



CUSTOMS BROKERS: THEIR VITAL ROLE IN MEDIATING TRANSACTIONS BETWEEN SELECTED IMPORTERS IN METRO MANILA AND THE BUREAU OF CUSTOMS

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Abstract: This study looks at the vital role of Customs Brokers in mediating transactions between importers and the Bureau of Customs. To clearly assess the vitality of their role, this study investigates their importance in trade facilitation, prevention of technical smuggling and securing the revenue collection of the government. The study employed 74 Bureau of Customs representatives and 95 selected importers in Metro Manila as respondents. Descriptive method was utilized using questionnaires to gather data. Percentage was employed for the profile of the respondents; weighted mean using a Five-Point Likert scale to determine the level of importance of the Customs Brokers; T-Test of Independent or Uncorrelated Means is applied in assessing the significant difference on the perceptions of the two groups of respondents.

The study revealed that most of the BOC respondents are from the Formal Entry Division (44.1%) and Assessment Division (37.8%). Most of them are regular personnel (98.6%) of the Bureau holding positions as Customs Officers (44.6%) and Examiners (43.2%) with 7 years and beyond experience in the industry (81.1%). On the other hand, majority of the importer respondents are regular employees (82.1%) who came from the Logistics Department (49.5%) of the importing companies with position as staffs (61.1%) and having 1-3 years of experience in the industry (38.9%). The BOC respondents reveal that generally, Customs Brokers are very important (4.44) in facilitating trade; very important (4.47) in the prohibition of technical smuggling and very important (4.35) in securing the revenue collection of the government. On the other hand, the selected importers have an overall appraisal that customs brokers are very important (4.46) in trade facilitation; very important (4.36) in the obstruction of technical smuggling in any form and also very important (4.26) in the security of government's revenue and income.

The BOC representatives and importers have the same perceptions on the importance of the customs brokers in mediating transactions in terms of trade facilitation and preventing the occurrence of technical smuggling. However, they have different perceptions on the importance of the Customs Brokers in mediating transactions in terms of securing the revenue collection of the government. Nevertheless, Customs Brokers are very vital in mediating transactions between the BOC and importers. At the most, they are very crucial and essential in the field they serve.

Keywords: Customs Brokers; role; transactions; importers; Bureau of Customs



1. THE PROBLEM

1.1 Introduction

In 2013, United States of America set \$2,294 billion of imports, Myanmar reached an all time high of 1824.80 USD Million, and in the Philippines, the final value of total imports was US\$62,411 million. No country is self-sufficient indeed. Every country-developed, under-developed or developing looks into importation of goods to suffice deficiencies on its territory. Likewise, it satisfies the quoted adage of John Donne, "No man is an island."

Due to this sheer magnitude of goods and huge volume of importations which cross the Philippine borders annually, one of the main reasons for hiring a customs broker is to free up the importer's time in clearing the imported goods through Bureau of Customs custody which generate and ensure the revenue of the government from the imported articles, suppress smuggling in forms of misdeclaration, undervaluation and misclassification as well as seize contrabands.

In view of this, the study was pursued to know and evaluate the extent of importance of the role customs brokers in negotiating crucial transactions. Therefore, this study looked at the customs brokerage activity and its vital role in facilitating undertakings between the importers and Bureau of Customs who has reciprocal influence with each other.

1.2 Background of the Study

Customs broker is any person who is bona fide holder of a valid Certificate of Registration/Professional Identification Card issued by the Professional Regulatory Board and Professional Regulation Commission (R.A. 9280, Sec. 4a) and customs broker profession involves services consist of consultation, preparation of customs requisite document for imports and exports, declaration of customs duties and taxes, preparation signing, filing, lodging and processing of import and export entries representing importers and exporters before any government agency and private entities in cases related to valuation and classification of imported articles and rendering of other professional services in matters relating to customs and tariff laws its procedures and practices. A customs broker shall be considered in the practices of the profession if the nature and character of his/her employment in private enterprises requires professional knowledge in the field of customs and tariff administration.

He/she is also deemed in the practice of custom Broker profession if he/she teaches customs and tariff administration subjects in any university, college or school duly recognized by the government. (Sec. 6, R. A. No. 9280). This clearly identifies the functions as well as role of the customs brokers in trade and cargo clearance facilitation and even in the field of academe.

On the other hand, importers are "the party bringing in the goods" and the goods from foreign country brought into a jurisdiction, especially across the border of the Philippines which is called an import. Importers are the ones who make the importations, and who are liable for the payment of duties and taxes levied on the imported goods. Normally, they are named either as the consignee in the shipping documents and or as the buyer in the exporter's invoice.

