



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN



MEMORANDUM

TO : **The Directors**
Forest Management Bureau
Biodiversity Management Bureau
Mines and Geosciences Bureau
Land Management Bureau

The Executive Director
National Water Resources Board

FROM : **The Undersecretary**
Policy, Planning and International Affairs

SUBJECT : **SUBMISSION OF COMMENTS/ RECOMMENDATIONS ON THE DRAFT JOINT ADMINISTRATIVE ORDER (JAO) ON THE "GUIDELINES FOR IMPLEMENTING A DIGITAL AND INTEGRATED SYSTEM FOR THE PRE-BORDER TECHNICAL VERIFICATION AND CROSS-BORDER E-INVOICING OF ALL IMPORT COMMODITIES"**

DATE : **JUL 10 2024**

In compliance with the Presidential Administrative Order No. 23: "*Implementing a Digital and Integrated System for the Pre-Border Technical Verification and Cross-Border Electronic Invoicing of all Import Commodities*", the Bureau of Customs has submitted a draft Joint Administrative Order for the guidelines thereof. This was submitted among the members of the Technical Working Group for review and recommendations.

In this regard, the draft Joint Administrative Order is hereby endorsed to your Office for your review and recommendations on its application and for possible integration with the implementation of applicable processes and permits under your respective mandates.

Likewise, submit the comments on the draft JAO preferably during the Technical Working Group Meeting of the Committee **as soon as possible**. Please email the required documents through a Memorandum to recordsco@emb.gov.ph copy furnished this Office (ouppia@denr.gov.ph).

For your information and appropriate action.


ATTY. JONAS R. LEONES

cc: The Director, Environmental Management Bureau

MEMO NO. 2024 - 617

Comments on the Draft JAO on AO No. 23

As of June 28, 2024

Blue - agreed/adopted by the TWG as of 28 June 2024.

Red - discussed; with proposed wordings/to provide further comments.

Draft JAO on AO No. 23	Comments/Decision Points
<p>GUIDELINES FOR ADMINISTRATIVE ORDER NO. 23, SERIES OF 2024 "IMPLEMENTING A DIGITAL AND INTEGRATED SYSTEM FOR THE PRE-BORDER TECHNICAL VERIFICATION AND CROSS-BORDER ELECTRONIC INVOICING OF ALL IMPORT COMMODITIES"</p>	
<p>WHEREAS, Administrative Order (AO) No. 23, series of 2024, "Implementing A Digital and Integrated System for the Pre-Border Technical Verification and Cross Border Electronic Invoicing of all Import Commodities," was issued by the President of the Philippines to address concerns in [xxx].</p>	
<p>WHEREAS, Section 101 of Republic Act No. 10863 or the "Customs Modernization and Tariff Act" directs the State to develop and implement programs for the continuous enhancement of customs systems and processes;</p>	<p>[AGREED] Adopted the Whereas Clauses in AO No. 23.</p>
<p>WHEREAS, the Philippines is a signatory to the World Customs Organization International Convention on the Simplification and Harmonization of Customs Procedures or the "Revised Kyoto Convention," which requires Contracting Parties to simplify customs procedures and ensure that these are predictable and transparent, in accordance with international standards;</p>	<p>[AGREED] Adopted the Whereas Clauses in AO No. 23.</p>
<p>WHEREAS, it is necessary to implement, at no cost to the Philippine Government, a pre-border technical verification of goods prior to loading in the countries of supply for exportation to the Philippines, to verify the declared specifications, description, weight, volume, and country of origin, but in no case shall include the customs value and tariff classification in accordance with Article 10.5 of the World Trade Organization Facilitation Agreement;</p>	<p>[DOF] We suggest deleting references to Article 10.5 of the WTO TFA, because it emphasizes the previous concerns on pre-shipment inspection. To allay the concerns of stakeholders, we suggest emphasizing that the PTV is exclusively for the purpose of verification of declared information and ensuring that these commodities are safe and of good quality.</p> <p>Suggested rewording:</p> <ol style="list-style-type: none"> 1. Insert "EXCLUSIVELY FOR THE PURPOSE OF VERIFYING" after "exportation to the Philippines"; Delete "to verify". 2. Delete "but in no case shall include the customs value and tariff classification in accordance with Article 10.5 of the World Trade Organization Facilitation Agreement". 3. Insert "and ensuring that these commodities are safe and of good quality, in accordance with the World Trade Organization Facilitation Agreement, and existing laws, rules, and regulations" after "country of origin" consistent with Section 1(d) of AO23.

