



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 23

**IMPLEMENTING A DIGITAL AND INTEGRATED SYSTEM FOR THE
PRE-BORDER TECHNICAL VERIFICATION AND CROSS-BORDER
ELECTRONIC INVOICING OF ALL IMPORT COMMODITIES**

WHEREAS, Section 101 of Republic Act No. 10863 or the "Customs Modernization and Tariff Act" directs the State to develop and implement programs for the continuous enhancement of customs systems and processes;

WHEREAS, the Philippines is a signatory to the World Customs Organization International Convention on the Simplification and Harmonization of Customs Procedures or the "Revised Kyoto Convention," which requires Contracting Parties to simplify customs procedures and ensure that these are predictable and transparent, in accordance with international standards;

WHEREAS, the implementation of a pre-border technical verification of all imported goods aims to expedite the inspection of all imported goods entering the country, and further strengthen national security, safeguard consumers' rights, and protect the environment against sub-standard and dangerous imported goods;

WHEREAS, a single electronic invoicing system controlled by the Philippine Government is necessary to effectively monitor international trade transactions of all imported goods; and

WHEREAS, Section 17, Article VII of the Constitution vests in the President the power of control over all Executive departments, bureaus and offices, and the mandate to ensure the faithful execution of laws;

NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Definition of Terms. For the purpose of this Order, the following terms shall mean:

- a. Agricultural Goods - pertain, but not limited, to fresh or frozen meats, fish and other aquatic products, vegetables, fruits, cereals whether processed or not, and animal

THE PRESIDENT OF THE PHILIPPINES

feeds and feed ingredients. Agricultural goods may be shipped in bulk, break bulk, or shipping containers.

- b. Accredited Testing, Inspection, and Certification (TIC) Companies - refer to qualified third-party TIC Companies selected by the Committee for Pre-border Technical Verification and Cross-border Electronic Invoicing under Section 3 hereof, which have demonstrated legal, financial, and technical capabilities to implement both the Pre-border Technical Verification and Cross-border Electronic Invoicing System as a digital and integrated package.
- c. Cross-border Electronic Invoicing System - refers to a system used by a verified and registered foreign exporter to create export invoice on a single electronic platform controlled by the Philippine Government. The electronic invoice is shared transparently and in real time with the Bureau of Customs (BOC), Bureau of Internal Revenue, Department of Agriculture (DA), Department of Trade and Industry (DTI), and other relevant government agencies.
- d. Pre-border Technical Verification - refers to testing and inspection of all commodities by accredited TIC Companies prior to exporting to the Philippines for purposes of verifying in advance the declared specifications, description, weight, volume, and country of origin, and ensuring that these commodities are safe and of good quality, in accordance with the World Trade Organization Facilitation Agreement, and existing laws, rules and regulations.
- e. TIC Companies - refer to companies which are members of the TIC Council with the necessary staff and facilities to test, inspect, and certify all import commodities bound for export to the Philippines.

Section 2. Committee for Pre-border Technical Verification and Cross-border Electronic Invoicing. To undertake the necessary steps for the successful implementation of the Pre-border Technical Verification and Cross-border Electronic Invoicing System, the Committee for Pre-border Technical Verification and Cross-border Electronic Invoicing (Committee) is hereby created, which shall be composed of the following:

Chairperson : Secretary, Department of Finance

Members : Secretary, DA;
Secretary, DTI;
Secretary, Department of Energy;
Secretary, Department of Health;
Secretary, Department of Environment and Natural Resources;
Secretary, Department of Information and Communications Technology;
Commissioner, BOC;
Director General, Philippine Drug Enforcement Agency; and
Two (2) non-voting Representatives from duly recognized industry associations, to be appointed by the Chairperson, upon recommendation of the Committee.

The DOF shall serve as the Secretariat of the Committee, and shall provide administrative and technical support to the Committee.

The Chairperson and Members of the Committee may designate their alternates, with ranks not lower than a Director IV or its equivalent, who are fully authorized to decide for or on their behalf.

The Committee shall regularly convene at least once every quarter or as often as may be deemed necessary by the Chairperson.

Section 3. Powers and Functions of the Committee. The Committee shall have the following powers and functions:

- a. Formulate guidelines and implementing rules and regulations for the conduct of Pre-Border Technical Verification of all commodities by accredited TIC Companies prior to the export of these commodities to the Philippines. The conduct of Pre-Border Technical Verification shall be at no cost to the Philippine Government.
- b. Formulate procedures for the procurement of Cross-border Electronic Invoicing System which shall serve as the single electronic platform for the creation, uploading, and storage of electronic invoices for imported commodities covered by a digital verification certificate from accredited TIC Companies. The procurement of Cross-border Electronic Invoicing System shall be at no cost to the Philippine Government;
- c. Issue guidelines for the accreditation of third-party TIC Companies, including the qualifications, documentary requirements, and procedures therefor. The Committee shall ensure that the mechanism for the accreditation of third-party TIC Companies shall be competitive, transparent, and in accordance with international trade standards, and existing laws, rules and regulations;
- d. Submit to the President, through the Office of the Executive Secretary, a bi-annual report detailing, among others, the Committee's accomplishments, and the status, timelines and targets of the implementation of Pre-border Technical Verification and Cross-border Electronic Invoicing System; and
- e. Perform such other functions as may be necessary in the implementation of this Order, or as may be directed by the President or the Executive Secretary.

Section 4. Implementation of Pre-border Technical Verification and Cross-border Electronic Invoicing System. The BOC, as the primary government entity responsible for implementing customs procedures, is hereby directed to implement the Pre-border Technical Verification and Cross-border Electronic Invoicing System, in accordance with the strategic direction and policy guidance issued by the Committee, international trade standards, and existing laws, rules and regulations.

The BOC may request any government department, agency, or instrumentality, including government-owned or -controlled corporations, to render full assistance and cooperation to ensure the effective implementation of this Order.

Section 5. Phased Implementation. The provisions of this Order shall be applied to all import commodities in three (3) phases:

PHASE	PRODUCTS
1	Agricultural goods
2	Non-agricultural goods with health and safety issues
3	Other goods with misdeclaration to avoid duties and taxes

In this regard, the Committee shall set timelines and targets for the phased implementation, provided that the Pre-border Technical Verification and Cross-border Electronic Invoicing System shall be fully implemented within two (2) years from the effectivity of this Order.

Section 6. Funding. The initial funding requirements necessary for the implementation of this Order shall be charged against available appropriations of the BOC and other member-agencies of the Committee, subject to pertinent budgeting, accounting, and auditing laws, rules and regulations. Thereafter, the funding requirements necessary for the continued implementation of this Order shall be included in the budget proposal of said agencies, subject to the usual budget preparation process.

Section 7. Repeal. All orders, rules and regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Order, are hereby repealed or modified accordingly.


Section 8. Separability. If any part or provision of this Order shall be held invalid or unconstitutional, the provisions not affected thereby shall remain in full force and effect.

Section 9. Effectivity. This Order shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 13th day of May, in the year of Our Lord, Two Thousand and Twenty-Four.

By the President:


LUCAS P. BERSAMIN
 Executive Secretary

Office of the President
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 ACTING DIRECTOR IV
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