Asia Pacific Journal of Advanced Education and Technology
Volume 3, Issue 3, September 2024 / P- ISSN 2815 – 245X / E – ISSN 2815 – 2468 / www.apjaet.com

The Level of Awareness and Acceptance of the Customs Modernization and Tariff Act of 2016 and Its Implications to the Bureau of Customs Officials, Licensed Customs Brokers, and Stakeholders

Lani B. Gallino, CB, PHD.BM
https:orcid.org/0009-0005-9347-8648
lbgallino@aims.edu.ph
School of Graduate Studies (SGS) Asian Institute of Maritime Studies (AIMS)
Manuel L. Quezon University (MLQU)
Philippines

DOI: https://doi.org/10.54476/apjaet/08778

Abstract

This study was done to analyze the implication of Republic Act 10863, otherwise known as the Customs Modernization and Tariff Act of 2016, and its impact on the Bureau of Customs. Specifically, it looked into the demographic profile of the customs officials in terms of age, gender, year of service in the Bureau of Customs, highest educational attainment, number of conferences and seminars attended for the last 3 years, and licensure examination passed. For licensed customs brokers, their age, gender, number of years in the profession/business, highest educational attainment, number of conferences and seminars attended for the last 3 years, and licensure examination passed were profiled while the age, gender, number of years in the company, highest educational attainment, number of conferences and seminars attended for the last 3 years, and licensure examination passed were profiled. It f focused on the extent of the level of awareness of the three groups of respondents (Bureau of Customs Officials, Licensed Customs Brokers, and Stakeholders) on the Customs Modernization and Tariff Act in terms of the declarant and its duties and responsibilities, international standards and practices, importation and exportation, the accuracy of database collection and consolidation, compliance to the Revised Kyoto Convention (Convention on the Simplification and Harmonization of customs procedure) and revenue-generating agency. It also determined the level of acceptance of the three (3) groups of respondents in terms of the declarant and its duties and responsibilities, international standards and practices, importation and exportation, the accuracy of database collection and consolidation, compliance to the Revised Kyoto Convention (Convention on the Simplification and Harmonization of customs procedure) and revenue-generating agency. Likewise, it looked into the significant difference among the level of awareness of the Bureau of customs Officials, Licensed Customs Brokers, and Stakeholders (Importer, Exporter) as well as the significant difference among the levels of acceptance of the Bureau of Customs Officials, Licensed Customs Brokers and Stakeholders (Importer, Exporter) in terms of the declarant and its duties and responsibilities, international standards and practices, importation and exportation, the accuracy of database collection and consolidation, compliance to the Revised Kyoto Convention (Convention on the Simplification and Harmonization of customs procedure) and revenue-generating agency, Moreover, it determined the challenges encountered in the implementation of CMTA on declarant provisions, international standard and practices, importation and exportation and compliance to the Revised Kyoto Convention (Convention on the Simplification and Harmonization of Customs Procedure). Finally, found out how the Bureau of Customs Officials address the challenges encountered on declarant provisions, international standards and practices, importation and exportation, and compliance to the Revised Kyoto Convention (Convention on the Simplification and Harmonization of Customs Procedures). The researcher utilized the descriptive method of research, which was descriptive and comparative in approach. A total of 40 customs officials, licensed customs brokers and 50 stakeholders were used as respondents of the study. Data for the research was gathered with the use of a research-made and validated survey questionnaire. Collected data however were subjected to statistical treatment with the application of the following descriptive and inferential statistical techniques; frequency, percentage, weighted mean, ANOVA and t – Test. The study found out that there is no significant difference between the extent of awareness and level of acceptance of the three groups of respondents on the Customs Modernization and Tariff Act in terms of the selected variables.

Keywords: *Customs Modernization and Tariff Act, Level of Awareness, Level of Acceptance, Customs Brokers*

Introduction

On 30 May 2016, President Benigno S. C. Aquino III signed Republic Act (RA) No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), which amends the Tariff and Customs Code of the Philippines (TCCP). It took effect on 16 June 2016 which is 15 days after it was published in a newspaper of general circulation. Historically, the United States Congress for the Philippines passed the first tariff legislation during the American regime. This was known as the Philippine Tariff Act of 1909 which gave birth to the imposition of tariff on goods coming from foreign countries and entering the Philippines. History will tell us that the first codified tariff and customs laws in the country were Republic Act No. 1937, otherwise known as the Tariff and Customs Code of the Philippines which was enacted almost 60 years ago since 1957. However, RA 1937 was superseded by Presidential Decree No. 34 in the year 1972 as there were a substantial number of provisions rendered obsolete by subsequent issuances of amendatory laws, decrees, and executive orders thereby making it imperative to consolidate, codify, and integrate such amendatory laws, decrees and executive orders to harmonize their provisions for the proper guidance of the public and efficient administration.

Likewise, in this Code, certain provisions were impractical in application, thus necessitating revision to infuse flexibility, keep pace with the changing needs and demands of trade and commerce as well as strengthen the punitive force of the law against smuggling and other forms of customs fraud. Thereby under the powers vested by the constitution to then President of the Republic of the Philippines, Ferdinand E. Marcos, hereby order and issue Presidential Decree No. 1464 which took effect on the 11th day of June, 1978. This decree codifies all tariff and customs laws embodied in the present Tariff and Customs Code and various laws, presidential decrees, and executive orders including new amendments hereby consolidated into a single Code known as the Tariff and Customs Code of 1978.