The Bureau of Customs, nonetheless, is under the supervision of Department of Finance which has the mission to assess and collect lawful revenues efficiently; to effectively curb illicit trade and all forms of customs fraud; to facilitate trade in a secured manner; to implement relevant technology for an efficient and effective customs management aligned with the international customs best practices; and to promote professionalism and integrity in the service.

In the Philippines, traditionally, importers rely on customs brokers to pull the necessary information together and clear the goods through customs. In order to avoid costly delays, fines and even seizure of goods, the broker must have a firm grasp of foreign and domestic shipping procedures, customs laws and restrictions for certain commodities. They untangle the maze associated with various government regulations and liaison with the BOC to expedite the flow of documentations and release of the cargo.

1.3 Local Literature

Customs Brokers: Tossed by Issues. From the Philippine Star, Anonymous (2014) informed the public that the Bureau of Customs suspended the accreditation of 115 of importers and customs brokers who have repeatedly violated Customs policies and procedures in filing import documents.

Additional issue reported by Almonte (2014) that Phoenix Petroleum was alleged on oil smuggling and the controversial 1,700 containers of imported goods vanishing in thin air while being trucked to Batangas City. Customs brokers were linked to the



said controversies and alleged to have participation in smuggling.

The above report made by an Anonymous and Almonte has relevance to the present study because this is one of the problems encountered by customs brokers by not conforming to the rules and regulations enforced by the government. Importers and brokers habitually failed to disclose the detailed descriptions of the imported articles. 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.

Tabirara (2014) stated that every time an importer is charged with smuggling, the broker is usually included. Sometimes, importers are misleading them on the facts and value of the goods being imported and yet pressed the customs brokers to clear it as soon as possible. Notwithstanding, smuggling is not just happening with the joint participation of the customs brokers and importers. "There are however, smugglers who know who to talk and there are also customs employees who allow 'negotiation'" Alex (2014).

The statements of Tabirara and Alex are connected to the present study because these are contributory factors of the tarnished image of the customs brokers which was frequently cited corrupt that limits the nation's development ambitions and desires. On the point of Tabirara, he argued that brokers don't really want to be in the bad light, but it happened for the fulfilment of duties to their clients. For the realization of their duties to the importers to clear the importations as fast as possible, they are forced down to be in bad situation. On the disclosure of Alex, he is saying that smuggling also occurs because the people working inside the government agency permit it to happen. They adopt the under-the-table transactions and accepts large amount of money from the brokers or importers just to tolerate the fast and immediate clearance smuggled importations.

Customs brokers admit they have been hit by recent reports of colleagues being linked to smuggling (Almonte, 2014), yet there are still importers and customs brokers who are true to their businesses. Pablo (2014) reported the top customs broker and importer (as cited in government data portal, 2013) in terms of volume of imports and paid the highest duties and taxes. The biggest importer by volume was Petron Corporation who imported 22.307 billion kilograms and processed P178.905 billion worth of CIF (Cost, Insurance and Freight); it paid P902.205 million in customs duties while

Fedelina Pascua, one of the oil giant's brokers topped the list.

The statement of Almonte and the report of Pablo have direct bearing to the current research because it is being implied that there are still companies and brokers who comply with the proper exposure of the details of the imported articles and payment of the right duties and taxes levied on goods imported. Customs brokers are effective in the processing of importations and their role should not be underestimated. Further, their services not just beneficial to the importers in the instantaneous cargo facilitation but they also can secure the collection of the Bureau of Customs through correct assessment of the duties and taxes.

The Challenged Profession. Due to the gross mistakes made by some customs brokers which created negative public perception about their role in trade facilitation, Almonte (2014) said that this led to the national outrage that the fuelled law (Customs Modernization and Tariff Act) makers push for a revamp of the Customs and Tariff Act.

The article of Almonte has relationship to the study of the researchers because the CMTA or the proposed modernization has direct impact to the role of the customs broker. The government sees the call to modernize the law on Customs Administration. Further, due to Philippines' accession to RKC, it is compelled to update and review the existing trade framework and policies of the country paralleled to the harmonized international customs procedures. But it would apt to diminish or the worst is eliminating the important role played by the customs broker in the facilitation of trade by allowing the importers to make entry and declare their imported articles.

From the published article, the proposition acquired collective resistance from the customs brokers. "We are waging a battle because we are affected" (Tabirara, 2014).

