



FedEx Regulatory Alerts & Updates

Regulatory Alert: Philippines Released Customs Memorandum Order (CMO) 12-2021

June 3, 2021

The Philippines Bureau of Customs (BOC) released Customs Memorandum Order (CMO) 12-2021 that establishes new guidelines on the imposition of penalties related to accreditation of importers and customs brokers for the failure to comply with customs regulations. The CMO sets out the procedure for imposing penalties, which include warning, suspension, and revocation of accreditation for breach of the importer's responsibilities and violation of customs laws, rules, and regulations. The accreditation of the importer or customs broker may be preliminarily suspended pending administrative proceedings.

The BOC will impose penalties that can include the suspension of customs accreditation privileges for one month up to twelve months depending on the severity of the non-compliance. Examples of non-compliance include:

- a. Inadvertent mistake or erroneous information in the submitted documents, not substantial in nature
- b. Violation of law or regulation by the accredited importer or customs broker
- c. Violation of the sworn undertaking to strictly abide with existing rules and regulations on the Statement of Full Description of Imported Articles covered by entry declarations
- d. Material misrepresentation, or submission of false information or document
- e. Violation of law or regulation by the accredited importer or customs broker, such as, but not limited to:
 - i. General or inaccurate declaration, misclassification, misdeclaration, undervaluation or intentional over quantity of shipments
 - ii. Lack of import permit/clearance issued by the government agency concerned for its shipment
- f. Violation of law or regulation by the accredited Importer, such as but not limited to:
 - i. Importation or exportation of absolutely prohibited goods under Section 118 of the CMTA and other customs laws, rules, or regulations
 - ii. Deliberate failure or refusal without justifiable reasons to comply with the duties and responsibilities of an accredited importer or customs broker
 - iii. Willful misdeclaration or undervaluation of imported or exporter articles that resulted or would have resulted in the loss of government revenue

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The importer or customs broker whose accreditation has been preliminarily suspended may request for the continuous processing of the shipments which are still in transit or have arrived at the ports prior to the suspension. This request should be filed with the BOC's Legal Service for resolution, subject to the approval of the commissioner. They must also clearly indicate that should the request be granted; 100% physical examination of goods will be conducted on their own account.

Timeline for Implementation: Immediate

REFERENCE

Bureau of Customs – CMO 12-2021

https://customs.gov.ph/wp-content/uploads/2021/03/cmo-12-2021-Guidelines_on_the_Imposition_of_Penalties_relative_to_the_Customs_Accreditation.pdf