



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
1099 Manila

[Date]

CUSTOMS ADMINISTRATIVE ORDER (CAO)

NO. _____

SUBJECT: **EXPORT CARGO CLEARANCE FORMALITIES AND ISSUANCE OF PROOF OF ORIGIN**

Introduction. This CAO implements Sections 500, 501, 502 and 503, Chapter 1, Title V, and Section 1003, Title X, in relation to Section 204, and other relevant provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), in line with the commitments of the Philippines to the Revised Kyoto Convention (RKC), free trade agreements and other relevant international agreements.

Section 1. Scope.

- 1.1. All export shipments loaded at any airport or seaport in all collection districts and its sub-ports, including those coming from economic zones, free zones, and bonded warehouses, and other premises under the jurisdictional supervision and control of the Bureau of Customs (BOC), whether subject to export duty or not.
- 1.2. All foreign transshipments and those for transit for immediate exportation.
- 1.3. Certificate of Origin (CO) or proof of origin to be issued in accordance with the Operational Certification Procedures (OCP) on Rules of Origin under various Free Trade Agreements (FTAs) and other similar arrangements or agreements.

Section 2. Objectives.

- 2.1 To facilitate the clearance of export cargo through simplified and uniform procedures.
- 2.2 To provide policy guidelines for the availment of preferential tariff treatment under the various FTAs or any trade agreement.
- 2.3 To streamline the issuance of proof of origin for preferential and non-preferential tariff treatment consistent with international best practices.
- 2.4 To enable BOC to utilize information and communications technology (ICT) and other modern techniques in the processing of export transactions, issuance of proof of origin towards trade facilitation, and establish a comprehensive reporting and monitoring system for all export transactions.

Section 3. Definition of Terms.

- 3.1 **Certificate of Origin** — refers to the declaration of the exporter, certified by the BOC or any other designated government agency, that his or her export complies with the origin requirements specified under bilateral, regional or multilateral trading arrangements to which the Philippines is a party.¹
- 3.2 **Ecozone Locators** — refers to enterprises authorized to bring imported goods into, and operate inside, economic zones, and are duly accredited by the Philippine Economic Zone Authority (PEZA) and Freeport Zones (FPZ).²
- 3.3 **Exportation** — refers to the act, documentation, and process of bringing goods out of Philippine territory.³
- 3.4 **Export Declaration (ED)** — refers to the document, in printed or electronic form required for every export shipment, whereby the exporter or his or her duly authorized representative declares and certifies the full particulars of a shipment.⁴
- 3.5 **Export Declaration-Single Administrative Document (ED-SAD)** — the electronic representation of the ED, in lieu of the DTI Export Declaration form which is used in the manual export declaration processes, submitted electronically to the BOC's automated system.⁵
- 3.6 **Free Zone** — refers to special economic zones registered with the Philippine Economic Zone Authority (PEZA) under Republic Act No. 7916, as amended, duly chartered or legislated special economic zones and freeports such as Clark Freeport Zone; Poro Point Freeport Zone; John Hay Special Economic Zone and Subic Bay Freeport Zone under Republic Act No. 7227, as amended by Republic Act No. 9400; the Aurora Special Economic Zone under Republic Act No. 9490, as amended; the Cagayan Special Economic Zone and Freeport under Republic Act No. 7922; the Zamboanga City Special Economic Zone under Republic Act No. 7903; the Freeport Area of Bataan under Republic Act No. 9728; and such other freeports as established or may be created by law.⁶
- 3.7 **One-time exporter** — an individual, company, corporation or partnership who has a single shipment for export covered by one bill of lading and one export declaration.⁷

¹ *cf* PD 930 Section 1.C; CMTA, Title V, Chapter 1, Section 503

² *cf* BOI Rules and Regulations Implementing EO 214 series; CMTA, Title X, Section 1003-c

