



REPUBLIC OF THE PHILIPPINES
Department of Finance
BUREAU OF CUSTOMS
MANILA 1099

Customs Memorandum Order

No. 39 - 2008

Subject: Initial Registration of Clients and Stakeholders with the Electronic-to-Mobile or e2m Customs System; Data Build-up Phase of the Client Profile Registration System or CPRS

To: All Collectors of Customs, Importers, Exporters, Customs Brokers, Accrediting Agencies and Others Concerned

1.0 Objective

To define responsibilities and provide clear guidelines in the registration requirements of the Electronic-to-Mobile or e2m Customs System (e2m Customs).

2.0 Coverage

2.1 This Order provides the requirements and procedures for the registration of stakeholders to the Client Profile Registration System (CPRS) during the Data Build-up Phase which shall be from the effective date of this Order up to 31 January 2009.

2.2 CPRS Registration beginning 1 February 2009 as well as amendment and renewal of clients' and stakeholders' profile which are under Phase 3 of e2m Customs, shall be covered by a separate Order.

2.3 This Order shall not supplant the registration/ accreditation/ licensing/ clearance requirements and procedures, which concerned stakeholders should comply with pursuant to existing Customs regulations, which include the following:

<u>Stakeholders Accredited by the Bureau of Customs</u>	<u>Covering Customs Regulations</u>
Customs Broker	CAO 03-2006, as amended
Importer	CMO 23-99, as amended
Warehouse Operator	CAO 2-91 CMO 39-91
Surety Company	CMO 22-2003
Airport Transit Facility	CAO 07-2003
Off-Dock CY-CFS Operator	CAO 11-80, as amended

CPRS Registration of the above listed Clients shall be coursed through Value Added Service Providers (VASPs) accredited by the Bureau of Customs (BOC) In this Order, the above stakeholders shall be referred to as **VASP-Registrants**.

2.4 This Order, notwithstanding, the below stakeholders shall continue to comply

with accreditation/ registration/ licensing/ clearance requirements of government agencies regulating or exercising supervision over their operations, as follows:

<u>Stakeholders Accredited by Other Government Agencies (OGA)</u>	<u>Accrediting Agency</u>
Value-Added Service Provider	BOC VASP Accreditation Committee
Airlines	Civil Aeronautics Board
Shipping Lines	Maritime Industry Authority
Exporters Registered with Investment Promotions Agencies	<ul style="list-style-type: none"> ◦ Board of Investments ◦ Philippine Economic Zone Authority ◦ Clark Development Corporation ◦ Subic Bay Metropolitan Authority ◦ Cagayan Special Economic Zone Authority ◦ Zamboanga City Special Economic Zone Authority
Other Exporters	Philippine Exporters Confederation, Inc.
Arrastre Operators	Philippine Ports Authority
Authorized Agent Banks	Bangko Sentral ng Pilipinas (Bankers Association of the Philippines)
Forwarders / Consolidators (NVOCCs)	Philippine Shippers Bureau (Sea Freight) Civil Aeronautics Board (Air Freight)

Above-listed stakeholders shall be registered in CPRS by their respective accrediting agencies using the Other Government Agency (OGA) gateway of e2m Customs. In this Order, the above stakeholders shall be referred to as **OGA-Registrants**.

2.5. The Client and Stakeholder Profile data build-up provided under this Order shall be implemented with sufficient time prior to the scheduled port implementation of the Import Assessment System (IAS).

3.0 General Provisions

- 3.1 Clients and Stakeholder (referred to as Registrants for brevity), whether filing/submitting e-documents under e2m Customs or just entities to be referred to in e2m Customs transactions shall apply for e2m Customs registration by electronically submitting the data and information listed in Annex A. The e2m Customs shall utilize these data to properly identify clients and stakeholders and ensure that they are extended the appropriate access levels and treated in accordance with their respective client types.
- 3.2 Registrants shall register in CPRS for every role they will assume in their transactions with e2m Customs. As an example, if an exporter is also an

importer, this stakeholder must register twice. As an importer, he applies for CPRS registration with Customs using a VASP. As an exporter, he will be registered by the accrediting agency.