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	<p>References: TFA ART 10.5 1- Members shall not require the use of preshipment inspections in relation to tariff classification and customs valuation.</p> <p>2- Without prejudice to the rights of Members to use other types of preshipment inspection not covered by paragraph 5.1, Members are encouraged not to introduce or apply new requirements regarding their use.</p>
<p>WHEREAS, the WTO Agreement on Sanitary and Phytosanitary Measures reaffirms the right of WTO Members to institute measures to ensure food safety and public health and prevent the entry and spread of pests and diseases affecting plants and animals as well as the environment that is associated with importation of agriculture and fisheries products;</p>	<p>[AGREED] New WHEREAS Clause proposed by DA.</p>
<p>WHEREAS, the Basel Rotterdam Stockholm Conventions [xxx]</p>	<p>[DENR] Will provide language.</p> <p>Other agencies (DTI, DOE, etc.) to provide other Conventions they want to be included/mentioned in the WHEREAS Clauses.</p>
<p>WHEREAS, a single electronic invoicing system controlled by the Philippine Government is necessary to effectively monitor international trade transactions of all imported goods;</p>	<p>[AGREED] Adopted the Whereas Clauses in AO No. 23.</p>
<p>WHEREAS, there is a need to define the responsibilities, accountability, and liability of Accredited Testing, Inspection, and Certification (TIC) Companies;</p>	<p>[DOF] Add “importers” and “exporters” which also have roles in the implementation of the PTVCEI.</p>
<p>WHEREAS, pursuant to Section 2 of AO No. 23, s. 2024, a Committee for Pre-border Technical Verification and Cross-border Electronic Invoicing was created to be composed of the Department of Finance (DOF), Department of Agriculture (DA), Department of Trade and Industry (DTI), Department of Energy (DOE), Department of Health (DOH), Department of Environment and Natural Resources (DENR), Department of Information and Communications Technology (DICT), Bureau of Customs (BOC), Philippine Drug Enforcement Agency (PDEA), and non-voting representatives from duly recognized industry associations, are mandated to provide strategic direction and policy guidance on the implementation of the Pre-border Technical Verification and Cross-border Electronic Invoicing and accreditation of Testing, Inspection, and Certification (TIC) Companies;</p>	<p>[Secretariat] Proposed language in red.</p>
<p>NOW, THEREFORE, pursuant to the above-mentioned, and subject to the limitations of their mandates conferred by law, the DOF, DA, DTI, DOE, DOH, DENR, DICT, BOC, and PDEA hereby promulgate the following guidelines through this Joint Administrative Order (JAO).</p>	

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RULE I PRELIMINARY PROVISIONS	
SECTION 1. OBJECTIVES	[TWG] Secretariat to propose wordings/language based in the Whereas Clauses.
1.1 To establish advanced clearance system for the importation of goods from all countries of supply to the Philippines in accordance with the objectives of the WCO International Convention on the Simplification and Harmonization of Customs Procedures, otherwise known as the RKC;	
1.2 To institute measures to ensure food safety and public health and prevent the entry and spread of pests and diseases affecting plants and animals as well as the environment that is associated with the importation of agriculture and fisheries products, in accordance with the WTO Agreement on Sanitary and Phytosanitary Measures reaffirms the right of WTO Members.	[AGREED] Proposed by DA.
1.3 To implement, a pre-border technical verification of imported goods prior to loading in the countries of supply for exportation to the Philippines, to facilitate the Customs clearance of imported goods while ensuring the health and safety of the society;	
1.4 To obtain and secure critical information for the proper examination of imported goods, using measures compliant with Customs international best practices and global trade standards;	
1.5 To protect and maximize revenue collection by verifying the correct weight, quality, quantity, and description of imported goods as well as integrity and authenticity of invoices through a system of cross-border electronic invoicing, to prevent manipulation, unfair competition, and deceptive trade practices; and	
1.6 To define the responsibilities, accountability, and liability of TIC companies accredited under the systematic accreditation program.	
SECTION 2. SCOPE AND COVERAGE This JAO implements the provisions of Administrative Order No. 23 on the implementation of a pre-border technical verification of all imported goods and cross-border electronic invoicing system as well as the guidelines, qualifications, documentary requirements, and procedures for the [procurement] accreditation of third-party TIC Companies. This JAO also enumerates the roles and responsibilities of the Committee on Pre-border Technical Verification and Cross-border Electronic Invoicing (CPTVCEI), the member agencies, importers, exporters, and Accredited Testing, Inspection, and Certification Company (ATICC).	[TWG] Secretariat to propose wordings based on the following: <ol style="list-style-type: none"> a. Include/Mention the Appendices under this Section. b. Propose/state scope/coverage in relation to other border controls; state something general, cover imported products. Rule 1 - General Objectives and Definition of Terms Rule 2 - Technical Verification, Cross Border E-Invoicing Rule 3 - Accreditation c. There should be a rule/section on delineation of agencies' requirements/scope; should provide per agency requirement or standards.
SECTION 3. DEFINITION OF TERMS	

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<p>As used in the JAO, the following terms are defined to mean:</p>	
<p>3.1. Accredited Testing, Inspection, and Certification Companies (ATICC) refer to qualified TIC Companies that possess legal, financial, and technical capabilities to implement both the Pre-border Technical Verification and Cross-border Electronic Invoicing System as a digital and integrated package.</p>	
<p>3.2. Cross-border Electronic Invoicing (CEI) System refers to a system used by a foreign exporter to create export invoices on a single electronic platform controlled by the Philippine Government. The electronic invoice is shared transparently and in real time with the Bureau of Customs (BOC), Bureau of Internal Revenue, Department of Agriculture (DA), Department of Trade and Industry (DTI), and other relevant government agencies.</p>	<p>[TWG] Members to check their requirement for “other relevant government agencies”. DOE and DENR signified their inclusion in the enumeration.</p> <p>[DOF] Following Section 3(b) of AO23, we suggest the following rewording: 1. Delete “a system”; Insert “single electronic platform for the creation, uploading, and storage”</p>
<p>3.3. Pre-border Technical Verification (PTV) refers to testing and inspection of all commodities by accredited TIC Companies prior to exporting to the Philippines for purposes of verifying in advance the declared specifications, description, weight, volume, country of origin, and other requirements as specified in Section ___.</p>	<p>[DTI] For imported goods requiring a permit prior to importation, we suggest to utilize the import permit in verifying the accuracy of declared specifications, descriptions, weight, volume, and country of origin for imported goods. To add import permit as the basis of confirmation is crucial in verifying the declared specifications, description, weight, volume, and country of origin.</p> <p>[TWG] Make reference to another provision which would list the type of requirements depending on the type of product.</p>
<p>3.4. Testing, Inspection, and Certification (TIC) Companies refer to entities that are members of the TIC Council with the necessary staff and facilities to test, inspect, and certify all import commodities bound for export to the Philippines.</p>	<p>[TWG] To be raised to the Committee/To be discussed in the next TWG Meetings: a. What does testing, inspection, certification entail in the operation? b. Suggestion to use “pre shipment inspection”: i. For clarification if we will do testing and certification>.</p> <p>BOC: To check the scope of functions/responsibilities of TIC .</p>
<p>RULE II PRE-BORDER TECHNICAL VERIFICATION AND CROSS-BORDER ELECTRONIC INVOICING</p>	
<p>SECTION 4. GENERAL PROVISIONS ON THE IMPLEMENTATION OF PRE-BORDER TECHNICAL VERIFICATION AND CROSS-BORDER ELECTRONIC INVOICING SYSTEM.</p>	<p>[Secretariat] Reworded to include all provisions on the implementation of PTVCEI. Culled from Sections 4 and 5 of AO23.</p>
<p>4.1 The BOC shall serve as the primary implementing agency of the Pre-border Technical</p>	