³ CMTA, Title I, Chapter 2, Section 102-s

⁴ *cf ibid*, Section 102-t

⁵ *cf* CMO 7-2012, Section 2.0-d

⁶ CMTA, Title I, Chapter 2, Section 102-w; Revised Kyoto Convention

⁷ CMO 7-2012, Sec. 2.0 b

- 3.8 **Proof of origin** — any commercial document other than a CO, sufficient to ascertain originating status of goods under Self-Certification scheme.
- 3.9 **Registered Exporter** — refers to companies or individuals duly accredited by authorized accrediting agencies, and registered with the BOC for purposes of lodgement of ED.
- 3.10 **Regulated Export Products** — refers to products the exportation of which require clearance or permit from regulatory government agencies concerned prior to exportation.⁸
- 3.11 **Returned shipment** — refers to shipments imported to the Philippines upon which delivery to the consignee cannot be accomplished because of refusal of acceptance, recall or any other reason, and which are to be re-exported subsequently to the country of export.
- 3.12 **Rules of Origin (ROO)** — are the criteria needed to determine the national source of a product.
- 3.13 **Self-Certification** — is a system which enables an eligible exporter to make a declaration covering the goods for export that its products have satisfied the ROO under trade agreements.⁹

Section 4. General Provisions.

- 4.1. **Who may lodge export declaration.** Only those entities registered with the BOC Client Profile Registration System (CPRS) shall be allowed to electronically lodge their export declaration in the BOC's automated system.
- 4.1.1. Regular exporters:
- a. CBW operator;
 - b. Ecozone Locators in free zone;
 - c. Exporters not falling under a & b and not classified as One-time exporter;
 - d. Those already accredited as exporters by other authorized government agencies other than those under the jurisdiction of free zones; and
 - e. Government exporters.
- 4.1.2. Exporters under Sec. 800 of CMTA.
- 4.1.3. Exporter's authorized representative such as:

⁸ cf PD 930, Rule 1, Sec. 1.H

⁹ cf CMO 18-2015

- a. Consolidators (exporter of personal effects);
- b. Air express operators.

4.1.4. One-time exporter.

- 4.2. **Registration of exporters.** Exporters under Sec. 4.1.1 to 4.1.3 shall be registered in the BOC's automated system to electronically lodge their EDs, after being accredited by authorized government agency, if applicable.

The registration of a one-time exporter shall be limited to only one exportation within 365 days from date of approval by the BOC.¹⁰

- 4.3. **Export Declaration.** All shipments intended for export shall be covered with an export declaration electronically lodged by exporters or authorized representatives to the BOC's automated system.

The description of goods in the ED must contain sufficient and specific information for statistical purposes as well as for the proper valuation and classification of the goods.¹¹

- 4.4. Exporter shall secure export clearance, license and/or permit for regulated products from government agencies prior to the filing of the ED.

- 4.5. **Documentary Requirements.** Unless and until the Bureau is operating in a paperless environment, the printout of ED Single Administrative Document (ED-SAD) which is signed by the exporter or authorized representative, must be submitted to the Export Division or its equivalent office or unit, together with the following documents:

4.5.1. Proforma/Commercial Invoice;

4.5.2. Packing List;

4.5.3. Certificate of Identification; Certificate of Inspection and Loading; Boat Note (for Warehousing);

4.5.4. Other documents as may be required.

- 4.6. **Export Product to Conform to Standard Grades.** BOC shall implement, if applicable, products export standard grades established by the government. The packaging of the said goods shall likewise be labeled and marked in accordance with related laws and regulations. Exportation of goods not conforming to standard grades may be allowed provided the concerned regulatory agency allows said exportation.¹²