3.3 Only VASP-Registrants with valid and existing BOC accreditation obtained pursuant to existing Orders such as those listed in Sections 2.3, shall apply for Client Profile Registration. Where a Registrant is proven to have violated this provision, the BOC registering office shall immediately deactivate the CPRS registration of the registrant, without prejudice to the filing of an administrative case against him. De-activation of OGA-Registrant shall be made after official notification to the accrediting agency concerned stating the reason for the de-activation.

3.4 An advisory shall be posted in the Customs website www.customs.gov.ph that registration approval for the data build-up shall be based solely on a valid and existing accreditation under the Customs Accreditation Secretariat (CAS) for importers and brokers and under other BOC units who are in charge of accreditation of remaining stakeholders covered by Section 2.4.

The list of brokers and importers accredited by CAS and the list of stakeholders accredited by other BOC offices shall be published in the Customs website for the guidance of all concerned.

OGAs are enjoined to similarly publish in their respective websites the list of their accredited stakeholders.

3.5 For the initial registration of stakeholders covered by this Order, the validity of the registration is three hundred sixty five (365) days reckoned from the date of approval of the registration, unless the accreditation obtained pursuant to Provisions 2.3 or 2.4 expires at an earlier date, in which case the validity of the accreditation shall prevail.

3.6 BOC shall accredit the VASP's CPRS program for Phase 2 acceptance of CPRS Applications from clients.

3.7 VASP-Registrants shall use the services of VASPs accredited for Phase 2 e2m Customs implementation to electronically submit, via the Internet, their applications for registration in CPRS.

3.8 OGA-Registrants (stakeholders listed in Provision 2.4) must submit the data requirements in Annex A to their respective accrediting agencies. The OGAs shall register their stakeholders in CPRS using the e2m Customs National Single Window (NSW) gateway.

3.9 Stakeholders who are successfully registered in CPRS shall be issued the following electronic identification:

3.9.1 A Customs Client Number. The Customs Client Number (CCN) is the stakeholder's unique identifier in the CPRS for every role that the stakeholder acquires in the CPRS registration.

The CCN is issued to the stakeholder by way of a Certificate of Registration (CoR). (Annex B)

3.9.2 A Digital Signature. All transactions in e2m Customs are required to be electronically signed by the entity submitting the transaction. e2m Customs shall issue a digital signature to each stakeholder who will be directly transacting with E2m Customs.

3.10 CPRS requires importers to nominate at least one e2m Customs-registered broker in their CPRS applications. In view of this, Customs brokers must

endeavor to register at the earliest possible time, get their Customs Client Number and supply this to their importer-clients. After registration, however, importers may avail of the services of registered brokers other than the one they nominated in their CPRS registration.

- 3.11 Stakeholders who are operating a Customs Bonded Warehouse (CBW) for imports, shall register in CPRS as warehouse operators. After a successful CPRS registration, the CBW operator shall be issued an e2m warehouse code. Importers availing of the warehousing services of a CBW shall indicate the CBW warehouse code in the importer's CPRS registration. In view of this, a CBW operator must endeavor to register as early as possible so that it can provide importers using its CBW with the aforementioned warehouse code.
- 3.12 To facilitate their e2m Customs registration, it is recommended that importers and other VASP-registrants use the services of customs brokers who have already been registered in CPRS because 1) these brokers are already enrolled with VASPs and 2) they have been trained in using the CPRS for e2m Customs registration. On the other hand, importers and other clients who are considering applying for Client Profile registration on their own would still have to first enroll with a VASP and undergo training on using the CPRS for e2m Customs registration.
- 3.13 Photographs and specimen signatures required should be digitized so these can be electronically submitted with the registration applications. Digitized documents should comply with technical requirements in Annex A.
- 3.14 Stakeholders are informed, through e-mail messages sent to addresses designated in their applications, of the status of their application at every stage of the approval process.
- 3.15 Importers shall use their CoR to enroll their bank accounts with Authorized Agent Banks as debit accounts for payment of duties and taxes.