Since then, Presidential Decree No. 1464 has undertaken various piecemeal amendments, until this Customs Modernization and Tariff Act (CMTA) came about which entirely revised and overhauled the complex tariff and customs laws of the Philippines. This Customs Modernization and Tariff Act (CMTA) is an embodiment of the pertinent provisions of the Revised Kyoto Convention (RKC), otherwise known as the Convention on the Simplification and Harmonization of Customs Procedures, International Standards and Customs Best Practices, as well as some still relevant provisions of Presidential Decree No. (PD) 1464, its implementing rules and regulations and the latest jurisprudence on tariff and customs and our commitments under the World Trade Organization (WTO), World Customs Organization (WCO), and some regional trade and economic agreements under the Association of South East Asian Nation (ASEAN) Free Trade Agreement (AFTA). The World Trade Organization (WTO) is the only international organization dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably, and freely as possible.

The World Customs Organization (WCO) Council adopted the Protocol of Amendment to the International Convention on the simplification and harmonization of Customs procedures (revised Kyoto Convention) in June 1999 as the blueprint for modern, efficient, and effective Customs procedures in the 21st century. Since the adoption of the revised Kyoto Convention and through extensive technical assistance, a number of individual Members have either acceded or are finalizing their accession process. On the other hand, many countries have already incorporated the principles of the revised Kyoto Convention in their national legislation even without waiting for its formal entry into force. Both accession and implementation are important – while the former is the vehicle which provides the platform to further promote Customs modernization worldwide, the latter assists the Members in adopting best practices resulting in better controls and efficient cross-border movement of goods and persons.

The revised Kyoto Convention is the basis for a Customs model or vision and recommends minimum standards for:

Predictability. standards principles for Customs processing of goods, conveyances, and persons moving across borders-clearance procedures
Transparency. Providing all information relating to Customs
*Legal process***.** that prevents arbitrary or unfair actions by Customs-appeals procedures and treatment of offenses.
Use of Information Technology
Modern techniques. Risk management, pre-arrival information, post-clearance audit etc.

However, The Philippine government formally deposited with the World Customs Organization in Brussels its Articles of Accession to the Revised Kyoto Convention (RKC) on May 25, 2010.

The Revised Kyoto Convention of 1999 provides a framework and standards for the modernization of customs administration, and if implemented, will provide international commerce with predictability and efficiency required by modern trade. It is in this backdrop of global trends that the reform and modernization at the Bureau of Customs was initiated.

As a signatory to the World Customs Organization Revised Kyoto Convention of 1999 or the International Convention on the Simplification and Harmonization of Customs Procedures, which is widely regarded as the blueprint for modern and efficient customs procedures in the 21st century, the Philippines, through the Bureau of Customs, is required to institute customs procedures that comply with best practices and standards in the global markets.

This study is anchored on the Customs Modernization and Tariff Act (CMTA) which is an embodiment of the pertinent provisions of the Revised Kyoto Convention (RKC) otherwise known as the Convention on the Simplification and Harmonization of Customs Procedures, International Standards and Customs Best practices, as well some still relevant provisions of Presidential Decree No. (PD) 1464, its implementing rules and regulations and the latest jurisprudence on tariff and customs and our country's commitments under the World Trade Organization (WTO), World Customs Organization (WCO) and some regional trade and economic agreements under the Association of South East Asian Nation (ASEAN) Free Trade Agreement (AFTA). It also utilized the local law under Republic Act No. 9280 otherwise known as the Customs Broker Act of 2004.

In view of this, the researcher has decided to conduct a study on the awareness and acceptance of the provisions of the new law including the challenges encountered in the end because of developing a capability program in compliance with international standards and global competitiveness for Bureau of Customs Officials, Licensed Customs Broker profession and stakeholders (importer and exporter).

Objectives of the Study

This research work assessed the Level of Awareness and Acceptance on Republic Act No. 10863 otherwise known as "Customs Modernization and Tariff Act of 2016" and its implications to the Bureau of Customs Officials, Licensed Customs Brokers and Stakeholders with the end in view of proposed capability program to ensure global competitiveness and compliance to international standards and customs practices.

Specifically, it aims to:

1. Determine the demographic profile of the respondents in terms of
   1.1 Customs officials
   1.2 Licensed Customs Broker
   1.3 Stakeholders

2. Analyze the level of awareness of the three groups of respondents (Bureau of Customs Officials, Licensed Customs Brokers, and Stakeholders) on the Customs Modernization and Tariff Act in terms of:
   2.1 Declarant and its duties and responsibilities;
   2.2 International standards and practices;
   2.3 Importation and Exportation;
   2.4 Accuracy of Database collection and consolidation
   2.5 Compliance with the Revised Kyoto Convention (Convention on the simplification and Harmonization of customs procedure)
   2.6 Revenue-generating agency

3. Analyze the level of acceptance of the three (3) groups of respondents (Bureau of Customs Officials, Licensed Customs Brokers, and Stakeholders) in terms of:
   3.1 Declarant and its duties and responsibilities;
   3.2 International standards and practices;
   3.3 Importation and Exportation;
   3.4 Accuracy of Database collection and consolidation
   3.5 Compliance with the Revised Kyoto Convention (Convention on the simplification and Harmonization of customs procedure)
   3.6 Revenue-generating agency

4. Evaluate the difference among the levels of awareness of the Bureau of Customs Officials, Licensed Customs Brokers and Stakeholders (Importer, Exporter)

5. Analyze the significant difference among the levels of acceptance of the Bureau of Customs Officials, Licensed Customs Brokers, and Stakeholders (Importer, Exporter) in terms of:
   5.1 Declarant and its duties and responsibilities;
   5.2 International standards and practices;
   5.3 Importation and Exportation;
   5.4 Accuracy of Database collection and consolidation
   5.5 Compliance with the Revised Kyoto Convention (Convention on the simplification and Harmonization of customs procedure)
   5.6 Revenue-generating agency

Methodology

Research Method. In this study, descriptive research design is used to discover facts on which professional judgment could be based and to provide conclusive information that can be used by the decision-makers for monitoring the performance measures pertinent to the subject Companies. Descriptive research uses a set of scientific methods and procedures to collect raw data and create data structures that describe the existing characteristics of a defined target population (Shields and Rangarjan, 2013).