¹⁰ cf CMO 7-2012, Section 3.6.1

¹¹ cf CMTA, Title V, Chapter 1, Section 500

¹² *ibid*, Sec. 501

- 4.7. **Shipments subject to inspection.** The following export shipment shall be subject to inspection:
- 4.7.1. Export shipments with derogatory information;
 - 4.7.2. Export goods under re-export bond;
 - 4.7.3. Export goods selected for inspection under risk management system;
 - 4.7.4. Returned shipment.
- 4.8. **Selectivity System.** The BOC shall establish an automated selection process for shipments to be subjected to examination.
- 4.9. **Submission of Outward Manifest.** The shipping agent shall submit the outward manifest and the corresponding Bill of Lading (B/L) or Airway Bill (AWB) to the BOC's automated system. In case of consolidated shipment, the ultimate House B/L and AWB shall be submitted by the consolidator. For the meantime that the full automation of Customs is not yet available, hard copy shall be submitted to the BOC based on the required time submission specified in the Customs Memorandum Order to be issued.
- 4.10. **Stuffing and Loading.** BOC personnel must be present during the stuffing and loading of the export shipment on board vessel.
- Export shipments sent by air shall be under continuous guarding during their transfer from the customs facility warehouse (CFW) until they are received by BOC personnel assigned at the airport terminal facility for loading on board the aircraft.
- 4.11. **Treatment of shipments coming from freeport zones and warehouses**
- 4.11.1. An authorized BOC personnel must be present during stuffing of export goods at the locator's or CBW operator's premises.
 - 4.11.2. Upon loading of export shipment on board vessel, the locator and CBW operator shall submit to the BOC proof of exportation.
 - 4.11.3. All raw materials entering the free zones and CBW shall be subject to a liquidation process within six (6) months after the exportation of the finished products.
 - 4.11.4. BOC shall enter in a Memorandum of Agreement with PEZA and FPZ to come up with a mutually agreed process on export.
- 4.12. **Special Permit to Load.** During the following circumstances, a Special Permit to Load (SPL) shall be approved by the Export Div. or its equivalent office or unit:

- 4.12.1. Goods for immediate exportation in Section 4.13;¹³
- 4.12.2. For shipments where the ED is not required under the existing BSP Rules;¹⁴
- 4.12.3. For empty containers.
- 4.13. **Goods for immediate exportation.** Goods admitted for transshipment must be exported from the Philippines within thirty (30) days from arrival thereof. The Commissioner may allow an extension of such period after the establishment of valid reasons.¹⁵
- 4.14. Upon request of the exporter, the Export Division or its equivalent unit or office where the ED has been processed, shall issue the following:
- 4.14.1. Certificate of Identification - Before the carrier has departed.
- 4.14.2. Certificate of Shipment/Non-Shipment - issuance must be based on the Inspectors Certificate of Lading, after the carrier has departed.¹⁶
- 4.15. **Rules of Origin.** ROO shall be defined as those laws, regulations and administrative determinations of general application applied by any Member country to determine the country of origin of goods, provided such rules of origin are not related to contractual or autonomous trade regimes leading to the granting of tariff preferences going beyond the application of paragraph 1 of Article I of GATT 1994. It shall include all rules of origin used in non-preferential commercial policy instruments, such as in the application of: most-favoured-nation treatment under Articles I, II, III, XI and XIII of GATT 1994; anti-dumping and countervailing duties under Article VI of GATT 1994; safeguard measures under Article XIX of GATT 1994; origin marking requirements under Article IX of GATT 1994; and any discriminatory quantitative restrictions or tariff quotas. They shall also include rules of origin used for government procurement and trade statistics.¹⁷
- 4.15.1. In general, the Bureau of Customs shall determine the origin of goods for export and issue the corresponding CO. However, other government agencies may be authorized to determine the origin of goods and issue the corresponding CO, by virtue of an executive order, provided that such government agency has the technical capacity and sufficient knowledge on the ROO.¹⁸

¹³ *cf* CMTA Section 603

¹⁴ *cf* PD 930, Rule IX

¹⁵ *cf* CMTA Section 603

¹⁶ *cf* PD 930, Rule XI

¹⁷ *cf* WTO Agreement on Rules of Origin, Part I, Article I, par. 1-2

¹⁸ *cf* CMTA, Title V, Chapter 1, Section 503

- 4.15.2. For products that the origin can readily be ascertained by its own nature, registered exporter may apply for the issuance of CO, with or without preferential tariff treatment, at the Export Division, Export Coordination Division (ECD) or its equivalent office or unit.¹⁹
- 4.15.3. For products that will need evaluation, a request shall be made in writing and requirements shall be submitted at least five (5) working days prior to the exportation of the products, so that the office concerned, where necessary may conduct inspection of said product.²⁰
- 4.15.4. The criteria for granting CO shall be in accordance to the ROO and OCP under a particular FTA or tariff preference scheme to which the Philippines is a party or beneficiary.
- 4.15.5. **Local Sales of Ecozone Locators.** Qualified articles sold by Ecozone Locators shall be entitled to the preferential rate of duty under ATIGA or other preferential tariff agreement, applicable to its raw materials based on the value of such raw materials, subject to applicable provisions of the laws governing the economic zones or freeport zones.²¹
- 4.15.6. **Self-Certification scheme.** The BOC may authorize an exporter who is engaged in the exportation of goods to issue a proof of origin certifying the originating status of the goods concerned pursuant to ATIGA or any international agreement, treaty or memorandum of understanding.
- 4.16. **Manual Processing.** In the event of computer system slowdown or other analogous situations, the BOC shall promulgate rules and regulations to allow manual lodgement and processing of EDs.
- EDs manually processed shall still be electronically lodged as soon as practicable.²²
- 4.17. **Data Monitoring.** The Bureau of Customs shall institutionalize a reporting system for the proper monitoring of all export transactions and CO utilization.