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Verification and Cross-border Electronic Invoicing System.				
4.2 The program shall be fully implemented within two (2) years from the effectivity of A.O. No. 23.				
SECTION 5. COVERAGE OF PRE-BORDER TECHNICAL VERIFICATION AND CROSS-BORDER ELECTRONIC INVOICING				[Secretariat] As agreed, the implementation, coverage, exemptions, phased implementation of the PTV, and period for implementation for the CEI are placed in a separate rule.
The Pre-Border Technical Verification shall cover all agricultural products, non-agricultural products with health and safety issues, and other goods susceptible to misdeclaration to avoid duties and taxes.				
The Cross Border e-Invoicing shall cover all imported goods.				
SECTION 6. EXEMPTIONS				[DTI] For Section 3 No. 8 - We agree to the exemption of imported individually owned motor vehicle from Cross Border e-Invoicing and Physical Verification. Nonetheless, we are <u>hesitant to waive the requirement for physical verification of imported individually owned motor vehicles since we have instances wherein data entries provided prior to issuance of the CAI may be different from actual inspection of the LTO</u> . While exemption on physical verification may be beneficial as to data consistency, the possibility of data inconsistency with actual inspection is certain and may further lead to problems in the vehicle's registration. Requiring the imported individually owned motor vehicle to undergo Physical Verification as part of the Pre-border Technical Verification can ensure that the vehicle matches its description in terms of model, mileage, and condition as per the importer's claims. This helps in preventing fraud related to misrepresented vehicles. This step of Physical Verification can also help in ensuring that the vehicle is roadworthy and safe to operate as it helps identify any mechanical faults, worn-out parts, or other safety concerns. In some case, imported vehicles may be involved in illegal activities such as smuggling or theft. A thorough physical inspection can reveal any signs of tampering or illegal modifications. Physical verifications often involve cross-referencing vehicle identification numbers (VINs) and other documentation to ensure they match the vehicle's physical attributes and history. This helps in preventing fraud and ensuring the vehicle's authenticity.
The following table lists the description of goods which are either exempt from physical verification or cross-border invoicing, or both:				
No.	Goods Description	Exempt from Cross Border e-Invoicing	Exempt from Physical Verification	
1	Goods inspected by international surveyors under the BOC Bulk and Break-Bulk Cargo Clearance Enhancement Program		X	
3	Goods shipped in Less Than Container Load (LCL) (Goods shipped in one container to multiple importers)		X	
4	Explosives, ammunition, arms and equipment and other strategic materials certified as such by the Department of National Defense.		X	
6	Live Animals		X	
7	Balikbayan boxes and goods of returning residents	X	X	
8	Individually owned motor vehicles	X	X	
9	Goods where the consignee is the Government of the Republic of the Philippines; or any of its corporations, agencies or instrumentalities but not including goods imported on behalf of these instrumentalities by private importers. Imports by export processing zone	X	X	

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11	enterprises duly registered with Export Processing Zone Enterprises.		X	<p>Physical Verification for imported individually owned motor vehicles serves a wide range of purposes, from ensuring compliance with safety standards to protecting consumer interests and facilitating the smooth flow of international trade. It is integral to maintaining transparency, quality assurance, and regulatory compliance throughout the importation process.</p> <p>For Section 3 No. 9 – We agree to the exemption of imported goods where the consignee is the Government of the Republic of the Philippines; or any of its corporations, agencies or instrumentalities but not including goods imported on behalf of these instrumentalities by private importers, from Cross Border e-Invoicing and Physical Verification. For imported goods where the consignee is the Government of the Republic of the Philippines; or any of its corporations, agencies or instrumentalities but not including goods imported on behalf of these instrumentalities by private importers requiring a permit prior to importation, we suggest the presence of an import permit as part of the Pre-border technical verification. This will help ensure adherence to regulatory requirements and helps prevent any unauthorized discrepancies before the goods are shipped to the Philippines.</p> <p>[TWG] For exemption of Live Animals in PTV, check provisions of CITES.</p> <p>[Secretariat] As agreed, the implementation, coverage, exemptions, phased implementation of the PTV, and period for implementation for the CEI are placed in a separate rule.</p>
14	Sea-going vessels and offshore platforms and similar floating structures		X	
15	Aircraft		X	
16	Importations and donations made by foreign governments or international organizations to foundations, charities and recognized humanitarian organizations.	X	X	

SECTION 7. PHASED IMPLEMENTATION OF THE PRE-BORDER TECHNICAL VERIFICATION

The implementation of the Pre-border Technical Verification System shall be in three (3) phases:

Phase	Imported goods	Period
Phase 1	All imports of agricultural goods as defined in Appendix 1.	Ninety (90) days after the publication of the customs regulations implementing the AO.
	Agricultural Goods pertain to fresh or frozen meats, fish and other aquatic products, vegetables, fruits, cereals	

[Secretariat] As agreed, the implementation, coverage, exemptions, phased implementation of the PTV, and period for implementation for the CEI are placed in a separate rule.

