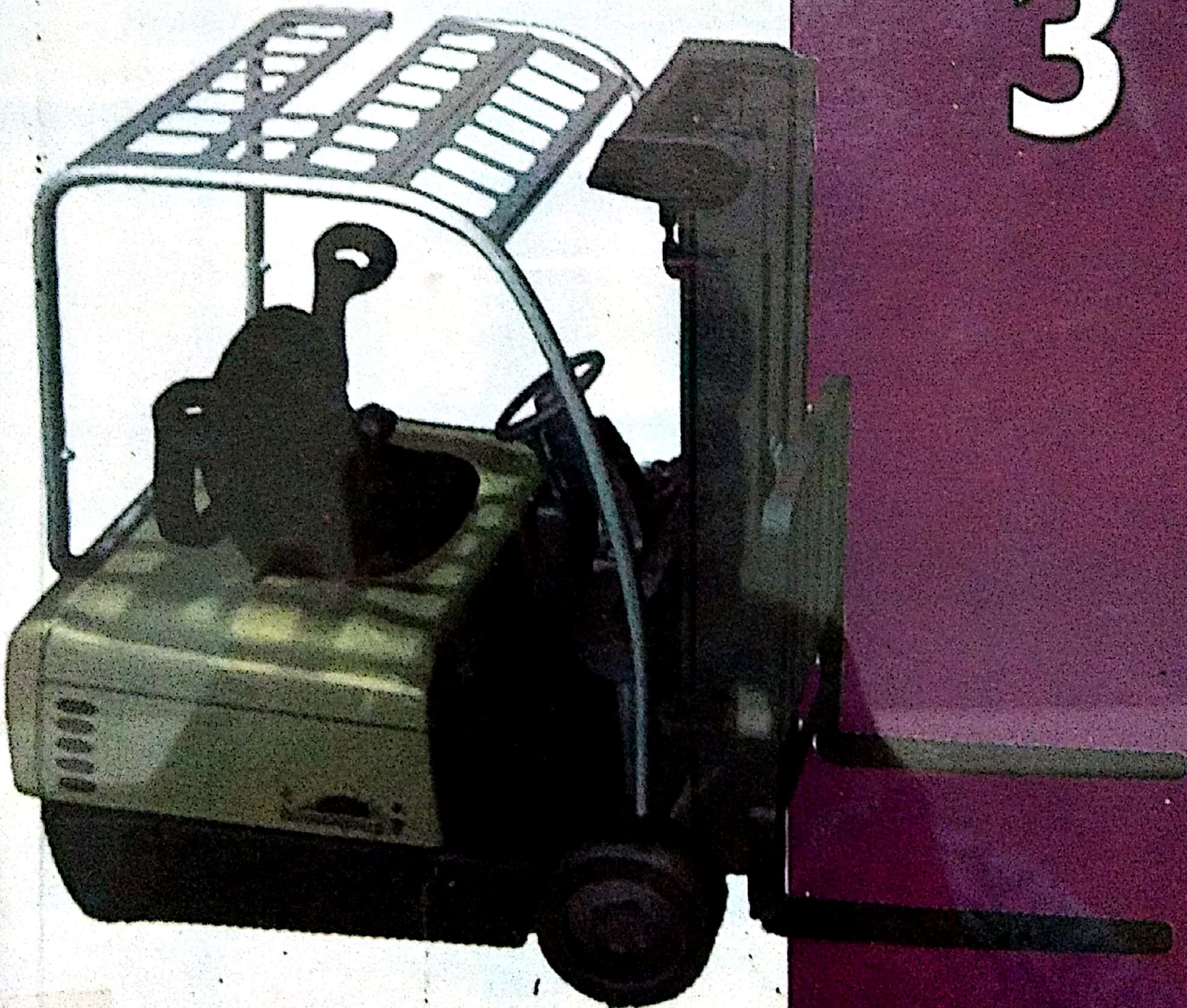


HANDBOOK ON CUSTOMS ADMINISTRATION

3



056

**Book 3**

**CUSTOMS BONDED  
WAREHOUSING OPERATION**

**RUBEN C. MORENO**  
Licensed Customs Broker

**HANDBOOK ON CUSTOMS ADMINISTRATION**

**Book 3**  
**CUSTOMS BONDED**  
**WAREHOUSING OPERATION**

**RUBEN C. MORENO**

Licensed Customs Broker

PRC License No. 1286

*National*  
**Book Store**

*HANDBOOK ON CUSTOMS ADMINISTRATION  
BOOK THREE - CUSTOMS BONDED WAREHOUSING  
OPERATION*

*Published by*

*National*  
**Book Store**

*Quad Alpha Centrum Bldg.  
125 Pioneer Street  
Mandaluyong City 1550  
Tel. 631-80-61 to 66 • Fax 634-03-76  
[www.nationalbookstore.com](http://www.nationalbookstore.com)*

*PHILIPPINE COPYRIGHT, 2009 by  
Ruben C. Moreno*

*First Year of Publication, 2009*

*ISBN 971-08-6993-0*

*All rights reserved.  
No part of this book may be  
reproduced in any form or by  
any means, except brief quotations  
for a review, without permission  
in writing from the Author.*