Section 5. Risk Management. A risk management system shall be used to carry out the necessary export control mechanism.

Section 6. Authority of the Commissioner to Promulgate Implementing Rules and Regulations in a Customs Memorandum Order. The Commissioner

¹⁹ cf CMO 27-2004, Sec. III-A

²⁰ *ibid*

²¹ cf EO 214 series of 2003, Section 1; CMO 23-2006

²² cf CMO 54-2010, Sec. 7

of Customs may promulgate rules and regulations set out in a Customs Memorandum Order to effectively implement the provisions of this CAO.

Section 7. Penal Provision. Violations of this CAO committed by any person, officer, or employee shall be penalized in accordance with Title XIV of the CMTA and other applicable penal provision.

Section 8. Transitory Provision. Pending an electronic system governing the submission of documentary requirements, processing of ED and CO, and data monitoring, the current BOC system shall be utilized to implement this CAO. The MISTG shall be responsible for the creation of the system allowing these.

Section 9. Repealing Clause. All previously issued Customs Administrative Orders, Customs Memorandum Orders, and other customs rules and regulations which are inconsistent with the Order are hereby repealed and/or modified accordingly.

Section 10. Separability Clause. If any part of this Order is declared unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.

Section 11. Effectivity. This Order shall take effect fifteen (15) days after its complete publication in the Official Gazette or a newspaper of general circulation.

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

NICANOR E. FAELDON
Commissioner

APPROVED:

CARLOS G. DOMINGUEZ III
Secretary of Finance

Informational Section. As the title denotes this section only provides information and does not give rise to any substantive or formal rights or obligations.

1. History. This CAO is amendatory to all the previous issuances of the Bureau of Customs relating to Export Cargo Clearance Formalities and Issuance of Proof of Origin.

2. Related Policies.

- RA 10863 – An Act Modernizing the Customs and Tariff Administration
- Revised Kyoto Convention
- WTO Agreement on Rules of Origin
- ASEAN Trade in Goods Agreement
- PD 930 – Revised rules and regulations further simplifying export procedures and documentation
- CMO 22-2010 – Revised Port Operations Manual
- CMO 54-2010 – Electronic Lodgement of Export Declaration through Accredited Value-Added Service Providers
- CMO 7-2012 – Supplemental Guidelines in the Implementation of the Automated Export Documentation System under automated Customs
- CMO 18-2015 – Guidelines In The Implementation of the Second Pilot Project For The ASEAN Self-Certification System and the Accreditation of "Certified Exporters"
- CMO 27-2004 – Consolidated Procedures in the Issuance of CO with or without Preferential Tariff Treatment and the Conduct of Retroactive Verification (on CO Form D & Form E) by the Import Group
- CMO 23-2006 – Guidelines for the Issuance of CO Form D pursuant to EO 214 s. 2003 (Imposition of Applicable Common Effective Preferential Tariff Rates On Qualified Imports From Ecozone Locators)
- EO 214 series of 2003 – Imposition of Applicable Common Effective Preferential Tariff Rates On Qualified Imports From Ecozone Locators
- EO 148 series of 2013 – Amending Section 1 of EO 214 s. 2003 and Imposing the Applicable Tariff Rates under the ASEAN Trade in Goods Agreement on Qualified Imports from special Economic and/or Freeport Zones

3. Webpage, Forms, Handbooks and other References.

- Primer on Developments in Tariff and Trade Policy (Tariff Commission)
- BOC Citizen's Charter