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SECTION 8. PERIOD OF IMPLEMENTATION OF THE CROSS-BORDER ELECTRONIC INVOICING

The Cross-Border Electronic Invoicing shall be implemented as follows:

Period	
Thirty (30) days after the publication of the customs regulations implementing the AO.	Registration of exporters abroad for all imports covered by the CBEI.
Sixty (60) days after the publication of the customs regulations implementing the AO.	Mandatory use of the CBEI for all imports covered by the BOC Bulk and Break-Bulk Cargo Clearance Enhancement Program ("BBBCCEP")
Ninety (90) days after the publication of the customs regulations implementing the AO.	Mandatory use of CBEI for all other imports not exempt from Cross Border e-Invoicing (with Rule III).

[Secretariat] As agreed, the implementation, coverage, exemptions, phased implementation of the PTV, and period for implementation for the CEI are placed in a separate rule.

RULE III GENERAL RULES ON ACCREDITATION OF TIC COMPANIES	
SECTION 9 . REQUIRED VOTING No application for accreditation shall be approved, disapproved, or renewed without the consent of the majority of members representing the Government present in a valid meeting duly called for such purpose by the Chairman of the CPTVCEI. Representatives of the private sector are considered as non-voting members. A meeting is deemed valid when at least five (5) members are present.	
SECTION 10. PERIOD TO APPROVE APPLICATION The CPTVCEI shall approve or disprove an application for accreditation within twenty-one (21) days from receipt of the application with complete supporting documents, in accordance with the requirements for accreditation as provided herein.	
SECTION 11. PERFORMANCE REVIEW There shall be an annual performance review of an ATICC to determine its compliance with the requirements of the AO and these rules. Should there be findings of poor performance or negligence on the part of the ATICC, the CPTVCEI may suspend or revoke its accreditation, if deemed necessary.	
SECTION 12. INVESTIGATION The CPTVCEI may, at any time during the subsistence of the accreditation, investigate violations of the provisions of the AO and these rules and, for this purpose, may employ all means necessary to ascertain pertinent facts that will assist in imposing appropriate sanctions of suspension and / or revocation of accreditation, as the case may be.	
SECTION 13. APPEAL OF SUSPENSION OR REVOCATION An appeal against a revocation or suspension of an accreditation imposed by the CPTVCEI on an ATICC may be appealed to the Office of the President within fifteen (15) days from the receipt of the suspension or revocation order.	
SECTION 14. ADMINISTRATIVE SUPPORT	

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<p>The CPTVCEI shall be assisted by a Secretariat which shall receive and process all applications for accreditation and renewal of accreditation of a TIC company for consideration and approval by the CPTVCEI.</p> <p>The Secretariat shall also be responsible for the following matters on behalf of the CPTVCEI:</p> <ul style="list-style-type: none">a. To keep an updated record of all documents related to the CPTVCEI and ATICCs.b. To have custody, storage, and maintenance of all data surveys and reports.c. To perform all other functions required by the CPTVCEI and in accordance with the provisions of the AO.	
RULE IV APPLICATION FOR ACCREDITATION	
<p>SECTION 15. QUALIFICATIONS FOR ACCREDITATION</p> <p>Applications will be considered from single entities, joint ventures, or consortiums. In the case of a joint venture or consortium, at least one (1) member should have the qualifications listed in Section 14.</p> <p>Members of a consortium or joint venture shall nominate one (1) member as the 'Lead Member' for the purpose of representing the consortium or joint venture with respect to all activities of the accreditation process. The nomination shall be supported by a Special Power of Attorney, signed by all the other members of the consortium or joint venture.</p> <p>A member of a particular consortium or joint venture cannot be member of any other consortium applying for accreditation. Also, such member/s cannot apply independently for accreditation.</p>	
<p>SECTION 16. QUALIFICATION CRITERIA</p>	
<p>a. Currently appointed by any foreign government for a minimum of seven (7) Product Conformity Assessment programs or Technical Verification programs which have already been implemented and are still valid.</p>	
<p>b. Appointed by any foreign government for a minimum of one (1) cross-border electronic invoicing contract for which a government decree or regulation has been published after contract signature.</p>	
<p>c. Currently providing e-invoicing solutions in Asia, including within government schemes using clearance model.</p>	
<p>d. Accredited ISO/IEC 27001:2013 and ISO/IEC 20000-1:2018 for information security management systems and service management systems respectively.</p>	<p>[DICT]</p> <ul style="list-style-type: none">• Could we reword this to Certified or "with valid certification"

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	<p>instead of "accredited".</p> <ul style="list-style-type: none"> ● Could we update this to the latest ISO/IEC 271001:2022 <ul style="list-style-type: none"> a. Change in control – 2022 introduces new security controls and updates existing ones to reflect modern information security challenges. b. Risk Management – 2022 version emphasizes risk assessment and management. Organizations must align their ISMS with the latest requirements to ensure their risk management practices are effective and efficient c. Integration with Other Standards – 2022 is designed for easier integration with other ISO management system standards, such as ISO 9001 and ISO 14001. This streamlines the management of multiple standards within an organization.
e. International network of offices capable of verifying goods in all countries of supply to the Philippines.	
f. Accredited ISO 17020:2012 network of offices.	[DICT] Could we reword this to Certified or "with valid certification to "instead of accredited?"
g. Network of laboratories equipped to test goods exported to the Philippines.	
h. Global Certification Centers ISO 17065:2012 accredited, with at least one (1) in Asian Region.	
i. Competence and capability to conduct quantitative and qualitative analysis of goods traded internationally.	
j. Ability to issue digital Inspection Reports and digital Certificates of Conformity.	
k. Capacity to provide and manage an electronic platform to issue, store and archive electronic invoices.	
l. Capacity to issue cryptographic digital certificate, qualified or not, for electronic signatures.	<p>[DICT]</p> <ul style="list-style-type: none"> ● Does this mean that there should also be a Certificate Authority? ● Will there be a requirement for their Digital Certificate to be signed by a web trusted Root CA? or a self-signed Root CA will do ● What does "qualified or not relate" to mean?
m. Full Member of the TIC Council.	
n. Annual turnover not less than US\$2.5 Billion in line with the criteria of category A (1) membership of the TIC Council.	
o. Must not have been blacklisted by the Government of the Philippines	