*Cover Design by  
May Llave  
Graphic Designer*

*Printed by  
Navotas Press  
Navotas City*

# Table of Content

Preface .....	ix
<b>Chapter</b>	
<b>1 Introduction to warehousing .....</b>	<b>1</b>
The Warehousing Receipt Law (Act. No. 2137)	3
General Bonded Warehousing (Act. No. 3893)	20
A Warehouse is not a Dwelling House	24
<b>2 Legal Basis for Warehousing Law (TCCP) .....</b>	<b>25</b>
Section 1901 – Section 1909	25
Section 2001 – Section 2005	27
Section 2101 – Section 2103	31
<b>3 The Bonded Warehouse Branch .....</b>	<b>33</b>
Profile	33
Customs Warehouse Operating Divisions	36
Garments & Textile Manufacturing Bonded Warehouse Division (GTMBWD)	36
Miscellaneous Bonded Manufacturing Warehouse Division (MBMWD)	36
Public/Private Bonded Warehouse Division (PPBWD)	37
Common Bonded Warehouse Division (CBWD)	37
Warehousing Inspection Division (WID)	39
Warehousing Documentation and Records Division (WDRD)	39
Warehousing Assessment Division (WAD)	39
Bonded Warehouse Committee	40
Classification of Customs Bonded Warehouse	41
Assignment of Customs Personnel	44
Overtime of Customs Personnel	44
Custody of Locks	48
Duties of CBW Operators	48
Duties of Customs Personnel assigned to a CBW	49
Access to Bonded Warehouse premises	52
Monitoring of CBW Operations	52

Warehousing Fees and Charges	53
Storage period	54
Rules on Return Shipment	54
Rules on Off-Quality Imported Raw Materials	55
Customs Bond	56
The Bond Division	56
Classes of Customs Bond	58
Effectivity of Customs Bond	60
Extension of Customs Bond	61
Cancellation of Customs Bond	62
Administrative Forfeiture of Bonds	65
Infractions in the performance of obligation under warehousing bond	69
Automated Bond Management System (ABMS)	73
Articles transferred temporarily for Re-exportation	73
Inspection and Audit of Customs Bonded Warehouses	76
Spot-checking of Shipments destined for CBW	79
Sub-Contracting	80
Membership to Customs Common Bonded Warehouse	81
Clearance to CBW	83
Renewal of License to Operate CBW	84
Closure of Bonded Warehouse	86
Unauthorized Withdrawal from Bonded Warehouse	87
Establishment of CBW:	87
A. Customs Bonded Manufacturing Warehouse (CBMW)	89
Importation by CBMW	92
Removal of Customs Guard in the transfer of cargoes	95
Withdrawal of Articles from CBMW	96
Procedure for Exportation	102
Dispositions of Wastages, Rejects and By-products	104
Treatment of Price tags and Labels	106
B. Customs Public & Private Bonded Warehouses	108
Transfers from Port to CBWs	111
Withdrawal for domestic consumption	112
Liquidation of Entry and Cancellation of Bonds	113
C. Multi-national Regional Bonded Warehouses	114
Regional Warehouse	117

Withdrawal for Repacking and for local consumption	122
D. Garments and Textile Manufacturing Bonded Warehouse	123
Garments & Textile Inspection Services (GTIS)	127
Collection of Duties and Taxes on Wastages	128
E. Customs Bonded Trading Warehouse (CBTW)	129
F. Industry-Specific Customs Bonded Warehouse (ICBW)	133
G. Bonded Smelting Warehouses	138
Special Customs Bonded Conversion Facility	139
<b>4 Entry of Articles for Warehousing.....</b>	<b>143</b>
Manual Processing of Warehousing Entry (Common Procedure)	143
One Stop Shop Processing of Warehousing Entry	147
Computer Processing of Warehousing Entry	150
Automated Processing of Warehousing Entry @ NAIA	152
Processing of Warehousing Entry at FTI Customs Office	154
Remote Lodging of Warehousing Entry using EDI Gateway Facility	156
Procedure for EDI Entries granted “Green” status	158
Processing of Consumption Entry for Withdrawal of goods for CBW entered under a Warehousing Entry	159
<b>5 Liquidation of Warehousing Entry and Cancellation of Bond .....</b>	<b>163</b>
Liquidation for CBMW	163
Liquidation for P/PBW	165
Liquidation for Multi-national Regional Bonded Warehouse.	166
Reconciliation (liquidation) of Raw Materials	166
<b>6 Constructive Warehousing .....</b>	<b>169</b>
Transshipment	170
When IFM clearly states the Transshipment	171
Transshipment to another Collection District	172
Transshipment from Customs Zone to CBW	176
<b>7 Special Warehousing.....</b>	<b>181</b>
Special Economic Zone (SEZ)	183

Export Processing Zone Authority (EPZA)	186
Philippine Economic Zone Authority (PEZA)	187
Subic Bay Metropolitan Authority (SBMA)	198
Clark Development Corporation (CDC)	210
Cagayan Economic Zone	230
Cavite Economic Zone	253
Zamboanga Economic Zone	254
Duty-Free Shops	255
The Balikbayan Program	259
<b>8 Case Studies (Philippine Jurisprudence) .....</b>	<b>267</b>