




Philippine Economic Zone Authority

MEMORANDUM ORDER No. 2017-008

TO : All Ecozone Logistics Service Enterprises
All Ecozone Export Enterprises
Zone Administrators/Managers/Officers-in-Charge(ZAs/ZMs/OICs)
PEZA – Management Information System Department
PEZA-Accredited Value Added Service Providers (VASPs)

FROM : BGen CHARITO B. PLAZA MNSA, PhD 
Director General

DATE : 30 June 2017

SUBJECT : Guidelines for the Implementation of the PEZA Electronic Zone Transfer System (eZTS), Phase 1 - Intra-zone Transfer of Goods from an Ecozone Logistics Service Enterprise to an Ecozone Export Enterprise

Pursuant to the Bureau of Customs (BOC) - Philippine Economic Zone Authority (PEZA) Joint Memorandum Order (JMO) No. 2-2015, dated July 24, 2015 (copy attached as Annex A hereof), which provides for the implementation of the PEZA Electronic Zone Transfer Systems (eZTS) for the Transfer of Goods between PEZA-Registered Enterprises, PEZA has successfully completed the pilot run of Phase 1 of the PEZA eZTS which covers the transfer of goods by an Ecozone Logistics Service Enterprise (ELSE) to an Ecozone Export Enterprise (EEE) located within the same economic zone (i.e., intra-zone transfer).

In view thereof, PEZA hereby rolls out the eZTS - Phase 1 to be implemented as follows:

- July 1 - Aug.15, 2017 : Optional Implementation / Preparation for mandatory implementation;
- August 16, 2017 : Start of mandatory implementation of eZTS–Phase 1.

The eZTS – Phase 1 replaces the following manually generated documents that ELSEs presently secure from and submit to PEZA for their storage and delivery of goods to Ecozone Export Enterprises within the same economic zone location as the ELSE's facility (i.e., "intra-zone" transfer of goods):

- a. Certification of the EEE designating its appointed ELSE;
- b. Letter of Authority (LOA) to an ELSE issued by the ZA/ZM/OIC, as delegated to the PEZA Zone Offices under PEZA Memorandum Circular No. 2016-022, dated 01 June 2016;
- c. "Sub"-Letter of Authority to an ELSE issued by the ZA/ZM/OIC based on a "Mother" Letter of Authority issued to the same ELSE by the PEZA Director General;
- d. LOA issued to an ELSE by the ZA/ZM/OIC renewing a Letter of Authority issued to the same ELSE by the PEZA Director General which expressly provides for the renewal thereof by the ZA/ZM/OC;
- e. PEZA Form 8112 Permits for Intra-zone transfers of goods; and
- f. Manually generated ledgers on deliveries and receipt of goods required to be maintained by the ELSE and regularly presented to the ZA/ZM/OIC.

The foregoing documents will be replaced by the following electronically generated documents and processes:

- a. **e-Certificate** – an electronic Certification of an EEE designating its appointed ELSE-supplier/service provider and listing the goods to be handled/supplied by the appointed ELSE to the EEE;
- b. **eLOA** – an electronic Letter of Authority to an ELSE for a single EEE-client with one or multiple types of goods, which replaces: (a) the existing manually generated Letter of Authority (LOA) issued to an ELSE by the ZA/ZM/OIC pursuant to PEZA Memorandum Circular No. 2016-22; (b) the existing manually generated "Sub"-LOA issued to an ELSE by the ZA/ZM/OIC based on a "Mother" LOA for chemical and resins issued by the PEZA Director General pursuant to PEZA Memorandum Circular No. 2016-022; and (c) the existing manually generated LOA issued to an ELSE by the ZA/ZM/OIC renewing a Letter of Authority issued by the PEZA Director General which expressly provides for renewal thereof by the ZA/ZM/OIC;
- c. **eZTD** - electronic Zone Transfer Document which replaces the existing manual PEZA Form 8112 Permit for Intra-Zone Transfers;
- d. **eMML** - electronic Monitoring and Liquidation Ledger of the ELSE on its deliveries of goods to its EEE-client/s and the running balance of the approved quantity and value of goods indicated in the eLOA.

The following guidelines shall govern the implementation of eZTS – Phase 1:

1.0 Scope and Coverage

- 1.1 The eZTS – Phase 1 shall apply **only** to the delivery of goods by ELSEs to their EEE-clients **within the same zone location** as the ELSE's warehouse facility. This includes goods that are (a) imported; (b) "indirectly" imported from PEZA-registered EEEs, including those located in other PEZA zones; those purchased from enterprises in Freeport Zones and non-PEZA special economic zones; and those purchased from BOI-registered Export Producer Enterprises); and (c) locally purchased from suppliers in the domestic territory.

All other types of warehousing / logistics service operations of ELSEs, e.g., goods for subcontracting before delivery to the ELSE's EEE-client, shall continue to be covered by the existing manually generated LOAs, processes and forms. "Mother" LOAs to ELSEs required to be issued by the PEZA Director General shall continue to be covered by the existing manually generated LOA and process.

- 1.2 All rules and regulations on the types of goods that may be imported / locally procured / and handled / stored by ELSEs and their subsequent delivery of said goods to their EEE-clients, and all requirements, procedures and guidelines prescribed under the **PEZA Guidelines for the Registration and Operations of Enterprises Engaged in Warehousing and Logistics Operations** issued per PEZA Board Resolution No. 97-366, dated 11 November 1997, as amended, including PEZA requirements for intra-zone transfer of goods, unless otherwise amended by this Memorandum Order, **shall remain in force and effect.**

Importations by ELSEs shall continue to be subject to existing rules and regulations and existing guidelines on the electronic Import Permit System (eIPS) under PEZA Memorandum Order No. 2013-001, dated 08 February 2013, and other related PEZA issuances on the matter. "Indirect importations" and local purchases by ELSEs shall continue to be subject to existing PEZA rules, regulations and requirements.

2.0 Enrolment in the eZTS

- 2.1 The following are required to enrol in the eZTS – Phase 1 implementation:

- All ELSEs delivering goods to their EEE – clients within the same zone location as the ELSE's warehouse facility.
- All EEEs availing of the services of / receiving goods from an ELSE with warehouse facility located within the same zone location as the EEE.

- 2.2 To enrol in the eZTS, the ELSE and EEE shall separately accomplish the attached Enrolment Application Form (**Annex B**), indicating a maximum of

three (3) in-house officers / personnel duly designated / authorized by its President / CEO to access the eZTS for and on behalf of the ELSE or the EEE, as the case may be. The soft copy of the Enrolment Application Form is available from any of the PEZA-accredited Value Added Service Providers (VASPs).

No enrollment fee shall be charged by the VASP and PEZA.

It should be noted that the VASP from which the online application for nomination of its ELSE (eCertificate) is filed by the EEE shall be the same VASP that will be used by the ELSE for its applications for the electronic Letter of Authority (eLOA), electronic zone transfer document (eZTD), and for tagging requirements in the eZTS. It will be up to the ELSE/EEE to agree on which VASP shall be its primary, secondary or tertiary VASP.

All ELSEs / EEEs are encouraged to enroll with all the PEZA-accredited VASPs in order to enable immediate shifting by the ELSE and EEE to another VASP in case of any operations downtime or interruption in the System of its primary VASP.

- 2.3 The ELSE / EEE shall submit to the ZA/ZM/OIC both hard and soft copy of accomplished Application Form. The hard copy of the accomplished Application Form shall be printed on the ELSE's / EEE's letterhead. The soft copy shall be sent by the ELSE /EEE to the official email address of the ZA/ZM/OIC, copy to the PEZA zone's email address. The sender shall be any of the three (3) officers of the ELSE/EEE duly designated / authorized by its President / CEO to access the eZTS for and in behalf of the ELSE/EEE, and shall use the sender's official company email address.
- 2.4 The ZA/ZM/OIC of the ELSE/EEE shall validate the information on the submitted enrolment Application Form and subsequently endorse the validated Application Form to the PEZA – Management Information System Department (MISD).
- 2.5 The MISD shall coordinate with the VASPs on the creation of the ELSE's / EEE's account in the eZTS and ensure the creation of usernames for their duly designated/authorized officers. The MISD shall directly provide to the ELSE / EEE the usernames created with their selected VASP/s, copy furnished the respective ZA/ZM/OIC.
- 2.6 Upon the creation and activation of the ELSE's / EEE's account in the eZTS, the ELSE / EEE shall establish its pre-payment account and funding thereof for their selected VASP/s and for PEZA.
- 2.7 The MISD, upon coordination with the VASP/s, shall likewise provide the log-in protocol to the eZTS for the PEZA ZA/ZM/OIC (for eZTD approval and tagging as provided in these guidelines), and to the PEZA Head Office Cashier and

PEZA Zone Collecting Officer/s (for access to the pre-payment account of the ELSE/EEE), and to such other PEZA officers as may be directed by PEZA Management.

- 2.8 ELSEs / EEEs with multiple zone locations shall enrol separately in the eZTS for each of their zone locations.
- 2.9 The ELSE shall ensure that all its EEE-clients enroll in the eZTS.
- 2.10 The ELSE / EEE shall be accountable for all applications electronically filed and processes done in the eZTS in its name.

3.0 OPERATIONAL PROVISIONS

3.1 Filing of Application for and Approval of EEE's Electronic Certificate of Nomination of its ELSE (eCertificate)

- 3.1.1 EEEs availing of the services of an ELSE shall coordinate with its appointed ELSE on the online generation of the certificate of nomination (**Annex C**), through the eZTS. The EEE's Certificate of Nomination, or eCertificate, shall include the specific type of warehousing/logistics services to be provided by the nominated ELSE, and details of the goods to be transferred to the EEE, as follows: (a) generic type; (b) HS Code; (c) Specific item description; (d) Volume/quantity; (e) Unit of Measure (UOM); and (f) Value.
- 3.1.2 The eCertificate application lodged by the EEE in the eZTS shall be subject to review and approval by the PEZA ZA/ZM/OIC supervising the EEE to establish that the goods to be handled by the EEE's nominated ELSE are needed and will be used in the EEE's PEZA-registered activities. Upon approval by the ZA/ZM/OIC of the eCertificate through the System, the eZTS shall display its status as **"Approved."**
- 3.1.3 The **Approved eCertificate** shall indicate the generic type, specific description, HS Code, Unit of Measure (UOM), Volume/Quantity and Value of the goods to be supplied/handled by the ELSE and a **system-generated reference number**.

The eCertificate is a pre-requisite for the ELSE's subsequent eLOA application through the eZTS.

- 3.1.4 Unless the **"APPROVED"** eCertificate is requested for cancellation by the applicant-EEE, the status of the eCertificate shall be automatically converted to **"EXPIRED"** if not **"USED"** within ninety (90) days from **"Approved"** date of the eCertificate, i.e., the ELSE did not file an

application for the corresponding eLOA within the said 90-day validity period of the eCertificate.

3.1.5 As presented above, the eZTS will display any of the following status for the eCertificate process:

- **“FOR APPROVAL”** shall mean that the eCertificate application has been lodged and submitted by the EEE in the eZTS.
- **“APPROVED”** shall mean that the eCertificate application of the EEE has been reviewed and approved by the ZA/ZM/OIC and is valid for use within ninety (90) days from the date of approval.
- **“CANCELLED”** shall mean that the Approved eCertificate can no longer be used by the ELSE to lodge an eLOA application. The request for cancellation can be made by the EEE which lodged the eCertificate within the ninety (90) days validity period of the eCertificate.
- **“USED”** shall mean that the ELSE has electronically submitted in the eZTS its application for the eLOA corresponding to the Approved eCertificate.
- **“EXPIRED”** shall be automatically generated by the System on the 91st day from date of approval of the eCertificate, if the ELSE has not used the eCertificate to lodge the corresponding application for eLOA.

3.1.6 One (1) eCertificate shall correspond to one (1) eLOA.

3.1.7 No fee shall be charged by the VASP and PEZA for the eCertificate application and approval.

3.2 Filing of Application for and Approval of Electronic Letter of Authority (eLOA)

3.2.1 The ELSE shall electronically file in the eZTS, through its respective appointed VASP, its application for an electronic Letter of Authority (**Annex D**) corresponding to an APPROVED eCertificate. Each eLOA application shall be specific to only one EEE-client.

The eLOA shall contain the following information, among others: (a) Name of the Receiving EEE-Client, its zone location and PEZA Certificate of Registration No. (b) Purpose of the transfer and (c) Details of the goods to be handled for the EEE, i.e. generic type, specific description, HS Code, UOM, Volume/quantity, and Value (US\$), which shall be consistent with the details provided in the corresponding

Approved eCertificate of the EEE-client. The eLOA application shall be subject to approval of the ZA/ZM/OIC.

- 3.2.2 **An approved eLOA shall have a system-generated barcode** which shall represent the system-generated electronic signature and Control Number of the eLOA. The approved eLOA may be printed out, but this is not required.
- 3.2.3 The electronic filing of an application for eLOA shall be subject to payment of the VASP's lodgement fee which shall be deducted automatically from the pre-payment account for the VASP established by the ELSE in the eZTS.
- 3.2.4 Upon approval of the eLOA application by the ZA/ZM/OIC through the System, the PEZA processing fee of ONE THOUSAND TWO HUNDRED PESOS ONLY (Php1,200.00) shall likewise be deducted automatically from the pre-payment account for PEZA established by the ELSE in the eZTS.
- 3.2.5 An approved eLOA shall be valid for one (1) year from the date of approval.
- 3.2.6 All goods listed in the Approved eLOA of the ELSE which are to be imported shall require the submission by the ELSE to the ZA/ZM/OIC of a certified of list of such goods, duly signed by the ELSE's two (2) highest responsible officers, prior to uploading as its importables in the ELSE's account in PEZA's electronic Import Permit System (eIPS), following the existing guidelines on eIPS under PEZA Memorandum Order No. 2013-001, dated 08 February 2013, and other related PEZA issuances on the matter. **All importables of ELSEs shall continue to classified as "Regulated Importables" in PEZA's eIPS.**
- 3.2.7 The importation, local purchase, storage, handling and movement of goods by the ELSE under an Approved eLOA shall be subject to compliance with all procedures, requirements and limitations for warehousing/logistics operations provided for in the PEZA Guidelines for the Registration and Operations of Enterprises Engaged in Warehousing and Logistics Operations issued per PEZA Board Resolution No. 97-366, dated 11 November 1997, as amended, and the standard terms and conditions hereto attached as **Annex E**. Local purchases, including purchases from other PEZA-registered Export Enterprises, shall be subject to applicable standard PEZA rules, requirements and procedures.
- 3.2.8 All goods to be handled by an ELSE under an eLOA shall be contained in the eLOA Monitoring and Liquidation Ledger (eMLL) provided in the eZTS, which shall be in the PEZA-prescribed format (**Annex F**). The eMLL in the eZTS may be viewed by the ELSE, its EEE-client and PEZA.

- 3.2.9 An ELSE may request for cancellation of an Approved eLOA at any time within the validity period of the eLOA, provided all the transactions made therein are properly liquidated.

Likewise, the ZA/ZM/OIC may initiate the cancellation of an Approved eLOA for violation by the ELSE of any of the terms and conditions provided in Annex E hereof, or for any other violation of PEZA Rules and Regulations.

- 3.2.10 As presented above, the various status in the eLOA process which will be displayed in the eZTS are as follows:

- **“FOR APPROVAL”** shall mean that the eLOA application has been lodged and submitted by the ELSE in the eZTS.
- **“APPROVED”** shall mean that the eLOA application of the ELSE has been reviewed and approved by the ZA/ZM/OIC and is available for use by the ELSE.
- **“CANCELLED”** shall mean that the ELSE opted to stop using a valid eLOA. For this purpose, the ELSE shall submit to the ZA/ZM/OIC through the eZTS its request to cancel the eLOA; provided, however, that the eLOA shall be cancelled by the ZA/ZM/OIC only when all electronic Zone Transfer Documents, or eZTDs, filed against the said eLOA have been duly liquidated / tagged in the eZTS in accordance with the procedureS prescribed in Section 3.4.3 of these Guidelines.
- **“EXPIRED”** shall mean that the eLOA is no longer valid for use, i.e., on the day after the end of the one-year validity period of the eLOA or when the approved quantity or value of all goods indicated in the eLOA have been fully utilized / consumed. The eZTS shall automatically generate the eLOA's status as “EXPIRED.”

- 3.2.11 The ELSE may file an application for renewal of an EXPIRED eLOA, provided that all approved eZTDs filed by the ELSE against the said EXPIRED eLOA have been “CLOSED” in accordance with Sections 3.4.2 and 3.4.3 of these Guidelines.

3.3 Filing and Approval of Electronic Zone Transfer Document (eZTD)

- 3.3.1 Prior to each transfer of goods by the ELSE to its EEE-client under an approved eLOA, the ELSE shall electronically file through the eZTS, an application for the corresponding electronic Zone Transfer Document (eZTD) shown in **Annex G** hereof, which replaces the existing manual PEZA Permit Form 8112.

The details of the eZTD application shall, at all times, conform with the particulars in the corresponding approved eLOA.

Among other information, the ELSE shall indicate in the eZTD the **Transfer Date** (TD) within which the actual transfer / delivery of goods to its EEE-client shall be made by the ELSE.

- 3.3.2 An eZTD application may be filed ahead of the intended Transfer Date.
- 3.3.3 The electronic filing of an application for an eZTD shall be subject to the VASP lodgment fee and to the PEZA existing processing fee for indirect/constructive export of Php 180.00 for goods valued below US\$ 10,000.00 and Php360.00 for goods valued at US\$10,000.00 and above. The said fees shall be deducted automatically in the pre-payment account for PEZA fees established by the ELSE in the eZTS.
- 3.3.4 The electronically submitted eZTD shall be electronically approved by the System provided that the application is compliant with all of the following: (a) all the details in the application conform with the corresponding approved eLOA; (b) the eLOA against which the eZTD is filed is not "EXPIRED"; (c) the volume and value of the goods in the eZTD application is equal to or less than the remaining balance of the goods in the corresponding eLOA; and (d) there is no "OPEN" previously approved eZTD against the same eLOA. Otherwise, the eZTD application shall require prior approval of the ZA/ZM/OIC. The System shall automatically reject any eZTD application when the volume or value of the goods applied for exceeds the allowable volume and value in the approved eLOA.
- 3.3.5 Upon approval of the eZTD, a system-generated barcode shall be inscribed on the eZTD, representing the electronic signature of PEZA, and the System's specific Control Number for the said eZTD. The volume/quantity and value of goods indicated in the approved eZTD shall be deducted electronically from the total authorized volume and value of the said goods in the corresponding approved eLOA.

3.4. Transfer of Goods under an Approved eZTD

- 3.4.1 Immediately prior to actual delivery of goods from the ELSE's facility to its EEE-client's facility, the ELSE shall print the **Approved** eZTD with the corresponding system-generated Barcode and present the printed copy of the eZTD and the Delivery Receipt to the PEZA Zone Office / PEZA Gate Guard for inspection / stamping prior to the delivery of goods to the EEE-client. The date and time of approval shall be indicated on the printed eZTD.