Descriptive research design is used to collect primary and secondary data and using unstructured formats or informal procedures to interpret them. This research design is used simply to classify the problems or opportunities and it is not intended to provide information on which a particular course of action can be determined. Descriptive research, on the other hand, can measure data statistically (Fluid Surveys, 2014).

Research Locale. The officers and personnel who are part of the respondents come from the Bureau of Customs, Port of Manila (POM), Port of Manila International Container Port (MICP) and Port of Ninoy Aquino International Airport (NAIA). Stakeholders consisted of R.L. Riga Customs Brokerage, Concepcion Carrier Air-conditioning Corporation (CCAC), and NYK-FilJapan Shipping Corporation.

Respondents of the Study. The total respondents of the study composed of three (3) groups broken down as follows: forty (40) from the Bureau of Customs officials from the three (3) Ports of Entry (Port of Manila, Port of MICP, Port of NAIA) which are involved in the implementation of the Tariff and Customs Laws, rules, regulations and other related laws; thirty (30) Customs Broker Professionals who are directly involved and affected by the provisions of the CMTA; and twenty-five (25) importers and twenty-five (25) exporters who are directly affected by the new regulations in CMTA in terms of importations and exportations of goods and other related laws. A total of one hundred twenty (120) respondents are involved in this study.

Sampling Design. The study utilized non-probability sampling (purposive) in choosing the subject respondents. Only three types of respondents are purposively selected from the list. The customs officials, Customs Brokers, and stakeholders (Importer and Exporter) are best fit as the respondents based on their direct involvement in the implementation of the laws, rules, and regulations stipulated in the new CMTA and also directly affected, and utilizers of the Customs Modernization and Tariff Act (RA 10863). Calmorin's formula such as percentage rank, weighted mean, and t-test was used to statistically determine the percentage of the respondent's demographic profile, the total frequency is divided by the number of cases multiplied by 100. The weighted average is obtained by multiplying the number of responses by the given weight and dividing the results by the total number of the respondents. The t-test was used to compare two sample means when the two sample means were independent of one another. The t-test, as already mentioned was used when comparing the statistical significance of a possible difference between the means of the two groups on some independent variables and the two groups are independent of one another.

Instrument and Techniques. The following instruments and techniques are used by the proponent of the study in the collection of data:

Survey Questionnaire. The major instrument used for this study is composed of three (3) sets of written questionnaire which was designed and formulated by the researcher with the help of her adviser.

The survey instrument was validated by an expert, a statistician and a tenured researcher. To check the instrument's veracity, a pre-testing is done and floated to 10 respondents which is not part of the final floating of the instrument. Corrections and revisions were considered in the final revision of the survey questionnaire. Instruction on how to answer the survey questionnaire was personally provided by the researcher to the officers and personnel of the Bureau of Customs, Licensed Customs Brokers, and stakeholders (Importer and Exporter). In this set of survey questionnaires, the profile of the respondents was also included.

Personal Interview and Observation. To gather more information, this was used by the researcher to solicit opinions and information related to the study. This was used to appraise the accuracy and validity of the answers that were given by the respondents in the questionnaire. Likewise, the observation technique was used as supplementary to the above-stated tools. This method was an intentional or explicit way of examining, describing, and interpreting the reactions or behavior of the respondents to gather data. The questionnaires were collected and retrieved for proper statistical treatment and calculation with the help of the statistician.

Documentary Analysis. Secondary data like textbooks, periodicals, manuals, annual reports and journals were analyzed and interpreted to support the original research. These data also served as a guide in the formulation of problems and questions that were included in the survey questionnaires as primary sources of data.

Data Gathering Procedure. Ethics was highly observed in the gathering of data. The first step was the writing of a request to the subject of companies for the conduct of a survey of the officers and personnel of the Bureau of Customs, Licensed Customs Broker professionals, and Stakeholders (Importer and Exporter). This request was endorsed by the Adviser and Dean of the School of Graduate Studies.

Distribution of questionnaires and personal interviews were simultaneously conducted to facilitate fast and accurate retrieval of data from the respondents.

The collected primary data were tabulated and interpreted with the help of a statistician who guided the researcher in the statistical treatment of data.

*Statistical Treatment of Data. T*he composite method is used in analyzing and interpreting the data gathered. The Frequency count, Percentage, Weighted Mean, Likert 4-Point Scale, and One-way Analysis of Variance (ANOVA) are the statistical tools used in the study.

Results and Discussion

1. Profile of the Customs Official, Licensed Customs Broker and Stakeholder

1.1. Customs Official

1.1.1 In terms of Age

It can be noted that 13 or 32 percent of the respondents belonged to the age bracket of 36 to 45 years old. There are 12 or 30 percent whose ages were from 56 to 60 years old; 7 or 18 percent had ages 60 years and above; and the rest are 5 or 12 percent aged 46 to 55 years old and 3 or 8 percent who had ages between 26 to 35 years old. Apparently, majority of the respondents' customs officials had ages from 36 to

45 years old based on the distribution of 13 or 32 percent. This implies that the majority of the respondents are in the prime of their lives as customs officials.

1.1.2 In terms of Gender

In terms of gender, 22 or 55 percent of the respondents are males; 18 or 45 percent are females. This shows that the office is male-dominated.

1.1.3 In terms of Years of Service

With regard to years of service, it can be noted that 17 or 42 percent had been with the institution as a customs official for 6 to 10 years. There are 10 or 25 percent are 11 to 20 years; 5 or 13 percent are 21 years and above and 8 or 20 percent are 5 years below. The data clearly show that the majority of the respondents are serving for 6 to 10 years in their respective institutions.