4.0 Operational Provisions

4.1 MISTG

- 4.1.1 MISTG shall activate the VASP gateway and the NSW gateway to enable the Internet lodgment of stakeholders' CPRS applications.
- 4.1.2 MISTG shall publish in the BOC website the CPRS application forms for each of the registrant types. The application form shall be downloadable from the BOC website. When printed and filled out, the application form may function as a source document for the data entry of the electronic CPRS application. Accredited VASPs must likewise make said form available in their websites for the convenience of registrants
- 4.1.3 The Deputy Commissioner, MISTG, shall recommend to the undersigned, entities and processes for the convenient and secure generation and distribution of the digital certificates to the stakeholders after the approval of their CPRS application.
- 4.1.4 MISTG shall provide the accrediting agencies with user manuals and instructions in the use of CPRS. The accrediting agency shall have the responsibility to transfer this knowledge to their respective stakeholders.
- 4.1.5 MISTG shall issue a digital certificate to the accredited VASPs. The VASPs shall use this digital certificate to sign CPRS applications that are lodged by the VASP-Registrants.

4.1.6 MISTG shall issue user names and digital certificates to each of the Accrediting Agencies (hereafter to be referred to as "Agency") as follows:

4.1.6.1 The Agency is issued a user name and digital certificate to be used by the "supervisor", a responsible officer in the Agency who will be tasked to retrieve the electronic CPRS applications of the Agency's stakeholders for review prior to submission to CPRS. As an accrediting entity, the Agency can verify the data presented by the stakeholder in the electronic CPRS application against its own accreditation database.

4.1.6.2 Only the "supervisor" has CPRS access for submission of the stakeholder's application to e2m Customs.

4.1.6.3 MISTG shall issue a user name and digital certificate to a "clerk", an Agency's employee who shall encode the stakeholder's paper application forms submitted to the Agency for CPRS. The encoded CPRS applications are to be retrieved from the CPRS database by the 'supervisor' and reviewed before the official electronic submission to CPRS. When submitted to CPRS, these records shall have the status of 'ACCREDITED'.

4.1.6.4 The issuance of the user names and digital certificates shall follow the procedure to be implemented based on Provision 4.1.3.

4.1.6.5 For the limited period of CPRS data build-up, MISTG shall issue temporary 'clerk' user names and digital certificates to Agencies. These user names and digital certificates shall be distributed by the OGAs to their stakeholders to enable the stakeholders themselves to encode their CPRS applications using the BOC's NSW gateway. The temporary user names and digital certificates shall be invalidated at the end of the data build-up phase of CPRS.

4.2 VASP-Registrants

4.2.1 Prior to applying for e2m Customs registration, stakeholders should verify the remaining validity periods of their registrations with designated BOC offices pursuant to existing CMOs/CAOs indicated in Provision 2.3. Where the remaining validity period of a stakeholder's accreditation is already short, it is recommended that the stakeholder renew his accreditation before applying for e2m Customs registration to avoid any possibility that his e2m Customs registration will be deactivated due to his having violated Provision 3.3.

4.2.2 Stakeholders shall file their applications for e2m Customs registration through Phase 2-accredited VASPs, as provided in Section 3.7, using their own e2m Customs-enabled computer facilities or e2m Customs-enabled computer facilities in business centers and Internet cafés.

4.2.3 Stakeholders and their VASPs, through which the stakeholders lodged their applications for e2m registration, shall receive e-mail messages indicating either "Error" or successful progress in the processing of applications by the CPRS, as follows:

4.2.3.1 Stored – the electronic application is officially accepted by CPRS

4.2.3.2 Approved – the CPRS application has undergone verification and is approved.

- 4.2.4 Stakeholders who receive "Error" messages should resolve the errors through their VASPs and re-file their applications as soon as the errors are resolved.
- 4.2.5 Upon approval of the stakeholder's CPRS application, the stakeholder shall receive an e-mail message with the CoR attached. The e-mail and the attachment are automatically generated by CPRS. The stakeholder shall receive this e-mail and attachment in the e-mail address declared in his application. The CoR can be printed by the stakeholder using his own PC. The stakeholder's VASP shall also be provided a copy of the e-mail and the CoR attachment.
- 4.2.6 The stakeholder shall get his digital certificate through a process to be identified by the Deputy Commissioner, MISTG as stated in Provision 4.1.3.
- 4.2.7 Once the stakeholder gets possession of the digital certificate, the safekeeping of the digital certificate and the password becomes the stakeholder's responsibility. If the password is compromised, the stakeholder can request for a replacement digital certificate. This process for acquiring a replacement digital certificate shall likewise be described in the process to be implemented from Provision 4.1.3.
- 4.2.8 Importers shall present their CoR to Authorized Agent Banks and enroll the bank accounts which they will use for the automatic debit payments of duties and taxes of their importations. AABs shall issue Bank Reference Numbers for enrolled bank accounts to importers and electronically transmit the same to the e2m Customs System using their Bank Payment Gateways. The procedure for the application for and issuance of the Bank Reference Numbers is explained in the CAO entitled "Payment Application Secure System version 5.0".
- 4.2.9 Stakeholders shall be advised by their VASP on how to use the digital certificate for signing their electronic documents for submission to e2m Customs.

4.3 OGA-Registrants

- 4.3.1 OGA Registrants shall be informed by their accrediting agencies on what mode to follow in the submission of the CPRS application to the OGA gateway.
- 4.3.1.1 OGA Registrants advised to encode their CPRS applications directly into CPRS using the OGA gateway shall immediately acquire a temporary user name, password and digital certificate from his accrediting agency.
- 4.3.1.1.1 OGA Registrant uses an Internet browser to go to the URL www.customs.gov.ph/nsw.
- 4.3.1.1.2 OGA Registrant logs in, using the temporary user name and password provided him by his accrediting agency. OGA Registrant follows the steps in the CPRS User Manual for the functions that he will perform.
- 4.3.1.1.3 OGA Registrant encodes his CPRS application on-line and "STORES" his application. The OGA Registrant electronically signs his application using his temporary digital certificate. The STORED application shall automatically appear in the "supervisor's" list of applications needing review and submission to the OGA gateway.

4.3.1.1.4 OGA Registrant may inform the OGA 'supervisor' that he has 'STORED' his CPRS application as a secondary notice.

4.3.1.2 OGA Registrants advised to submit paper application forms shall submit the manually filled-in forms to the OGA. The OGA "clerk" shall encode the application form in CPRS.

4.3.2 The OGA Registrant waits for the e-mail notification from CPRS on the status of his CPRS application:

4.3.2.1 Accredited – this e-mail notification is sent when the OGA "supervisor" successfully submits the application record to CPRS

4.3.2.2 Approved – this e-mail notification is sent, together with the CoR attachment, when the CPRS application is approved.

4.3.2.3 E-mail notifications and the CoR attachment are system-generated.

4.4 Value-Added Service Providers

4.4.1 VASPs shall develop their own CPRS data capture Internet program that will allow VASP-Registrants to encode their CPRS application forms for submission to e2m Customs. The CPRS programs must be accredited by BOC specifically for the Phase 2 Data Build-up.

4.4.2 VASPs shall enable their clients to file their applications for e2m Customs registration online. When necessary, the VASP shall be provided by MISTG with temporary digital certificates for limited periods to be used solely for e2m Customs CPRS Data Build-up.

4.4.3 VASPs are responsible for training the VASP-Registrants enrolled with them.

4.4.4 VASPs shall immediately inform their clients of the data, photo and signature requirements for e2m Customs registration and provide training on the use of the CPRS, and particularly on encoding of application data using their data capture screens.

4.4.5 VASPs shall resolve error messages with the designated BOC officers, in behalf of their clients, and advise their clients on the appropriate resolution of the errors.

4.4.6 It shall be the responsibility of the VASPs to verify the completeness of data, photos and signatures of their clients before the Application for Registration is lodged with CPRS.

4.5 Other Accrediting Agencies

4.5.1 Agencies must exercise due diligence in accrediting their respective stakeholders before effecting their Client Profile Registration

4.5.2 Agencies shall assign the "clerk" and "supervisor" user names and digital certificates issued by MISTG to the appropriate Agency staff.