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p. Ability to submit a capacity building program for the BOC.	[DICT] Could we specify the kind of capacity building program?
q. Existing branches and laboratories in the Philippines.	
SECTION 17. DOCUMENTARY REQUIREMENTS	
17.1 Class A - Legal Documents*	
a. Company Registration Certificate with Articles of Incorporation and By-Laws, and updated General Information Sheet (Certified True Copy)	
b. Business Registration Certificate or Mayor's Permit or similar for Principal Place of Business (Certified True Copy).	
c. Tax Certificate of Registration which contains the Taxpayer's Identification Number and VAT Registration Number (Certified True Copy from the Tax Authority).	
d. Statement under oath attesting that the applicant corporation, joint venture or consortium is not listed in the Government Procurement Policy Board (GPPB) Consolidated Blacklisting Report as a blacklisted entity.	
e. Certification under oath that each of the Class A legal documents submitted in satisfaction of the eligibility requirements is an authentic and original copy, or a true and faithful reproduction of the original, complete, and that all statements and information provided therein are true and correct.	
<i>*In case of joint venture or consortium, all member companies shall submit each of the above enumerated "Class A" Legal documents.</i>	
17.2 Class A - Technical Documents	
a. Company profile with names and designations of the company's Board of Directors or partners (Original or Certified True copy by the Applicant).	
b. Statement of the company's principals and key staff with their qualifications, technical competence, experience and other related expertise.	
c. List of Product Conformity Assessment contracts or Technical Verification contracts for imported goods which have already been implemented by foreign governments and are still valid.	
d. Certified copies of ISO 17020 and 17065 accreditations.	
e. Certified copies of ISO/IEC 27001:2013 and ISO/IEC 20000-1:2018 for information security management systems and service management systems.	
f. Certified copies of ISO/IEC 27001:2013 and ISO/IEC 20000-1:2018 for information security management systems and service management systems.	
g. List of Cross Border E-Invoicing implemented contracts for which the applicant has been appointed by any foreign government.	
h. List of e-invoicing compliance platforms, in which a clearance model is implemented by the government.	

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<p>i. List of applicant's international network of inspecting offices capable of conducting inspections in all countries of supply to the Philippines as listed in the table of countries attached at Appendix 4.</p>	
<p>j. List of applicant's international network of laboratories equipped to test goods exported to the Philippines.</p>	
<p>k. Certificate of Membership of the TIC Council.</p>	
<p>17.3 Class A - Financial Documents a. Consolidated Audited Annual Financial Statements of the applicant or of the applicant's Group for the last three (3) taxable years (Certified true copy) evidencing annual turnover not less than US\$2.5 Billion together with the Report of the Statutory Auditor.</p>	
<p>17.4 Class B Documents a. Valid joint venture or consortium agreement, in case of a joint venture or consortium (Original or Certified True copy by the Applicant)</p>	
<p>b. Letter authorizing the CPTVCEI or its duly authorized representative/s to verify any or all of the documents submitted for eligibility check.</p>	
<p>SECTION 18. APPLICATION FEE A non-refundable application processing fee of Fifty Thousand Philippine Pesos (PhP50,000.00) shall be paid on the filing of a request for accreditation.</p>	
<p>SECTION 19. PROCEDURE FOR ACCREDITATION 19.1 A TIC company wishing to apply for accreditation shall accomplish the required Application Form as part of the requirements for the approval of the application. The Application Form, together with the complete documents required and the non-refundable application fee of Fifty Thousand Philippine Pesos (PhP50,000.00) shall be submitted to the CPTVCEI Secretariat.</p>	<p>[DA] To advance and safeguard the DAs' mandate on border control for measures, elements on the DA-related accreditation, importation Accreditation licensing, and SPSIC issuance policies should be incorporated, including the following:</p> <ol style="list-style-type: none"> 1. DA Administrative Order 16, s. 2006: Pre-Border Measures for the Export of Meat and Meat Products to the Philippines, 2. DA Department Circular 04, s. 2016: Guidelines on Importation of Plants, Planting Materials and Plant Products for Commercial Purposes 3. Fisheries Administrative Order No. 259 s. 2018: Rules and Regulations on the Importation of Frozen Fish and Fishery/Aquatic Products for Wet Markets During Closed and Off-Fishing Seasons or During the Occurrence of Calamities, Fisheries 4. Fisheries Administrative Order No. 195 s. 1999: Rules and Regulations Governing Importation of Fresh/Chilled/Frozen Fish and Fishery/Aquatic Products 5. DA Administrative Circular No. 01 s. 2021: Mandatory

