



Regulatory Alerts & Updates

Regulatory Alert: Philippines - PEZA Electronic Import Permit (eIP) Integration with the Bureau of Customs E2M System: Mandatory Declaration of Net Weight in e-IP

March 29, 2022

Background

The Bureau of Customs (BOC) and Philippine Economic Zone Authority (PEZA) Joint Memorandum Order 1-2015 dated March 16, 2015 (Mandatory Electronic Processing of Transshipment of PEZA Locators to PEZA Zones, and other Procedures) requires PEZA locators importing goods for transshipment from the Port to PEZA Ecozones to file/lodge a Transshipment Single Administrative Document (TSAD) through the BOC's Electronic-to-Mobile (E2M) System.

Following a Memorandum of Agreement between the BOC and PEZA for the continued improvement of BOC and PEZA systems covering the movement of ecozone goods, integration of the PEZA Electronic Import Permit System (eIPs) into the BOC E2M System is now ongoing in collaboration with these agencies' common Value-Added Service Providers (VASPs). The integration aims to further enhance and simplify the process of clearing and releasing of import shipments by PEZA enterprises from the port of entry/discharge. After going through complete system validation, PEZA eIPs details will now be electronically populated on the required field of the BOC's TSAD during lodgment.

What Has Changed?

PEZA released a memorandum dated February 11, 2022, regarding the required additional declaration of the NET WEIGHT IN KILOGRAMS in the eIPs upon implementation of system integration.

To prepare for the integration, all PEZA enterprises are advised to coordinate with their suppliers/sources of goods to indicate the NET WEIGHT (in kgs) per item on all goods to be imported, for subsequent coverage of the PEZA eIP and application of the BOC's TSAD. We recommend that PEZA locators work with their supplier to include the net weight (in kgs) on

their import documents such as commercial invoice and packing list to comply with memo issuance and ensure smooth transition on clearance processing.

The tentative timeline for full integration is on April 01, 2022. Another PEZA Memorandum Order will be issued later to announce the full implementation of the system integration of PEZA eIPs and BOC system.

Frequently Asked Questions (FAQs)

1. When this will be implemented?

The tentative timeline for the integration is on April 01, 2022, based on the PEZA memorandum letter dated February 11, 2022.

2. If there is a Packing List (PL), will this suffice, or do we still need to include the Net Weight (NW) in the Commercial Invoice (CI)?

Yes, you can use the Net Weight on the Packing List. As long as the description, quantity, value, and other details tally with the details on the Commercial Invoice, there is no need to revise the CI.

3. How will this impact the weight information on the validated manifest?

Net weight will not impact manifest submission, as only Gross weight will be indicated on the manifest.

4. Are there any exceptions or possible extensions to this memorandum?

A subsequent PEZA memorandum order will be issued upon the implementation of the integration of the PEZA eIP system with the BOC System.

5. Our shippers normally prepare the air waybill and ship documents in LBS as unit of measure (UOM). Will this suffice, or does it really need to be in KGS?

It will be converted into KGS during declaration of the import permit (IP), but we highly recommend that you declare the weight in KGS from the beginning.

6. Why is this being implemented? Will this not extend the processing time?

The PEZA eIP system to BOC system integration aims to further enhance and simplify the process of clearing and releasing of import shipments. PEZA eIP details shall be electronically populated on the required fields in the BOC Transshipment Single Administrative Document (TSAD) upon lodgment.

7. What will happen if my supplier did not provide the net weight?

The shipment declaration will become pending in the eIPs which will cause a delay in clearance of shipments.

8. Will my package be abandoned if my supplier did not provide the net weight?

Yes, if the net weight in KGS is not provided, this will lead to abandonment of the entry if the net weight is not filed within the fifteen (15) days grace period as per BOC regulations.

9. Why can't the gross weight be used?

Gross weight can no longer be used upon implementation of this new PEZA memorandum, as the system will require the Net weight information by default.