4.5.3 The Agency shall inform the BOC of the mode of submission to be followed by the Agency for the data build-up phase.

4.5.3.1 If the Agency shall take responsibility for encoding the CPRS application, it shall require its stakeholders to submit to it their manually filled-out application forms

4.5.3.2 If the Agency shall allow its stakeholders to encode their own CPRS applications on-line to the OGA Gateway, the Agency shall inform BOC and request for temporary user names and

digital certificates that the stakeholders will use to access the OGA Gateway CPRS application and to sign their submission.

- 4.5.4 The "clerk" and the "supervisor" shall use an Internet browser to reach the OGA Gateway at URL www.customs.gov.ph/nsw. After successful log-in, the users follow the instructions set forth in the User Manual.
 - 4.5.5 Accrediting agencies shall set up their own stakeholder support systems for the following activities:
 - 4.5.5.1 Accrediting agencies shall inform their stakeholders on the need for registration in CPRS, the procedure to follow and other information necessary for the clients' compliance with CPRS registration
 - 4.5.5.2 Distribution of temporary user names and digital certificates to be issued by MISTG, for the use of their stakeholders in initially applying for registration in CPRS, if the Agency opts to allow its stakeholders to encode their own CPRS application on-line.
 - 4.5.5.3 Training of their stakeholders in the fill-up of the screen form or the paper data sheet to use in the OGA CPRS
 - 4.5.5.4 Establishment of Help Desks and Customer Support Units to assist their stakeholders in using CPRS
- 4.6 Bureau of Customs Customs Accreditation Secretariat (CAS)
- 4.6.1 VASP-Registrants
 - 4.6.1.1 Upon receipt of error-free applications for e2m registration, the CPRS shall automatically send VASP-Registrants and their VASPs the "STORED" e-mail messages. Applications with errors shall receive error messages.
 - 4.6.1.2 From the effective date of this Order up to 31 January 2009, CAS shall adopt a facilitated, one step approval process wherein, upon verification that the stakeholder is included in the database of valid and existing accreditations, it shall forthwith approve the client's application. After 31 January 2009, the approval process by CAS shall follow the regular procedure to be covered by a separate Order.
 - 4.6.1.3 Upon approval of the CPRS Application, an e-mail message with the CoR attachment will be sent by CPRS to the stakeholder and the stakeholder's VASP.
 - 4.6.2 OGA-Registrants
 - 4.6.2.1 Upon its receipt of the CPRS application, CPRS shall automatically send OGA-Registrants the "ACCREDITED" e-mail message.
 - 4.6.2.2 Approval of the Application for Registration of stakeholders from OGA shall be approved forthwith unless there is a valid and subsisting Suspension Order to hold the processing of all transactions of the registrant issued by the Commissioner of Customs or office duly authorized by him.
 - 4.6.2.3 Upon approval of the CPRS Application, an e-mail message with the CoR attachment will be sent by CPRS to the stakeholder.

4.6.3 The approving BOC office shall endeavor to complete the approval of registration applications on the same day that the same is received at e2m Customs. The approving office may set a cut-off time of two (2) hours before end of working hours after which applications received will be considered as next-day submissions.

5.0 Administrative Provision

5.1 The Deputy Commissioner, MISTG, shall have over-all responsibility for the implementation of this Order, provided that the Customs Accreditation Secretariat under the supervision of the Deputy Commissioner, AOCG, shall have the approving authority for stakeholders applications for e2m Customs registration under pertinent Customs regulations.

5.2 The Deputy Commissioners for MISTG and AOCG shall constitute a Task Force on the Integration of BOC Registration Requirements which shall, in consultation with representatives of stakeholder-groups, review registration requirements and procedures provided under existing Orders towards integrating data and documentary requirements, as well as procedures, for all stakeholders, which will meet/satisfy the needs of all BOC offices.

6.0 Effectivity

This Order shall take effect immediately.

NAPOLEON L. MORALES
Commissioner



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Napoleon L. Morales