The argument of Tabirara has an affiliation to the present study because it stressed out the concern of Customs brokers to fight and secure their learned profession. They studied for 4 years just to practice the brokerage services and passing the examination is never been easy as eating peanuts as he expressed that out of 4000 graduates of the Customs Administration course yearly, only 300 to 400 pass the examination. So, it is unjust to diminish their role because of the modernization. Customs Administration is difficult and complex that even importers and ordinary persons are not capable of doing without the knowledge on customs administration.

They could hardly or cannot assess and compute precise duties and taxes on imports as accurately as a licensed customs broker could perform like Singhco (2013) argued that “a customs broker is unequally knowledgeable individual in dealing with Tariff and Customs matters.”

The matters governing customs administration, like puzzle is complicated and covered with technical and legal knowledge that only customs brokers could understand as well as solve.

After all, in a published article, (Maala, 2013) believed that customs brokers are vital to the supply chain.

Maala’s statement jives to the present research because it shows the vital role of the customs brokers in terms of the distribution and flow of supplies. As a mediator, they facilitate the flow and clearance of goods from Bureau of Customs custody as importers needed them to continuously run and operate their businesses. Huge volume of trade enters the Philippine jurisdiction and customs brokers supply the services to facilitate these goods. Other people especially the proponents of the CMTA are not aware of what they are doing in trade facilitation and they didn’t fully understand their importance in the economy as a whole.

Regulation, Role, Duties and Responsibilities. According to the book of Nague (2005) the primary purpose of regulating the practice of customs broker profession is to insure that the customs broker services are to be rendered by competent and licensed persons in order to promote public welfare in general and the Philippine economy in particular.

The book of Nague correlates to the current work because it directly pertains to profession of the customs brokers. The profession requires mental or intellectual skills which will be tested through examination and to be competent, the customs broker must passed it. Customs brokers are knowledgeable about the goods entering the Philippine borders and they know the classifications or types of importations. They can easily distinguish what imported articles would harm the people and the nation itself. In addition, in terms of the Philippine economy, they ease trade facilitation. Hence, they contribute to the fast supply of the goods needed by the country.

Carlos discussed in a book that customs brokers (as cited in Dascil, 2004) are little known in the economy but in the field of international trade they are the hub of importers playing a vital role in the movement and flow of foreign trade.

The discussion of Carlos has connection to the present study because it also showcased the

importance of the customs brokers in providing communication between the importers and the government. They are the link between the importers and the government to collaborate and fulfil the customs requisites to equalize the supply and demand and at the same time contribute to the collection of revenue of the Bureau of Customs.

There are additional duties and responsibilities customs broker play. From the book of Dascil (2004), he stated that it is a role and responsibility of a customs broker to ensure that the client will comply with the rules and regulations. He has to make sure that the importer shall not produce false and misleading information before the Bureau of Customs. As a representative of the importer before the government agency, he/she must convey the necessary documents regarding the importation in conformity to the existing policies. Omission of factual and essential information may be considered smuggling; therefore a custom broker should warrant that all necessary details will be exposed.

A customs broker or his representative shall not influence or attempt to influence the conduct of any BOC official or employee of the BOC in any matter pending (Dascil, 2004). Just to hasten the process, some brokers offer special inducements to the BOC officials in the form of gifts, valuables and even money. This should not be practiced by customs brokers. “Do not accept the notion that the ‘kalakaran’ is the way it has always been and the way it will always be (Biazon, 2009).” Walk on the right path, work with etiquette and spurn the ways of “kalakaran”. Customs brokers should possess high self-discipline to free themselves from illegal practices.

The book of Dascil and the statement of Biazon relate to the study of the researchers because ethics must be conformed in doing the brokerage profession.

As Government’s Partner. In his sponsorship speech, Senator Pimentel (2003) conveyed, “the customs broker profession is an indispensable partner of the Bureau of Customs.”

The speech of Senator Pimentel has direct association to the present study because the role of customs brokers is beneficial to the government. They help the government specifically, the Bureau of Customs in collecting the right amount of duties and taxes through proper valuation, classification and taxing of imported goods. Reaching the target of revenue collection, customs brokers also aid in upholding the interest of the government from the imported articles crossing the Philippine borders.

1.4 Foreign Literature

Customs Brokers: In Trade Facilitation. In United States, according to Giermanski and Giermanski (2014) importers, even the smaller ones are continuing to use third parties to provide services on clearing cargoes and from the belief of Lee (2013), customs brokers play an important role in the supply chain.

Like the previous justifications, the above statements of Giermanski and Giermanski as well as Lee which were generated from articles have something to do with the present study. Customs broker is one of the third parties mentioned empowered by U.S. Customs and Border Protection (CBP) to assist importers to meet the Federal requirements governing the imports. Due to limited knowledge on policies and regulations, importing companies, big or small, employ a broker rather than doing the import entries, still it is not mandatory. Through this, they can ensure that trade transaction will be managed well.