1.1.4 In terms of Educational Attainment

Of the 40 respondents, 23 or 58 percent of the customs officials are college graduates; 10 or 25 percent are Master's degree holders; 5 or 12 percent are with doctoral units; and 2 or 5 percent are with doctoral degrees. Most of the respondents are college graduates based on the distribution of 23 or 58 percent.

1.1.5 In terms of the Number of Conferences and Seminars Attended

There are 29 or 73 percent who had attended seminars 1 to 10 times; 6 or 15 percent have attended 11 to 15 seminars; and 5 or 12 percent have not attended seminars related to their work assignment.

1.1.6 In terms of Licensure Examinations

Survey data show that respondents who are customs officials have taken licensure examinations for the work they engage in.

Twenty or 50 percent of the respondents are customs brokers; 10 or 25 percent of the respondents are lawyers; 7 or 17 percent are certified public accountants (CPA) and 3 or 8 percent are engineers. Apparently, there are no customs officials who have two licenses.

1.2 Profile of the Licensed Customs Broker

1.2.1 In terms of Age

As shown from the distribution, 10 or 33 percent of the respondents belonged to the age bracket of 56 years to 60 years old; There are 8 or 27 percent had ages 46 to 55 years old; 6 or 20 percent are 60 years old and above; and the rest is 4 or 13 percent are 36 to 45 years old and 2 or 7 percent have ages between 26 to 35 years old. Most of the respondents had an age bracket of 56 to 60 years old based on the distribution of 10 or 33 percent. This implies that most respondents are experienced brokers.

1.2.2 In terms of Gender

In terms of gender, there are 20 male respondents, or 67 percent; 10 or 33 percent are females. This shows that the majority of the respondents holding the work as brokers are males.

1.2.3 Number of Years in their Profession

With regard to years in their profession, it can be noted that 12 or 40 percent had been with their profession for 6 to 10 years; 10 or 33 percent are 11 to 20 years in their profession as brokers; 5 or 17 percent are licensed brokers for 21 years and above; and 3 or 10 percent are 5 years below as brokers. The data clearly show that most of the respondents are serving for 6 to 10 years in their respective institutions.

1.2.4 In terms of Educational Attainment

Out of 30 respondents, 20 or 67 percent completed college; while 8 or 27 percent were master's degree holders; 2 or 6 percent have taken doctoral units. This implies that the majority of the respondents had earned a degree in college. Thus, there seems to be a need to proceed and complete graduate education.

1.2.5 In terms of Number of Seminars Attended

With regard to seminars attended, it can be noted that 14 or 47 percent had attended 1 to 10 seminars; while 10 or 33 percent have not attended seminars or conferences but, 6 or 20 attended 11 to 15 seminars. The majority of the respondents have attended 1 to 10 seminars in connection with their work as brokers.

1.2.6. In terms of Licensure Examination

Of the 30 licensed customs brokers, 20 or 67 percent are licensed brokers and 10 or 33 percent are lawyers.

1.3 Stakeholders

1.3.1 In terms of Age

The finding that 14 or 28 percent of the respondents belonged to the age bracket of 46 to 55 years old; further examination of the same tabular data shows that 12 or 24 percent had ages ranging from 56 to 60 years old; and the rest 10 or 20 percent were 36 to 46 years old and 60 years older.

1.3.2 In terms of Gender

With regard to gender, 35 or 70 percent of the respondents are males; and 15 or 30 percent of the respondents are females. Findings thus show that the majority of the stakeholders are males.

1.3.3 In terms of the Number of Years in the Company

In terms of years in the company, the survey shows that 18 or 36 percent are with the company for 11 to 20 years; 15 or 30 percent are with the company for 21 years and above; and 5 or 10 percent are only 5 years and below. This indicates a high holding power on the part of the institution for the stakeholders.

1.3.4 In terms of Educational Attainment

Of the total 50 respondents, 35 or 70 percent of the respondents are college graduates; 10 or 20 percent are undergraduates; the remaining 3 or 6 percent are with masters units and 2 or 4 percent are with doctoral units. Evidently, the majority of the respondents are college degree holders, which implies that respondents should be encouraged to pursue graduate studies.

1.3.5 In terms of the Number of Conferences and Seminars Attended

With regard to the number of seminars attended, 24 or 48 percent of the respondents have attended 1 to 10 seminars for the past three years; 16 or 32 percent of respondents attended 11 to 15 seminars and rest 10 or 20 percent have no seminars attended. This clearly shows that the majority of the respondents have attended 1 to 10 seminars based on the distribution of 24 or 48 percent.

1.3.6 In terms of Licensure Examination

There are 22 or 44 respondents who are customs brokers; 11 or 22 percent of respondents are lawyers; 10 or 20 percent of respondents are certified public accountants and 7 or 14 percent of respondents are engineers.