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	<p>Accreditation of Cold Storage Warehouses (CSWs) for Agricultural and Fishery Products</p> <p>6. DA Administrative Order No. 16, .s 2021: "Licensing Procedures for Meat Importers, Revising the DA AO No. 09 Series of 2013 entitled Supplemental Guidelines to DA AO No. 26 Series of 2005, Section I: Accreditation Procedure for Meat Importers</p> <p>7. DA Administrative Circular No. 06, .s 2022: Revised Rules and Regulations Governing the Importation of Agricultural and Fish and Fishery / Aquatic Products; Animal Feeds, Feed Ingredients and Feed Additives; and, Fertilizers, Pesticides and Other Agricultural Chemical Products into the Philippines</p>
<p>19.2 The Secretariat shall then make the preliminary determination as to the completeness of the application submitted, and verification of the full payment of the application fee.</p>	
<p>19.3 The Secretariat may conduct a physical inspection of the assets and an actual evaluation of the operations of the applicant, if it deems it necessary, before submitting its recommendation to CPTVCEI for deliberation.</p>	
<p>19.4 Upon the direction of the Chairman of the CPTVCEI, the Secretariat shall calendar a meeting and issue the necessary notices to all members and interested parties. The CPTVCEI shall conduct deliberations on the application and shall issue a decision in writing approving or denying the application, stating the reasons for approval or denial.</p>	
<p>19.5 The CPTVCEI shall inform the applicant in writing of the outcome of its application and, if approved, shall require the applicant to pay a one-time accreditation fee of (PhP.....) within fifteen (15) days from the receipt of the approval of the application together with a Cash Bond in an amount of (PhP.....) in accordance with the prescribed form.</p>	
<p>19.6 Any applicant whose application has been denied may submit a second application within fifteen (15) days from the receipt of the notice of denial. The second application shall be treated as a new application and shall be subject to a non-refundable application fee of Fifty Thousand Philippine Pesos (PhP50,000).</p>	
<p>19.7 Upon submitting proof of payment of the Accreditation Fee and Cash Bond, the successful applicant shall be issued with an Accreditation Certificate indicating the official receipt number and period of validity of the accreditation.</p>	
<p>RULE V REPORTING</p>	
<p>SECTION 20. CERTIFICATE OF CONFORMITY</p>	
<p>20.1 Only an ATICC may issue a digital Certificate of Conformity (CoC).</p>	
<p>20.2 The digital CoC shall be transmitted directly to the BOC within 48 hours from the receipt of the</p>	

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<p>necessary final documents from the exporter. A pdf copy shall be sent to the exporter by email.</p>	
<p>20.3 The digital CoC shall include the following data elements:</p> <ul style="list-style-type: none"> a. HS Code as declared by the exporter b. Description of goods as found by the TIC company c. Brand name of the goods d. Quality and/or grade of goods as found by the TIC company e. Confirmation that the goods meet the phytosanitary requirements of the Philippine Department of Agriculture and test report number if appropriate f. Quantity of goods in weight and unit as found by the TIC company g. Value of goods in US\$ as declared by the exporter in its commercial invoice h. Country of Origin as declared i. Container Number, if known j. Vessel name , if known k. Projected date of departure l. Port of arrival in the Philippines 	
<p>SECTION 21. ADVANCE CLEARANCE PROCEDURE</p>	<p>[TWG] Members to propose wordings based on per agency requirement/standard.</p>
<p>21.1 An importer whose goods have been inspected by an ATICC and a CoC issued to the exporter, shall be allowed to file entries for the imported goods and pay the proper duties, taxes and other fees prior to the arrival of the goods in the port of destination, provided that:</p>	
<ul style="list-style-type: none"> a. The entry contains a full and true statement of all the goods as per the CoC. 	
<ul style="list-style-type: none"> b. The invoice from the exporter contains a full statement of the costs of the shipment for the purpose of calculating the duties and taxes. 	
<ul style="list-style-type: none"> c. The exporter's invoice and the Bill of Lading are the only ones related to the shipment. 	
<p>21.2 As soon as the shipment arrives in the Philippine port the importer may immediately cause the withdrawal of the same from the port upon presentation of proof of payment of duties and taxes and any other documents required by Philippine rules and regulations.</p>	
<p>SECTION 22. PROBATIVE VALUES (CoC)</p> <p>The data in the CoC shall be used by Customs Examiners/Appraisers in the determination of the dutiable weight, volume, description, valuation, and classification of the imported articles without prejudice to the right of the BOC to conduct further verification, if deemed necessary, to protect government revenue.</p>	
<p>SECTION 23. NON - COMPLIANCE</p> <p>Goods subject to pre-border inspection under the provisions of the AO which arrive in the</p>	<p>[DA] Include elements related to non-compliance with SPS/Food Safety measures and its corresponding penalty/violations prescribed under various DA-related accreditation, importation licensing, and SPSIC</p>

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Philippines without the required CoC will be subject to a comprehensive inspection at destination by the BOC and will be released only after all duties and taxes and other charges related to the shipment have been paid together with a penalty amounting to <i>[to be decided]</i> .	issuance policies.
SECTION 24. CROSS BORDER ELECTRONIC INVOICE (E-INVOICE)	
24.1 Exporters of goods to the Philippines must create the invoice in electronic format using the Philippine government e-Invoicing platform or the approved Application Programming Interface (API) as supplied to the Philippine Government by the ATICC.	
Exporters using the Philippine government e-Invoicing platform must first be registered by the ATICC for the purpose of accessing the e-Invoicing platform.	
24.2 Exporters must provide information and documentation related to their company in view of being verified and registered by the ATICC.	
24.3 Following satisfactory registration and verification by the ATICC, exporters may access the Philippine government e-Invoicing platform to generate e-invoices, or they may issue the e-invoices through an API. Electronic invoices issued are signed by the exporter's digital certificate and must be transmitted through secure digital ways to the relevant authorities of the Philippines once cleared automatically by the e-Invoicing platform.	
24.4 The e-Invoice can also be in a human-readable format, such as PDF, and shall bear the reference number of the CoC, when applicable. It shall be available for downloading by the BOC for integration with the Customs Management System.	
24.5 Only the ATICC may authenticate the e-Invoice.	
24.6 The e-Invoice shall include the following data elements: a. CoC Reference Number (if applicable) b. Unique Universal Identifier c. Stamp date d. Invoice number e. Date of issuance f. Exporter Name and Address and contact details such as phone and email g. Importer Name and Address and contact details such as phone and email h. Customs Broker Name and Address and contact details such as phone and email. (if known) i. HS Code as declared by the exporter j. Item goods description k. Brand name of the goods l. Quality and / or grade of goods m. Quantity of goods in weight and unit (<u>annex CMO No. 02-2021</u>) n. Incoterms	

