

EXECUTIVE ORDER NO. 635

AMENDING EXECUTIVE ORDER NO. 592 DATED DECEMBER 15, 2006 ENTITLED "IMPOSING THE MANDATORY PAYMENT OF CONTAINER SECURITY FEE IN THE IMPLEMENTATION OF THE NON-INTRUSIVE CONTAINER INSPECTION SYSTEM (NCIS) PROJECT OF THE BUREAU OF CUSTOMS AND CREATING A TRUST FUND FOR THE USE THEREOF" BY REDUCING CONTAINER SECURITY FEE RATES

WHEREAS, smuggling and other acts contrary to customs laws by underdeclaration or misdeclaration of imported goods or shipment of illegal items, drugs or hazardous substances continue to pose a direct and serious threat to the national economy and national security;

WHEREAS, there is a continues need to use container x-ray machines in various ports in the Philippines to expeditiously determine whether the declarations in the bills of lading of importers and exporters are true and correct and that no illegal items, drugs or harmful substances are within the said containers;

WHEREAS, there is a need to reduce the container security fees, as previously mandated in Executive Order No. 592, dated December 15, 2006, to lessen the financial burden on importers and exporters of goods;

WHEREAS, Executive Order No. 592, dated December 15, 2006 mandates that the collection of a container security fee amounting to FIFTY US DOLLARS (US\$50) for a 40-footer container and TWENTY-FIVE US DOLLARS (US\$25) for a 20-footer container;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Amending Section 2 of Executive Order No 592. Section 2 of Executive Order No 592, dated December 15, 2006, shall now read as follows:

"Section 2. Container Security Fee. All shipments covered by this Executive Order shall be imposed the mandatory container security fee (CSF) in



Philippine currency equivalent to US\$10 for every 40-footer container and US\$5 for every 20-footer container or twenty equivalent units (TEUs)."

SECTION 2. Amending Section 3 of Executive Order No 592.

Section 3 of Executive Order No 592, dated December 15, 2006, shall now read as follows:

"Section 3. Utilization of Container Security Fee. The Container Security Fee shall be expended and utilized by the Bureau of Customs as an administrative support system for the sustainability of the NCIS Project including but not limited to:

- a. Maintenance and improvement of the operation of the NCIS, including the upgrading thereof;
- b. Institutionalization of post audit procedures and processes;
- c. Fraud and fraud-related investigations and prosecutions;
- d. Training and related programs to enhance the capability and competence of personnel tasked to operate and maintain the system;
- e. Other activities and programs to enhance the effectiveness and efficiency of the system as the Bureau of Customs may deem to be appropriate."

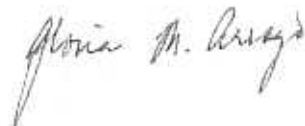
SECTION 3. Repealing Clause. All executive issuances, rules, regulations or parts thereof which are inconsistent with this Executive Order are hereby revoked, amended and modified accordingly.

SECTION 4. Effectivity. This Executive Order shall take effect immediately.

Done in the City of Manila, this 16th day of July, 2007.

By the President:


EDUARDO R. ERMITA
Executive Secretary






POMA Hologram # 41114