2. Assessment of the Three Groups of Respondents on the Extent Level of Awareness of the Customs Modernization and Tariff Act

2.1 In Terms of Declarant and Its Duties and Responsibilities

The survey revealed that the respondents manifested to a very great extent on the level of awareness on the Customs Modernization and Tariff Act in terms of the declarant and its duties and responsibilities. Lending credence to this finding was the respondents' overall weighted mean of 3.87. Further supporting the foregoing finding was the response of very great extent recorded by the respondents on the following indicators: the declarant lodges goods with the Bureau either the importer, holder of the bill of lading or the exporter as the owner of the goods to be shipped out, or a custom broker acting under the authority of the importer or from a holder of the bill with mean of 3.84; in cases the consignee or the person who has the right to dispose of the goods is a juridical person, it may authorize a responsible officer of the company to sign goods declaration as Declarant in its behalf with mean of 3.87;the import declarations submitted to the Bureau shall be processed by the Declarant or by the licensed Customs Broker with mean of 3.88 ; in cases of export, the Export declaration shall be signed by the exporter or assign processing of the document to his designated customs broker or authorized representative with mean of 3.89; the declarant shall be responsible for the accuracy of the goods declaration and for the payment of all duties, taxes and other charges due on the imported goods with mean of 3.85; the licensed customs broker shall likewise be responsible for the accuracy of the goods declaration but shall not be responsible for the payment of duties, taxes, and other charges due on the imported goods with mean of 3.85 ; the declarant shall sign the goods declaration, even when assisted by a licensed customs broker, who shall likewise sign the goods declaration with mean of 3.87 ; the Bureau shall not impose substantial penalties for errors when such errors are inadvertent and there was no fraudulent intent or gross negligence in the commission thereof with mean of 3.86 ; in order to dispose repetition of such errors, a penalty may be imposed but shall not be excessive with mean of 3.83 ; if the consignee/ importer is a juridical person, it may authorize a responsible officer of the company to sign the goods declaration as declarant on its behalf with mean of 3.83 ; pursuant to rules of court Sec.11, Rule 14, the responsible person may either one of the following persons required to represent juridical persons: with mean of 3.93 ; a declarant maybe a person duly empowered to act as agent or attorney in fact for each holder of the bill of lading but will take effect after 2 years from the date of effectivity of the CMTA with mean of 3.89.

The very great extent of manifestation of the respondents on the said variable implies that the three groups of respondents understand and agree on the provisions of the CMTA.

2.2 International Standards and Practices

Running counter to the foregoing finding, the Customs Modernization and Tariff Act in terms of international standards and practices were assessed to a very great extent. Serving to confirm the finding was the respondents' overall weighted mean of 3.51.

Lending support to this finding was the response of very great extent of manifestation posted by the respondents for each of the following indicators: the Bureau shall utilize information and communications technology to enhance customs control and to support a cost effective and efficient customs operations geared towards a paperless customs environment with mean of 3.53; the security of data and communication shall be in a manner that is consistent with applicable local and internationally accepted standards on information security with mean of 3.67; the Bureau shall likewise include as part of its systems and processes, a disaster preparedness and recovery plan to ensure business continuity by maintaining its uptime goal or its electronic and online services with mean of 3.49; for purpose of customs procedures, electronic documents, permits, licenses or certificates shall be acceptable and shall have the legal effect with mean of 3.64 ; when prescribed requirements are duly complied with, the bureau shall: (a) recognize the authenticity and reliability of electronics documents; (b) submit approval in the form of electronic data messages or electronic documents with mean of 3.59 ; the bureau may adopt international standards and best practices in customs administration laid down by international agreement or convention pertaining to trade facilitation, supply chain security, and related matters, whether or not the Philippines is a signatory to such international agreement or convention with mean of 3.75 ; the whole Chapter 8 of CMTA new provisions: provides for civil remedies for the collection of duties and taxes, fees and other charges resulting from the conduct of post clearance audit shall be obtained with mean of 3.17 ; upon failure of the person owing any delinquent duty, tax, and other charges to pay at the time required, the Commissioner shall seize and distrait the goods by serving a copy of warrant of distrain upon the importer and upon the president, manager, treasurer, or other responsible officer of the corporation, company or association which issued the stocks or securities with mean of 3.54 ; bank accounts shall be garnished by serving a warrant of garnishment upon the importer and upon the president, manager, treasurer, or other responsible officer of the bank. Upon the receipt of the warrant of garnishment, the bank shall turn over to the Commissioner so much of the bank accounts as may be sufficient to satisfy the claim of the government with a mean of 3.71; determination of the De Minimis Value. 'No duties and taxes shall be collected on goods with FOB of FCA value of ten thousand pesos or below with mean of 3.29; relationship between the Bureau and Third Parties. Subject to the provisions of existing laws, treaties, conventions, and international agreements, the Secretary of Finance, shall make the necessary guidelines for the defined relationship of the Bureau and third parties with a mean of 3.22; imported goods shall be admitted into a free zone when the goods declaration, together with documents, as required by existing laws and regulations, are electronically lodged with the Bureau and other relevant government authorities at the time of admission with mean of 3.43; licensed customs brokers are vital to the supply chain with mean of 3.42; goods under a provisional goods declaration may be released upon posting of any required security equivalent to the amount ascertained to the applicable duties and taxes with mean of 3.31.

As already pointed out, the very great extent of manifestation as assessed by the respondents implies that respondents agree on the provisions and policy on international standards and practices.

2.3 In terms of Importation and Exportation

In like manner, the Customs Modernization and Tariff Act in terms of importation and exportation were assessed to a great extent. Substantiating this finding was their composite weighted mean of 3.35.