- 3.4.2 The withdrawal of the ELSE's goods in the Approved eZTD from its warehouse facility and actual delivery thereof to its EEE-client shall take place not later than 12 midnight of the indicated Transfer Date.
- 3.4.3 Upon receipt of the goods by the ELSE's EEE-client but not later than five (5) days from the indicated Transfer Date in the eZTD, said EEE-client shall acknowledge / confirm receipt of the goods indicated in the eZTD/Delivery Receipt (DR), by way of electronically tagging the eZTD as "**Received**", thereby rendering the said eZTD as "**CLOSED**".
- 3.4.4 In the event that the actual goods received by the EEE-client is not equal to the volume and / or value indicated in the eZTD, the EEE-client shall indicate the actual Volume and/or Value in the "Remarks" section in the eZTS, but this will render the status of the subject eZTD in the System as "**OPEN.**" The ELSE/EEE-client shall present to the ZA/ZM/OIC the printed copy of the eZTD earlier stamped by the PEZA zone office / PEZA Gate Guard and Delivery Receipt duly signed received by the EEE-client, and such other documents as the ZA/ZM/OIC may require as needed, for validation/appropriate action in accordance with PEZA established procedures. The ZA/ZM/OIC shall access the eZTS to indicate the actual volume/value of goods delivered as Received under the eZTD, thus rendering the eZTD status as "**CLOSED**". The eZTS will then automatically update the eMLL of the eZTD's corresponding eLOA.
- 3.4.5 The various status in the eZTD process which shall be displayed in the eZTS are as follows:
- "**APPROVED**" shall mean that an approved eZTD has not been used by the ELSE to effect the withdrawal of the corresponding goods from its facility for delivery to its EEE-client.
 - "**OPEN**" shall mean that the goods covered by an eZTD was presented to the PEZA Zone Office /PEZA Gate Guard for stamping/tagging as Released, but the EEE-client has not acknowledged receipt of the said goods. An eZTD with "**OPEN**" status shall not expire.
 - "**CLOSED**" shall mean that the goods delivered by the ELSE under an Approved eZTD has been acknowledged/tagged as "**Received**" by the EEE-client.
 - "**EXPIRED**" shall mean that an approved eZTD has not undergone subsequent stamping/tagging as Released by the PEZA Zone Office within the prescribed period of five (5) days from the indicated Transfer Date in the approved eZTD.

3.5 Electronic Payment of Fees

- 3.5.1 All applicable fees for all applications to be made by the ELSE in the eZTS shall be automatically deducted from the ELSE's pre-payment account in the eZTS, which at any given time, shall conform with the same funding requirement prescribed by PEZA for the pre-payment module of the PEZA electronic Import Permit System (eIPS) and the PEZA Automated Export Documentation System (AEDS).
- 3.5.2 The amount of PEZA processing fee for the eLOA and eZTD debited from the ELSE's pre-payment account in the eZTS shall be indicated in the eLOA / eZTD transaction receipt generated by the System, including the corresponding payment reference number.

4.0 AVAILABILITY

The eZTS is web-based and is available 24/7. Filing of applications for eCertificate, eLOA and eZTD shall be within the regular office hours / work days, i.e., 8:00 AM – 5:00 PM, Monday – Friday.

As provided in Section 3.3.2 above, an eZTD may be filed ahead of the intended Transfer Date. However, any application / lodgment made outside of the regular office hours/days, particularly on applications that require the approval of the ZA/ZM/OIC, shall be attended to upon the resumption of the next regular office hours.

5.0 MANUAL INTERVENTION

Only when the eZT System of all VASPs is down for a minimum of four (4) hours or for acts of nature (force majeure) that will render the system totally inaccessible, shall the application for intra-zone transfer of goods between ELSEs and their EEE-clients be reverted to the manual system until access to the System is restored.

6.0 GENERATION OF REPORTS

The VASP shall provide for the generation of reports on all the applications/lodgements made through the eZTS, including the status thereof, similar to the reports being generated on transactions under PEZA's eIPS and AEDS.

This Memorandum Order shall take effect on 01 July 2017.

 HOA/vss