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<ul style="list-style-type: none"> o. FOB value of goods in US\$ p. Cost of Freight in US\$ q. Other charges such as insurance in US\$ r. Total CIF Value in US\$ s. Country of Origin as declared t. Container Number (if known) u. Vessel name (if known) v. Projected date of departure w. Port of arrival in the Philippines 	
<p>SECTION 25. PROBATIVE VALUES (EINVOICE)</p> <p>The data in the e-Invoice shall be used by Customs Examiners/Appraisers in the determination of the dutiable weight, volume, description, valuation, and classification of the imported articles, without prejudice to the right of the BOC to conduct further verification, if deemed necessary, to protect government revenue.</p>	
<p>SECTION 26. NON - COMPLIANCE</p> <p>Goods subject to pre-border inspection under the provisions of the Administrative Order which arrive in the Philippines without the required e-Invoice will be subject to a comprehensive inspection at destination by the Bureau of Customs and will be released only after all duties and taxes and other charges related to the shipment have been paid together with a penalty amounting to <i>[to be decided]</i>.</p>	
<p>Section 27. FEES</p> <p>An ATICC company shall be entitled to charge the exporter with the following fees:</p> <ul style="list-style-type: none"> a. An annual fixed fee for the verification of an exporter of goods to the Philippines. b. A fixed fee for each physical verification of goods in the countries of supply. c. A fee for each invoice created by exporters on the cross border e-Invoicing portal. <p>A single package annual fee may be offered to exporters who apply for both registration as an exporter of goods as well as for registration as a user of the e-Invoicing portal.</p>	
<p>RULE VI RESPONSIBILITIES OF THE PARTIES</p>	
<p>SECTION 28. COMMITTEE ON PRE-BORDER TECHNICAL VERIFICATION AND CROSS-BORDER ELECTRONIC</p>	<p>[DOF] Should be reiterated in JAO to enumerate the functions of the Committee. Culled from the provisions of AO23.</p>
<p>28.1 Undertake the necessary steps for the successful implementation of the Pre-border Technical Verification and Cross-border Electronic Invoicing System.</p>	<p>[DOF] Culled from Section 2 of AO23.</p>
<p>28.2 Formulate guidelines and implementing rules and regulations for the conduct of Pre-Border</p>	<p>[DOF] Culled from Section 3(a) of AO23.</p>

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Technical Verification of all commodities by accredited TIC Companies prior to the export of these commodities to the Philippines.	
28.3 Formulate procedures for the procurement of Cross-border Electronic Invoicing System.	[DOF] Culled from Section 3(b) of AO23.
28.4 Issue guidelines for the accreditation of third-party TIC Companies, including the qualifications, documentary requirements, and procedures therefor. The Committee shall ensure that the mechanism for the accreditation of third-party TIC Companies shall be competitive, transparent, and in accordance with international trade standards, and existing laws, rules and regulations.	[DOF] Culled from Section 3(c) of AO23.
28.5 Submit to the President, through the Office of the Executive Secretary, a bi-annual report detailing, among others, the Committee's accomplishments, and the status, timelines and targets of the implementation of Pre-border Technical Verification and Cross-border Electronic Invoicing System; and	[DOF] Culled from Section 3(d) of AO23.
28.6 Set timelines and targets for the phased implementation of the PTV and CEI.	[DOF] Culled from Section 5 of AO23.
28.7 Regularly convene once every quarter or as often as may be deemed necessary.	[DOF] Culled from Section 2 of AO23.
28.8 Perform such other functions as may be necessary in the implementation of this Order, or as may be directed by the President or the Executive Secretary.	[DOF] Culled from Section 3(e) AO23.
SECTION 29. BUREAU OF CUSTOMS	
29.1 The BOC shall serve as the primary implementing agency of the Pre-border Technical Verification and Cross-border Electronic Invoicing System, in accordance with the strategic direction and policy guidance issued by the CPTVCEI, international trade standards, and existing laws, rules and regulations.	[DOF] Culled from Section 4 of AO23.
29.2 Request any government department, agency, or instrumentality, including government-owned or -controlled corporations, to render full assistance and cooperation to ensure the effective implementation of A.O. No. 23.	[DOF] Culled from Section 4 of AO23.
29.3 Issue the necessary customs regulations to enable the implementation of the AO which shall include the right of appeal of an importer against the findings in a CoC.	
29.4 Arrange for the customs regulations to be subject to the required public consultations and hearings in accordance with Section 440 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act.	
SECTION 30. IMPORTER	
27.1 Inform the exporter of the requirements of the BOC regulations issued under these rules.	
27.2 Ensure that the goods are surveyed by an ATICC.	
27.3 Ensure that the exporter is registered with the Republic of the Philippines Cross Border e-Invoicing Program and creates all export invoices through the portal provided.	
SECTION 30. EXPORTER	