Lending support to this finding was the response of great extent of manifestation recorded by the respondents for each of the following indicators: imported goods shall be deemed entered in the Philippines for consumption when the goods declaration is electronically lodged, together with any required supporting documents, with the pertinent customs office with mean of 2.93; goods which are subject to regulations shall be imported or exported only after securing the necessary import or export permits, clearances, licenses, and any other requirements, prior to importation and exportation with mean of 2.95 ; in case of importation , submission or requirements after arrival of the goods but prior to release from customs custody, shall only be allowed only in cases provided for by governing laws or regulations with mean of 3.40 ; the description of the goods in the export declaration must contain sufficient and specific information for statistical purposes and as well as for the proper valuation and classification of the goods with mean of 3.73 ; if applicable, products shall conform to export standard grads established by the government. The packaging of the said goods shall likewise be labelled and marked in accordance with related laws and regulations with mean of 3.57; the Bureau shall promulgate rules and regulations to allow manual and electronic lodgment and processing of the export declaration with mean of 3.39; failure to pay correct duties and taxes on imported goods due to negligence, if found guilty shall be penalized with a fine equivalent to 125% of the revenue loss; if fraud is committed and found guilty, the penalty shall be a fine equivalent to 6 times of the revenue loss and/or imprisonment of not less than two years but not more than 8 years with mean of 3.27 ; No surcharge shall be imposed if the discrepancy in duty is less than 10 % or when the tariff classification declaration relied on an official government ruling with mean of 2.92 ; when the misdeclaration, misclassification or under evaluation is intentional and fraudulent, a surcharge shall be imposed equivalent to 500% of the duty and tax due and that the goods shall be subject to seizure regardless of the amount of the discrepancy with mean of 2.95 ; unlawful importation and exportation under section 1401 of CMTA clearly defines smuggling or technical smuggling as fraudulent act subject to penalties of imprisonment of 30 days to a maximum of 12 years or a fine of minimum 25,000.00 as high as 50,000.00 or both with mean of 3.61; if the unlawful importation becomes a heinous crime, and if the appraised value of the goods including duties and taxes exceeds Php 200,000,00.00 shall be punished with a penalty of reclusion perpetual and a fine of Php 50,000,000.00 with mean of 3.82 ; the implementing rules and regulations on the transit of goods admitted into, exported from, withdrawn into the customs territory and moved between free zones shall be formulated and issued jointly by the Bureau and the free zone authorities with mean of 3.77.

2.4 Accuracy of the Data Base Collection and Consolidation

On the contrary, the three groups of respondents assessed the level of awareness on the Customs Modernization and Tariff Act in terms of the accuracy of the database collection and consolidation to a very great extent. This was substantiated by their overall weighted mean rating of 3.88.

Serving to validate this finding was the rating of very great extent registered by the respondents for each of the following indicators: information technology, meaningful automation, is expected to streamline the procedures with mean of 3.87 ; establishes transparency, facilitate trade and also allow inter office, inter agency and international exchange of data with mean of 3.89 ; information technology requirement will also apply to private individuals transacting with the Bureau especially the Customs bonded warehouse with mean of 3.85 ; full automation encompasses all the stages of importation and exportation starting from the entry of goods declaration, assessment, payment and release with mean of 3.86 ; the utility of full automation will be valuable if the single window policy is likewise fully implemented with mean of 3.93 ; a valuation database should be established and constantly updated to provide customs with a practical tool for research and risk management purposes with mean of 3.84 ; a new trend in the use of Information and Communication Technology to promote trade facilitation is to create an electronically connected trade community that includes all trade partners with mean of 3.91; the Data Center Network Rehabilitation project will build a better server for Customs to house its growing IT data network, consisting of import, export and client information among others with mean of 3.92.

2.5 Compliance with the Revised Kyoto Convention

The survey revealed that the level of awareness in terms of compliance to the revised Kyoto Convention was assessed to a great extent. This finding was based on the overall weighted mean of 3.49.

Supporting the above finding was the response of great extent posted by the respondents on the following indicators: application of information and communication technology; complete automation of all Bureau but also all parties transacting with Bureau with mean of 3.71 ; provisional goods declaration; on new concept especially for goods requiring special importation permits with mean of 3.13 ; tentative assessment : a new applicable to provisional goods declaration with mean of 3.62 ; allowing for imposition of additional duty in retaliation to discrimination by foreign country: current law incongruent with international practices, in which diplomatic procedures must first be exhausted with mean of 3.46 ; simplified customs procedures based on ATA convention, duty and tax exemption for commercial samples, and professional equipment with mean of 3.62 ; all goods, including means of transport, entering or leaving the customs territory, regardless of whether they are liable to duties and taxes, shall be subject to customs control to ensure compliance with this act with mean of 3.60 ; in the application of customs control, the Bureau shall employ audit – based controls and risk management systems, use automation to the fullest extent possible and adopt a compliance measurement strategy to support risk management with mean of 3.51 ; relief consignment, as defined in section 120 of CMTA, imported during a state of calamity and intended for a specific calamity area for the use of the calamity victims therein, shall be exempt from duties and taxes with mean of 3.43 ;

the Bureau shall consult, coordinate, and cooperate with other government regulatory agencies, free zone authorities, and the customs stakeholders in general , to enhance customs control with mean of 3.36; goods for transshipment must be exported from the Philippines within 30 days from arrival thereof. The Commissioner may allow an extension of such period after the establishment of valid reasons with a mean of 3.40.

2.6 In terms of Revenue Generating Agency

In like manner, the Customs Modernization and Tariff Act in terms of the revenue-generating agency was assessed to a great extent. Substantiating this finding was their composite weighted mean of 2.85.

Further supporting this finding was the response of great extent posted by the respondents for each of the following: shall increase the annual target due to revenue monitoring and collection management with mean of 2.97; encourages more trade and investments from all sectors due to reduced costs of doing business due to trade facilitation which will also reduce trade transaction costs by 2 – 3 % the value of traded goods with mean of 2.91; ease of doing business means faster release of goods and efficient inspection and collection plus less face to face exchanges due to full automation with mean of 2.71; reduce the opportunities for corruption and technical smuggling with mean of 2.72; the modernization will eventually lead to greater revenue collection with mean of 2.95; require and/or accept payments and issue receipts acknowledging such payments through systems using electronic data messages or electronic documents with mean of 2.76; the introduction and implementation of information and communications technology shall be undertaken with due consultation with directly affected parties and stakeholders with mean of 2.83; remedies for the collection of duties, taxes, fines, surcharges, interests and other charges with mean of 2.94.