Opposing Views. Fortlage (2011) reiterate to his article, *The Role of the Customs Broker in the Import Transactions*, that in order to avoid problems in the import transactions, it is vital to choose a broker with care, to understand the importer's relationship with the broker, and to understand the broker's role in the transaction.

The article of Fortlage has importance to the current study because having harmonious relationship between a customs broker and an importer is essential in the performance of a role. Customs brokers are the partners of the importers in the success of business. The sectors work hand in hand to attain their business goals. It's like choosing a gas station when one's automobile needs refuelling. Fortlage pointed out that with the type of responsibility entrusted to a broker, (as cited in Lee, 2009) extreme care should be taken in not only choosing the broker but also in working with the broker.

But, on the other hand, despite the justification of the relevance of the existence of the customs brokers, other people or industries realize their failures in enhancing the value of services. Some importers elect the "do-it-yourself" process of direct filing the majority of their entries with customs (Anonymous, 2011) to be free from any error. Since they know the information regarding the importations they made, they rather take care of the preparations and processing of the entries.

Whether or not an importer should utilize a customs broker primarily depends upon the amount of the imports the importer will have and the number of

expertise of its own personnel (Johnson and Bade, 2010).

Both explained that if the importer or importing company can provide the sufficient personnel with significant expertise, these people can be trained to handle the job of importing procedures and documentation. Hence, hiring a customs broker is not necessary. But, on the other hand, if the importers lack enough personnel and knowledge, they are expected to tap the services of customs brokers.

1.5 Statement of the Problem

Given the ongoing push to modernize customs administration, this have stimulated the researchers to conduct a study on the vital role of customs brokers in mediating transactions between importers and the Bureau of Customs. It identified the functions of a customs broker, customs brokerage profession and services for the purpose of assessing the importance of customs brokers in cargo facilitation, prevention of technical smuggling and securing government revenue collection.

The study intended to answer the following questions:

1. What is the profile of the respondent importers and Bureau of Customs representatives in terms of:
 - 1.1 Profession/Work;
 - 1.2 Department;
 - 1.3 Position;
 - 1.4 Years of experience;
 - 1.5 Employment Status?
2. As perceived by the selected importers and the BOC representatives, how important is the role of customs brokers in mediating transactions in terms of:
 - 2.1 Trade Facilitation;
 - 2.2 Prevention of Technical Smuggling;
 - 2.3 Securing Government Revenue Collection?
3. Is there a significant difference on the views of the two groups of respondents with regards to the importance of the customs brokers' roles in mediating transactions?

1.6 Scope and Limitation of the Study

The study focused on the vital role of customs brokers in mediating transactions between the importers and the Bureau of Customs. This research was conducted to examine as well as evaluate how important is the role of customs brokers in terms of mediating in cargo facilitation between the carrier of the imported goods and the



BOC. The words “how important” served as a reference point in determining the extent of vitality at which the role of customs broker lies. The study had the following groups of respondents; selected importers in Metro Manila and the Bureau of Customs representatives in Bureau of Customs (BOC) - NAIA (Ninoy Aquino International Airport), Bureau of Customs (BOC) - Port of Manila and BOC-Manila International Container Port (MICP) who has direct contact as well as transactions to the customs brokers. The research started last June 2014 and completed on October 2014, within 4 months, a period which is not long enough to allow prompt detailed outcome undertaken in helping and guiding the beneficiaries of this study.

The study was limited only to the importers in Metro Manila and the Bureau of Customs representatives on their respective areas in NAIA, Port of Manila and MICP.

2. METHODOLOGY

2.1 Research Design

This study adopted the descriptive survey research method since it used descriptive design which was based on the present happenings. Hence, it used survey questionnaires as principal instrument, and quantitative technique was adopted for the study. It involved questionnaire survey of the selected importers in Metro Manila and Bureau of Customs employees in their respective designation at BOC- Port Manila, BOC- Ninoy Aquino International Airport (NAIA) and BOC- Manila International Container Port.

2.2 Sample and Sampling Technique

This study is composed of two groups of respondents- 74 Bureau of Customs representatives and 95 selected importers. The first group of respondent were Bureau of Customs employees in Port of Manila, Manila International Container Port and Ninoy Aquino International Airport who have face-to-face transactions to the customs brokers.

On the other hand, the second group of respondent is the selected importers from Metro Manila. These importers came from the employees of the importing companies or firms who are composed of EDMI Philippines, Inc., Arkay Energy and Industrial Corporation, Care Stream Health Philippines, