



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**  
Manila

22 February 2011

**CUSTOMS MEMORANDUM**  
**CIRCULAR NO. 40-2011**

**TO :** Deputy Commissioners of Customs  
District/Port Collectors of Customs  
Service/Division/Section Chiefs  
All Others Concerned

**SUBJECT :** National Tobacco Administration (NTA) Memo  
Circular No. 003, Series of 2010 Re: Amend-  
ment/Addendum to the Rules & Regulations  
Governing the Exportation and Importation of  
Leaf Tobacco and Tobacco Products, to Include  
Transshipments within Freeports and PEZA-  
Registered Economic and Processing Zones.

Hereto attached is a copy of the above subject matter.

Particular attention is directed to Section 7 thereof that specifically states, to wit:

"Section 7. Section 10 is hereby amended to be read and to  
include the following:


"Section 10. Application for Export/Import Transship-  
ment Commodity Clearance. –

"x x x

"For transshipments of tobacco products, the transshippers shall secure from the NTA a Transshipment Commodity Clearance (TCC), which shall be valid within the calendar month of issuance. Said TCC shall authorize the applicant named therein to make transshipments, subject to payment of the corresponding monitoring fees as provided in this rules and regulations.

"Transshipments located outside Metro Manila may file their applications by courier to be sent to the NTA, Attn: Regulation Department at its office at NTA Bldg. Scout Reyes Street Corner Panay Avenue, Quezon City or by facsimile at telefax numbers (02)3742505 or (02) 3732095."

In view of the foregoing, you are hereby directed not to process any application for transshipment of tobacco products without prior approval by the National Tobacco Administration reflected in its Transshipment Commodity Clearance (TCC), which should be submitted simultaneously with the application for transshipment.

  
**ANGELITO A. ALVAREZ** 3/18/11  
Commissioner  
 BUREAU OF CUSTOMS  
ANGELITO A. ALVAREZ  
Commissioner  
  
11-01360

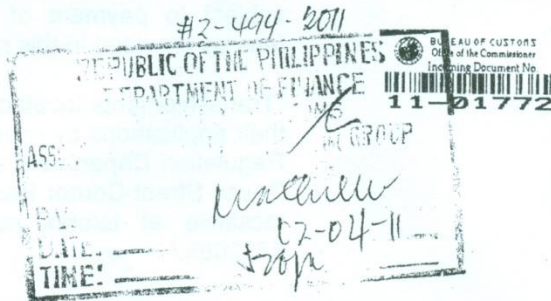


Republic of the Philippines  
DEPARTMENT OF AGRICULTURE  
**NATIONAL TOBACCO ADMINISTRATION**  
Scout Reyes Street, corner Panay Avenue, Quezon City  
Tel. No. (02) 374-3987 Fax No. (02) 374-2505

2007/20

03 February 2011

**Honorable ANGELITO A. ALVAREZ**  
Commissioner  
Bureau of Customs  
Port Area, Manila



Dear **Commissioner Alvarez**:

This is to acknowledge with thanks and appreciation your reply letter dated 22 November 2010, in response to the NTA's request for the continuing implementation of its Amended Rules and Regulation Governing the Importation and Exportation of Leaf Tobacco and Tobacco Products, particularly in the issuance of Export/Import Authority and commodity clearances, to include the transshipment of the subject commodities undertaken within Freeport and/or PEZA-registered economic zones. Further, please be informed that on 09 December 2010, the NTA has issued Memorandum Circular No. 003, Series of 2010 (Annex "A"), which took effect on 26 December 2010, to implement the regulation in the transshipments of tobacco commodities.

In this connection, may we respectfully request anew for the BOC's support to allow NTA's participation in the BOC's transshipment processing system, by requiring all transshippers to first secure an annual NTA Authority to Transship and Transshipment Commodity Clearance, per bill of lading, before any shipment is allowed by the BOC, the same to be implemented through the issuance by the Honorable Commissioner of a Memorandum to all District Collectors of Customs for our proper coordination with the latter.

Trusting that this request will be given utmost and preferential attention by the Honorable Commissioner for the best interest of the local tobacco industry.

Please accept our warmest regards.

Thank you.

Very truly yours,

  
**EDGARDO D. ZARAGOZA**  
Administrator

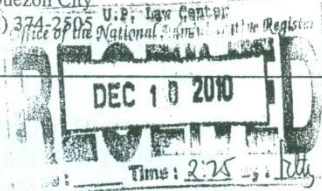
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Office of the National Registrar



**MEMORANDUM CIRCULAR NO. 003, SERIES OF 2010**

**TO :** ALL EXPORTERS/IMPORTERS/TRANSHIPERS OF TOBACCO PRODUCTS

**SUBJECT :** AMENDMENT/ADDENDUM TO THE RULES AND REGULATIONS GOVERNING THE EXPORTATION AND IMPORTATION OF LEAF TOBACCO AND TOBACCO PRODUCTS TO INCLUDE TRANSSHIPMENTS WITHIN FREEPORT AND PEZA-REGISTERED ECONOMIC AND PROCESSING ZONES

**DATE :** 09 December 2010

**WHEREAS**, the **NATIONAL TOBACCO ADMINISTRATION (NTA)** recognizes the existence of a new tobacco business activity of transshipping tobacco products which is usually undertaken within freeport zones and/or legislated and/or Philippine Economic Zone Authority (PEZA)-registered Economic and Processing Zones (EPZ);

**WHEREAS**, while the **NTA** recognizes that this business undertaking encourages, promotes, induces and accelerates a sound and balanced industrial, economic and social development of the country, it is likewise equally important to take into consideration from verified reports that most contraband cigarettes usually originate from the Philippines, among other countries, through the facilities of these economic zones, which clandestinely make it to the local market and greatly affects the Philippine tobacco industry, thus deprives the government of millions in revenues;