3. Level of Acceptance on Customs Modernization and Tariff Act

Paralleling the foregoing finding, Customs Modernization, and Tariff Act in terms of international standards and practices, respondents strongly agree with their assessments. Serving to confirm the finding was the respondents' overall weighted mean of 3.60.

In like manner, respondents agree on their assessment of the Customs Modernization and Tariff Act in terms of importation and exportation... Substantiating this finding was their composite weighted mean of 2.82.

In a similar manner, the three groups of respondents agree on their assessment of the Customs Modernization and Tariff Act in terms of the accuracy of the database collection and consolidation to a very great extent. This was substantiated by their overall weighted mean rating of 3.29. The survey revealed that respondents agreed with the Customs Modernization and Tariff Act in terms of compliance with the revised Kyoto Convention. This finding was based on the overall weighted mean of 3.08.

In like manner, respondents strongly agree with the Customs Modernization and Tariff Act in terms of revenue-generating agency. Substantiating this finding was their composite weighted mean of 3.56.
Overall, regarding the aforementioned variables on the level of acceptance of the Customs Modernization and Tariff Act, the three groups of respondents agree on their assessment as indicated by the overall composite weighted men of 3.32.

4. Significant Difference in Respondents' Level of Awareness on Customs Modernization and Tariff Act in terms of selected variables

No significant difference was found on the assessment of the three groups of respondents on the level of awareness of the Customs Modernization and Tariff Act. This finding was based on the recorded F – value of 0.034 which is lower than the tabular F - value of 3.687 at a 0.05 level of significance. Thus, the hypothesis of no significant difference was accepted.

The non-rejection of the null hypothesis is indicative of the homogeneity of the three groups of respondents. This implies that respondents are aware of all the provisions of the Customs Modernization and Tariff Act.

5. Significant Difference on the Respondents' Level of Acceptance on Customs Modernization and Tariff Act

There is no significant difference was noted among the three groups of respondents on the level of acceptance of the Customs Modernization and Tariff Act. This was inferred by the computed F - value of 0.129 which is much lower than the tabular F - value of 3.687 at a 0.05 level of significance. Thus, the null hypothesis was accepted.

The acceptance of the null hypothesis implies that respondents understand and accept all provisions, policies, and rules enclosed in the Customs Modernization and Tariff Act.

6. Challenges Encountered in the Implementation of Customs Modernization and Tariff Act

The challenges encountered by the respondents in the implementation of the CMTA is Failure to provide detailed information about the goods is a form of technical smuggling, specifically misdeclaration that intends to lower the customs duties and taxes charged to the imported products averting the target revenue collection of the Bureau appeared to be the main challenge of the Bureau of Customs.

The second challenge encountered by the Bureau of Customs respondents is despite the drive to eradicate corruption in the Bureau by putting up several Closed-Circuit Televisions around customs areas, still under the table transactions continue to exist which resulted in unlawful importation and exportation of goods.

Technicalities in goods declaration which resulted in the delay in trade transactions that have already been examined by the regular Bureau of Customs appraisers is the third challenge encountered.

Meanwhile, bogged-down computerized systems and the implementation of information technology of digital customs rank the last challenges.

Conclusions

On account of the foregoing significant findings the following conclusions were derived;

1. The respondents' profile showed the majority of the respondents are males and at the prime of their age as evidenced by long years of service in their respective companies. Some respondents took seminars relevant to their work and respective disciplines. The majority of the respondents are college graduates but only a few holder of master's and doctorate degrees.
2. Respondents employ a variety of assessments on the level of awareness of the Customs Modernization and Tariff Act. Overall, the three groups of respondents posted their assessment to a great extent.

3. Overall, the three group of respondents assessed the level of acceptance on the Customs Modernization and Tariff Act. The respondents generally agreed to the provisions of the law.
4. There is no significant difference between the assessment of the respondents on the level of awareness of the Customs Modernization and Tariff Act in terms of the selected variables.
5. There are no significant differences noted in the assessment of the three groups of respondents on the level of acceptance of the Customs Modernization and Tariff Act.
6. There are challenges encountered by the respondents in the implementation of the Customs Modernization and Tariff Act as the implementing rules and regulations is still an ongoing process.
7. Customs Officials addressed the challenges they encountered to a very great extent in the implementation of the Customs Modernization and Tariff Act despite the ongoing process of drafting the implementing rules and regulations.

Recommendations

Based on the significant findings and conclusions of this research, the following are hereby recommended, to wit:

1. Customs officials, Licensed Brokers,, and Stakeholders who have already earned some units in master's and doctoral degrees can undertake to pursue their graduate education to further enhance their capability level and become globally competitive.
2. Concerned Customs officials, Licensed Customs Brokers, and Stakeholders should be advised to actively participate in the review of critical processes, application, creation of formal Business Continuity Plan, Disaster Recovery Plan, and formulation of implementing rules and regulations through public consultation on legal provisions of CMTA affecting the industry.
3. The Commissioner of Customs may spearhead conducting regular coordination meetings among customs officials, officers of the Association of Customs Brokers, and Stakeholder's Association to achieve a common goal to eradicate corruption with the Bureau of Customs and to facilitate trade in compliance with international standards and practices.
4. The governing institution for the Bureau of Customs, Licensed Customs Brokers, and Stakeholders can be advised to enforce professionalism by providing nationwide seminars and conferences pertaining to Customs Administration and International Standards and practices pursuant to the Revised Kyoto Convention's general and specific policies to improve the knowledge, skills, and attitudes.
5. Implementation of a Performance Management System can be conducted as a way to empower administrations when talking with the private sector, by establishing who is responsible for which delays and costs and providing tools for dialogue on a commonly shared reality.
6. The Bureau of Customs Officials, Licensed Customs Broker's Association officials, and officials of the Stakeholder's Association can be focused on helping Customs to modernize its infrastructure and upgrade its trade enforcement capabilities to respond more effectively and efficiently to the demands of increased international trade expected to result from integration into the World Trade Organization system.
7. Periodic studies can be conducted to further enhance the level of capability program in compliance with International Standards and Practices, globally competitive in the implementation of the customs laws and provisions to achieve its goals and objectives.

