

POSITION PAPER OF
**THE CONFEDERATION OF PHILIPPINE EXPORTERS FOUNDATION
(CEBU) INC.,**

On

**THE INCLUSION OF EXPORT DOCUMENTATION AS EXCLUSIVE
WORK OF LICENSED CUSTOMS BROKERS AS MANDATED IN R.A. 9280.**

BACKGROUND

Last March 2004, Republic Act 9280 or The Customs Brokers Act of 2004 was signed into law. R.A. 9280 aims to professionalize the Customs Brokers Profession in the Philippines.

However, in the course of legislative process, RA 9280 was enacted with a provision that includes the export documentation and processing as exclusive work for Customs Brokers to the exclusion of the exporters who traditionally prepare and process export documents on their own.

As a result, exporters loss the rights to prepare, file and process their own export documents.

ISSUES:

1ST Issue: Was there any proper public hearing and consultation to the exporters before RA 9280 was enacted and signed into law?

2nd Issue: Are licensed Customs Brokers necessary in the filing and processing export documents?

3rd Issue: Is inclusion of export documents as exclusive works of Customs Brokers good for the export industry?

EXPORTER'S POSITION

On 1st Issue: Exporters were not invited nor consulted to any public hearing or consultation before the Customs Brokers Act was enacted. This was because RA 9280 only aims to professionalize the Customs Brokers Profession.

Senator Magsaysay who was among the principal author of the law told Cebu Exporter that the export documentation were not originally intended to be among the exclusive works of Customs Brokers as the Guest Speaker in the General Membership Meeting of Philexport Cebu in 2004.

There was clear by-passing of exporters' right to be consulted and given the chance to comment before any policy is enacted that seriously affects the export industry.

On 2nd Issue: The services of Customs Brokers are not necessary in the filing and processing of export documents because exports do not require classification of goods and computation of taxes. Customs brokers are trained to classify and compute tax on imports, not on exports.

Export document contains only basic facts and information about the export goods, the exporter, the buyer, the carrier and other basic transactional information for recording and monitoring purposes. The exporter themselves can best represent and vouch the authenticity of the information found in export declaration compare to the broker.

On 3rd Issue: Government thrust is the simplification of export procedures for expediency and competitiveness in the world market. Many exporters practice multi-tasking as part of their competitiveness strategy. It will be counterproductive for the companies to hire Customs Brokers whose task is sole to sign and process export documents.

This requirement also undermines the existing Automated Export Declaration System (AEDS) in Export Zone where exports are done on-line and paperless.

The major export enhancing laws like PD 930 and RA 8744 all advocates and promotes simplified procedures, less signatories and less cost of doing export business.

PRAYERS

Exporters are not against professionalizing the Customs Brokers as intended by the Customs Brokers Act or RA 9280. However, it should not undermine the interest of the export industry, an industry that contributes more than one-half of the country's GNP and among the biggest source employment to Filipinos.

Philexport Cebu appeals to the government for the immediate amendment of R.A. 9280, to exclude processing and documentation of export documents as exclusive work to Customs Brokers.

Cebu City, this 31st of March 2006.

APOLINAR G. SUAREZ JR.
President