

Philippines Updates: Philippines Customs' Green Lane Temporarily Suspended

On the day he assumed office, the newly appointed Customs Chief, Isidro Lapeña, the former Director of the Philippines Drug Enforcement Agency (PDEA), instructed the temporary suspension of green lane for clearance of all import shipments and ordered a thorough review of the Customs' risk management system. This means importers need to anticipate a longer customs clearance lead time as cargoes previously routed to green lane are now diverted to yellow or red lane that is subject to Customs scrutiny. Cargoes tagged under the yellow lane are subject to documentary review and those under the red lane are subject to both documentary review and physical inspection prior to their release from Customs area.

However, qualified importers under the Super Green Lane (SGL) and Super Green Lane Plus (SGLP) Program, representing approximately 10% of the total import cargo volume nationwide, are not affected by the suspension. They can still enjoy the privileges of immediate clearance of goods upon payment of duties and taxes, without having their cargoes to pass through the Customs' selectivity system. While the selectivity system is a system-based approach intended to determine the risk level of cargoes based on certain parameters, such as the nature of the imported goods, importers' profile, country of origin, and suppliers' profile, the SGL and SGLP are obtained through an application submitted to Customs and subsequent accreditation process conducted by Customs.

No specific timeline has been determined for when the suspension will be lifted, but certainly after the thorough review of the risk management system is complete. With the coming improved risk management system, Customs Chief Lapeña is pledging to deter smuggling activities and entry of illegal drugs more effectively.

Let's talk

If you would like further advice in relation to the topic outlined above or a deeper discussion of how this issue might affect your business, please contact:

Alex Saborio
Senior Manager
Office: +65 6236 4192
Email: alex.saborio@sg.pwc.com

Luningning M Pizarra
Manager
Office: +63 (2) 459 2005
Email: luningning.m.pizarra@ph.pwc.com



The information contained in this article is of a general nature only. It is not meant to be comprehensive and does not constitute the rendering of legal, tax or other professional advice or service by PricewaterhouseCoopers WMS Pte Ltd ("PwC"). PwC has no obligation to update the information as law and practices change. The application and impact of laws can vary widely based on the specific facts involved. Before taking any action, please ensure that you obtain advice specific to your circumstances from your usual PwC client service team or your other advisers.

© 2017 PricewaterhouseCoopers WMS Pte Ltd. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers WMS Pte Ltd which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.