References

Aldaba, R.M, et al (2015).ERIA Furthering the implementation of AEC Blueprint Measures.http://dirp3.pids.gov.ph/webportal/CDN/PUBLICATIONS/pidsdps153.

Aldaba, R.M., Briones, R.M., Israel, D.C., Llanto, G.M., Medalla E.M. & Milo, M.S. (2013). The ASEAN economic community and the Philippines: Implementation, outcomes, impacts, and ways forward (Full Report).” PIDS Discussion Paper Series No. 2013-01

Australian Government (2016). “ Trade Facilitation” Department of Foreign Affairs. http://dfat.gov.au/trade/topics/Pages/ tradefacilitation.aspx 1/1

Best Practices, Singapore. (March 4, 2016) http://www.customs.gov.sg/businesses/importinggoods/import procedures 12, (p10-11)

Data Privacy Act 2012. Republic Act 10173. Official Gazette August 15, 2012(http://www.gov.ph/2012/08/15/republic-act-no-10173/)

Department Order No. 014. 2014, Department of Finance Executive Order No. 155, Republic of the Philippines. Department Order No. 014. 2014, Department of Finance Executive Order No. 155, Republic of the Philippines

Fortlage, N. (2011, January 21). The role of the customs broker in import transactions. Resources Trade Compliance & Strategy. Retrieved from http://tradecompliance.ghy.com/

Intal, P. Jr., (2015), AEC Blueprint Implementation Performance and Challenges: Trade Facilitation, ERIA Discussion Paper Series, Economic Research Institute for ASEAN and East Asia, p. 7

Moise, E. and S. Sorescu (2013), ‘Trade Facilitation Indicators’, *OECD Trade Policy Papers*, No. 144, Paris: OECD

Montagnat-Rentier, G. & Parent, G. (2012). Customs Administration Reform and Modernization in Francophone Sub -Saharan Africa – 1995-2010. IMF Working Paper (WP/!2/259), International Monetary Fund

Otsuki, T. (2011), Quantifying the Benefits of Trade Facilitation in ASEAN, *OSIPP Discussion Paper*, No. DP-2011-E-006, Japan: Osaka University

Pastor, B.C., Nieva & Palomares (2015). Customs Broker: Their Vital Role in Mediating Transactions Between Selected Importers in Metro Manila and the Bureau of Customs.” *Presented at DLSU Research Congress*.

Philippine Tariff Commission (2013). Tariff and Customs Code of the Philippines.Volume II (p39-45).

Phuentsholing (2015) General annex of the revised Kyoto Convention. www.sasec.asia/events/2015/national -workshop-bhutan/phuentshpling/5-chap7-10-ga-rkc

Republic Act No. 9280 otherwise known as the Customs Brokers Act of 2004.rkc-guidelines-ch-1.pdf (wcoomd.org)

Romano, J.G.(2016). Bureau of Customs: Administrative Agency of the Government." Chapter One (p33-38) in Principles and Remedies in the Customs Modernization and Tariff Act, 2016.Tariff and Customs Code of the Philippines, Volume II, as amended

Shields, P.M. and Rangarajan, N. (2013) A Playbook for Research Methods: Integrating Conceptual Frameworks and Project Management. New Forums Press, Stillwater. https://www.scirp.org/reference/referencespapers?referenceid=2364975

Singapore Compliance Best Practices, (2013). https://www.customs.gov.sg/~/media/cus/files/business/resources/2627aug2013compliancebestpractice

Singhco (2013). Customs Broker: Their Vital Role in Mediating Transactions between selected Importers in Metro Manila and Bureau of Customs." http://www.dlsu.edu.ph/conferences/dlsu_research_congress/2015/proceedings/EBM/015EBM_Pastor_CB_etall

Tariff and Customs Code of 1978. https://source.gosupra.com/docs/statute/18787/

Tamayo, M.P.(2016). Changes under Customs Modernization and Tariff Act. Business World online.

Tayseer Younis, (n.d.), Deputy director of planning & organization, challenges and opportunities of customs reform & trade facilitation: Jordan's Experience, accessed thru URL https://www.google.com.ph/url?sa=t&rct=j&q=&esrc=s&source=web&cd=9&cad=rja&uact=8&ved=0CE4QFjAIahUKEwijv4GayqjIAhWJFJQKHa01BLY&url=http%3A%2F%2Fwww.gfptt.org%2Fsites%2Fdefault%2Ffiles%2Frefread%2Fe277deae-26484206a2e13f29b08e1eaa.doc&usg=AFQjCNFUmt7yoctnN1UHiWpKmr0z1_3ftg&bvm=bv.104317490,d.dGo on 20 September 2015)

WCO (2016) Customs Environment Scan. http://www.wcoomd.org/en/about-us/what-is-thewco/customs environment.aspx

WCO (2006). WCO Revised Kyoto convention enters into force. WCO Press Release, WCO, Brussels, 2006. http://www.wco.org

WCO (2005). Framework of Standards to Secure and Facilitate Global Trade WCO, Brussels, 2005. http://www.wco.org

WCO (1999). Revised Kyoto Convention: International convention on the simplification and harmonization of customs procedures. WCO, Brussels. www.co.org.

World Trade Organization (2016). Trade Facilitation. 2016, https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm 3/

Copyrights