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28.1	Request for verification of his entity	
28.2	Register with the Republic of the Philippines cross border e-Invoicing portal.	
28.3	Create all export invoices for goods exported to the Philippines through the portal.	
28.4	Contact the overseas office of the ATICC to arrange inspection of goods to be exported to the Philippines. Notice should be given to the TIC Company of the whereabouts of the goods at least three (3) days prior to their shipment to the Philippines and the exporter must provide every facility to allow access to the goods.	
SECTION 31. ATICC		
29.1	Supply and maintain a web based electronic platform for the creation of electronic export invoices as part of the Cross Border e-Invoicing System as an integrated package with Pre-Border Technical Verification, as required by Section 1 (b) of the AO. The Cross Border e-Invoicing System shall be the system procured by the Philippine Government, as provided in Section 3 (b) of the AO. It is understood that the Intellectual Property Rights to the Software as a Service (SaaS) will be retained by the ATICC.	[TWG] Members to propose wordings on provisions for ATICC to check documentary requirements specific to goods of the agency concerned.
29.2	Authenticate e-Invoices created on the platform.	
29.2	Supply, implement, and maintain a procedure for the integration of the electronic platform with the Customs Management System.	
29.3	Provide a procedure for the registration of exporters under Republic of the Philippines Cross Border electronic invoicing program.	
29.4	Register all exporters who apply for registration under these rules.	
29.5	Make available to all interested parties a complete address list of its offices in all countries of supply to the Philippines together with the names of staff who can be contacted.	
29.6	Conduct the inspection and verification of goods to be exported to the Philippines in accordance with the requirements of the Government of the Philippines within three (3) working days of being notified by the exporter of the location of the goods.	
29.7	Issue a digital CoC for compliant goods.	[TWG] Members to propose wordings to include requirement/standard document as required per agency.
29.8	Transmit the digital CoC to the electronic platform of the BOC and give a pdf copy to the exporter of the goods.	
29.9	Within six (6) months from the commencement of the Program, submit a plan for a capacity building program to the BOC. (For negotiation)	
RULE VII ANNUAL BOND REQUIREMENT		
SECTION 32. ANNUAL BOND REQUIREMENT		
An ATICC must post a bond of Two Million Pesos (PhP2,000,000.00) as a cash bond which will		

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stand as a security in the event of any violation of the AO. The bond shall be constantly maintained at this amount for the duration of the accreditation. In the event that any amounts are withdrawn from the bond for violations of these rules, it is the responsibility of the ATICC to replenish the bond within ten (10) days from the debit transaction.	
RULE VIII EFFECTIVITY, RENEWAL AND NON-RENEWAL OF ACCREDITATION	
SECTION 33. EFFECTIVITY OF ACCREDITATION	
The accreditation of the TIC company shall be valid for a period of 36 months unless earlier revoked for a valid cause.	
SECTION 34. RENEWAL OF ACCREDITATION	
Applications for renewal of accreditation shall be filed with the CPTVCEI not earlier than 90 days and not later than 30 days prior to the expiry of the accreditation.	
SECTION 35. NON-RENEWAL OF SUSPENDED OR REVOKED ACCREDITATION	
No application for the renewal of a suspended or revoked accreditation shall be entertained unless such suspension or revocation has been lifted by the CPTVCEI.	
Rule IX BINDING EFFECT	
SECTION 36. BINDING EFFECT	
An accredited TIC Company and its staff shall be bound by the provisions of the AO and JAO.	
RULE X MONITORING AND REVIEW OF PERFORMANCE	
SECTION 37. VIOLATIONS AND PENALTIES	
Any violation of any of the provisions of the AO or these rules shall be grounds for the initiation of appropriate action against the TIC company without prejudice to the filing of appropriate administrative, civil, or criminal charges.	
SECTION 38. ACCESS TO INFORMATION	
The CPTVCEI shall have the authority to request and secure information, documents, correspondence, and materials necessary for its oversight functions. Information of a proprietary nature obtained by an ATICC in the course of activities under these rules shall be provided to the CPTVCEI, if requested.	
SECTION 39. SUBMISSION OF MONTHLY REPORT	

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<p>The ATICC shall provide to the CPTVCEI a monthly report of all goods inspected under this program. The details shall correspond to those listed in Section 19 of these rules. The report shall be submitted not later than fifteen (15) days after the end of each month.</p>	
Rule XI FINAL PROVISIONS	
<p>SECTION 40. FUNDING</p> <p>The initial funding requirements necessary for the implementation of this Order shall be charged against available appropriations of the BOC and other member-agencies of the Committee, subject to pertinent budgeting, accounting, and auditing laws, rules and regulations. Thereafter, the funding requirements necessary for the continued implementation of this Order shall be included in the budget proposal of said agencies, subject to the usual budget preparation process.</p>	<p>[Secretariat] Adopted from Section 6 of AO 23.</p>
<p>SECTION 40. SEPARABILITY</p> <p>If any provision of these JAO or part thereof is found to be invalid, the remainder of the rules shall remain valid and subsisting.</p>	
<p>SECTION 41. REPEALING CLAUSE</p> <p>All other orders, issuances, rules and regulations which are inconsistent with the Administrative Order are hereby repealed and modified.</p>	
<p>SECTION 42. PUBLICATION EFFECTIVITY</p> <p>These Order shall take effect fifteen (15) days from its complete publication in the Official Gazette or a newspaper of general circulation, and the submission of a copy hereof to the Office of the National Administrative Register (ONAR) of the University of the Philippines.</p> <p>Issued this day of 2024.</p>	
APPENDICES	
<p>APPENDIX 1 – LIST OF AGRICULTURAL GOODS</p> <p>Phase 1 – Agricultural Goods – Priority</p> <p><Chapter 1-24 of the Harmonized System></p>	<p>[TWG] Adopted DA's proposal to include HS Chapters 01 to 24 fall under the DA's jurisdiction to ensure compliance with biosecurity and food safety regulations for imported commodities.</p>
<p>APPENDIX 2 – LIST OF GOODS WITH HEALTH AND SAFETY RISKS</p> <p>Phase 2 – Non-Agricultural Goods with health and safety issues.</p>	

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APPENDIX 3 - LIST OF HIGH RISK GOODS
Phase 3 – Other goods susceptible to misdeclaration to avoid duties and taxes.

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