**WHEREAS**, in order that the reputation of the Philippines will not continue to be tainted with depravity and anonymity of fraud on illegal activities, such as smuggling and counterfeiting of tobacco products, there is a need to prescribe and promulgate rules and regulations to monitor, supervise and regulate the transshipment of tobacco products;

**WHEREAS**, Section 6 of Republic Act No. 9334, amending Section 131 of the Internal Revenue Code, removed the tax exemption of tobacco products destined to legislated free ports/zones. Also, cigars/cigarettes removed or transferred from one free port to another free port shall be deemed an importation into the Philippine customs territory;

**WHEREAS**, the Philippine government, through the **NTA**, pursuant to the provisions of the World Health Organization-Framework Convention on Tobacco Control (WHO-FCTC), is mandated to adopt stricter rules and procedures for the protection of the rights of the people for the safeguard of their health from the hazards of tobacco smoke;

**WHEREAS**, the **NTA** as the government agency mandated to regulate the tobacco industry, has the sole authority to issue rules and regulations to monitor, supervise and regulate the transshipment of tobacco products through the expansion in the

application of the **NTA Rules and Regulations Governing the Exportation and Importation of Leaf Tobacco and Tobacco Products**, to cover the transshipments of the tobacco products undertaken through the facilities of freeport and economic zones;

**FOR AND IN CONSIDERATION OF THE FOREGOING PREMISES**, after due consultation with the concerned transshippers/stakeholders of the tobacco industry and by virtue of the powers and authority vested upon the NTA, the following addendum to the rules and regulations governing the exportation and importation of tobacco products is hereby adopted for the guidance, information and compliance by all concerned:

**Section 1.** Section 1 of the Amended Rules and Regulations Governing the Exportation and Importation of Leaf Tobacco and Tobacco Products is hereby amended to read as follows:

**"Section 1. Title. - These rules and regulations shall be known as and cited as the "Tobacco Exportation, Importation and Transshipment Rules and Regulations".**

**Section 2.** Section 2 is hereby amended to read as follows:

**"Section 2. Purpose and Objectives. - These rules and regulations are promulgated to prescribe the procedure and guidelines in order to facilitate the processing of exportation and importation of leaf tobacco and tobacco products and transshipment of tobacco products."**

**Section 3.** Section 4 is hereby amended to read as follows:

**"Section 4. Declaration of Policy. - It is the policy of the government to promote the balanced and integrated growth and development of the tobacco industry to help make agriculture a solid basis for industrialization by administering and regulating the exportation and importation of leaf tobacco and tobacco products and transshipment of tobacco products. It is likewise the policy of the government to protect the populace from hazardous products and promote the right to health and instill health consciousness among them, with the corresponding obligation of the government to institute a balanced policy to promote the general welfare, to safeguard the interests of the workers and other stakeholders of the tobacco industry."**

**Section 4.** Section 5 is hereby amended to include the following:

**"Section 5. Definition of Terms. -**

**x x x**

**t. Transshipment - refers to transshipment of articles discharged at ports or airports of entry located in customs territory destined for delivery and actually delivered to freeport and PEZA-registered economic zones and articles coming from the latter intended for export and actually exported thru a Philippine Customs port/airport of entry which may be transported under bond, upon examination and consigned to the collector at the port of destination/export who will allow the consignor or the consignee to make entry exportation."**

**Section 5.** Section 7 is hereby amended to include the following:

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CERTIFIED TRUE COPY

**"Section 7. Requirements. –**

**x x x**

- h. Certificate of Registration as Locator, in case of transshippers"**

**Section 6. Section 8 is hereby amended to include the following:**

**"Section 8. Processing of Application, Issuance of Authority and Fees. –**

**x x x**

**A. License/Permit Fee (Annual)**

**x x x**

- 3. Transshipment Permit - PhP11,250.00."**

**Section 7. Section 10 is hereby amended to be read and to include the following:**

**"Section 10. Application for Export/Import/Transshipment Commodity Clearance. –**

**x x x**

For transshipments of tobacco products, the transshippers shall secure from the NTA a Transshipment Commodity Clearance (TCC), which shall be valid within the calendar month of issuance. Said TCC shall authorize the applicant named therein to make transshipments, subject to payment of the corresponding monitoring fees as provided in this rules and regulations.

Transshippers located outside Metro Manila may file their applications by courier to be sent to the NTA, Attn: Regulation Department, at its office at NTA Bldg. Scout Reyes Street corner Panay Avenue, Quezon City or by facsimile at telefax numbers (02)3742505 or (02)3732095."

**Section 8. Section 11 is hereby amended to read as follows:**

**"Section 11. Processing Fee. – Upon filing of the application for export/import/transshipment commodity clearance for processing, the exporter/importer/transshipper shall pay to the NTA-Central Office Cashier, a processing fee in the amount of PhP2,000.00, per ICC/ECC or monthly TCC. In the case of Export Commodity Clearance with Certificate of Authenticity for locally grown leaf tobacco, the exporter shall pay PhP3,000.00, per shipment/airway bill or bill of lading.**

Within three (3) calendar days after the last day of the month of issuance of a previous TCC, with or without subsequent transshipments, the transshipper shall submit to the NTA the bills of lading, packing lists and commercial invoices of all transshipments made during the immediately preceding month, and correspondingly pay the monitoring/regulation/supervision and/or evaluation fees as hereinafter provided.

The NTA shall not issue any new TCC without submission of the aforesaid documents and/or payment of the regulation fees, without prejudice to the suspension/revocation/cancellation of the Permit to Transship tobacco products."

**Section 9. Section 12 is hereby amended to read as follows:**