-24 April 2004

**By: Deputy Commissioner George M. Jereos
Philippine Bureau of Customs**