



BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

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ACCOUNTABILITY

MASTER COPY

Date 18 MAY 2021

CUSTOMS MEMORANDUM ORDER (CMO)

No. 17-2021

SUBJECT: GUIDELINES FOR THE IMPLEMENTATION OF THE GENERAL WAREHOUSING BOND (GWB) THRU THE AUTOMATED BONDS MANAGEMENT SYSTEM (ABMS)

Section 1. Objectives.

- 1.1. To implement the Automated Bonds Management System (ABMS) for General Warehousing Bonds (GWB) in all Customs Ports.
- 1.2. To provide detailed instruction to declarants, brokers, importers, accredited Value-Added Service Providers (VASPs), surety companies and Bureau personnel on the Customs processes to be observed under the ABMS for GWB.
- 1.3. To effectively monitor the status of bonds from its posting up to its cancellation and expedite the settlement or collection of due and demandable bonds.

Section 2. Scope. This Order shall apply to all Warehousing Bond Accounts opened under the Electronic to Mobile (E2M) Customs System in all Collection Districts, including sub-ports and other Bureau offices.

Section 3. Administrative Provisions.

- 3.1. The ABMS is a bureau-wide system for processing bond transactions established pursuant to CMO No. 14-2012. It monitors and ages bond balances and flags those that have expired.
- 3.2. Warehousing bond accounts shall be covered under the ABMS.
- 3.3. For purposes of this Order, only CBW operators registered with the Client Profile Registration System (CPRS) shall be allowed to avail of the ABMS in the E2M Customs System.
- 3.4. Approved bond policies filed on the current year will expire on the 31st day of December of the calendar year.

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- 3.5** The GWB shall be exclusively used to secure the duties and taxes reflected in the Warehousing Single Administrative Document (WSAD). The current practice of charging against the GWB the amount of duties and taxes due on shipments for transit to CBWs shall be discontinued. Instead, the CBW operator must open a bond account for the transit of the goods from the Port of Discharge to the CBW.

Section 4. Operational Provisions.

4.1. Creation of a Bond Account.

4.1.1. The CBW operator shall create a bond account by submitting the bond policy electronically to the Bureau through its accredited VASP. For uniformity, the CBW Operator shall only encode the numeric character of the policy number (without spaces).

4.1.2. The E2M Customs System shall automatically send the following feedback or status:

- a.** STORED – which means the electronic submission of the bond policy has been successfully lodged; or
- b.** Reject the electronic lodgement, specifying therein the reasons why the electronic submission of the bond policy has failed.

4.1.3. Once the bond policy has been stored in the E2M Customs System, the applicant shall submit the hard copy of the bond policy, together with the supporting documents, to the Bonds Division of the Port having jurisdiction over the Customs Bonded Warehouse through the port's Customer Care Portal System (CCPS).

4.1.4. The Bonds Examiner receives the original bond policy and the supporting documents, retrieves the filed bond record in the ABMS and verifies the bond information against the details in the hard copy of the original bond policy.

He shall likewise check for the following:

- a.** Authenticity, validity and completeness of the submitted bonds and the supporting documents;

- b. Information entered by the importer against the original bond policy and supporting documents; and
- c. Accreditation of the surety company with the Bureau.

4.1.5. Bonds Examiner tags the bond application in the ABMS as follows:

- a. "EXAMINED" – which means the application shall be submitted to the Division Chief for approval; or
- b. "EXAMINED FAILED" – which means the application is rejected. The original bond policy, together with supporting documents shall be returned to the importer or his authorized representative. The reasons for the failed examination shall be stated.

However, if the discrepancy or error is only on the details in the ABMS, the Bonds examiner need not return the original bond together with supporting documents to the applicant. The CBW operator shall rectify by relodgement of correct information to the VASP system.

4.1.6. If the application passes the examination by the Bonds Examiner, the original bond, together with supporting documents, is then forwarded to the Chief, Bonds Division.

4.1.7. The Bonds Division Chief shall review the findings of the bonds examiner then tags the application as follows:

- a. "APPROVED" – which means the bonds application is approved; or
- b. "REJECTED" – which means the application is rejected. The original bond policy, together with supporting documents shall be returned to the importer or his authorized representative. The reasons for the rejection shall be stated.

However, if the discrepancy or error is only on the details in the ABMS, the Chief, Bonds Division need not return the original bond together with supporting documents to the applicant. The CBW operator shall rectify by re-lodgement of correct information to the VASP system.

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4.1.8. Approved bonds automatically generate the following in the ABMS:

- a. Bond Account containing the Account Holder and Account Information;
- b. Account Policies containing Policy Details; and
- c. Bond Charging/Cancellation History in ledger form.

4.1.9. A CBW operator can add more bond policies to his account by following the same procedure during the first bond application. The ABMS automatically adds up the approved new policies to the existing bond account and consequently increase the value of the bond.

4.2. Bonds Charging.

4.2.1. Upon lodgement of the goods declaration for warehousing, the Warehousing Entry System (WES) sends request to the ABMS to charge against a particular bond account.

4.2.2. Upon assessment, the ABMS checks for the sufficiency of the bond.

- a. If the bond is insufficient, a bond error message is displayed in the E2M Customs System to the principal appraiser and the assessment cannot proceed.

The Principal appraiser shall notify the CBW operator through the CCPS that the bond is insufficient to cover the assessed duties and taxes, with request to post additional security.

The CBW operator shall apply and post a new bond sufficient to cover the computed duties and taxes.

- b. If the bond is sufficient, the WES debits the amount charged to the available bond balance. The SAD Assessment Notice is the notification that the assessed duties and taxes is charged against the bond.

4.2.3. If the goods declaration is cancelled, the ABMS cancels the amount charged and reverts to the previous bond balance.

4.3. Bond Cancellation.

4.3.1. The Chief, Bonds Division may cancel an approved bond if upon further review, there are still errors or discrepancies on the details in the ABMS and the hard copy of the bond policy, provided that the same has not been charged against goods declaration; or

4.3.2. Upon liquidation of the warehousing goods declaration, cancellation of bonds shall be covered by a separate Raw Materials Liquidation System (RMLS).

Section 5. Repealing Clause. All orders, memoranda, circulars and issuances inconsistent herewith are hereby repealed and/or deemed modified accordingly.

Section 6. Separability Clause. If any part or provision of this Order is later declared invalid or illegal, the remaining portion shall remain valid and enforceable.

Section 7. Effectivity. This Order shall take effect five (5) days after publication in a newspaper of general circulation.

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

REY LEONARDO B. GUERRERO

Commissioner

MAY 18 2021



BOC-02-06205

From: Office of the National Administrative Register Printing Section UP Diliman College of Law
<onar_law.upd@up.edu.ph>

Sent: Thursday, May 20, 2021 3:08 PM

Subject: Re:

This is to acknowledged receipt of the following BOC Customs Memorandum Orders on **May 20, 2021**.

1. **Customs Memorandum Order No. 17-2021** entitled Guidelines for the Implementation of the General Warehousing Bond (GWB) thru the Automated Bonds Management System (ABMS); and

2. **Customs Memorandum Order No. 18-2021** entitled Revised Rules and Regulations on the Opening and Utilization of Prepayment Accounts.

Please submit three certified copies of the said issuances in our office, Monday to Thursday, 8am to 3pm.

Please attach this acknowledgement receipt upon submission for easy reference.

Thank you.

Letty Palaña

Thank you for giving us the opportunity to serve you. God Bless.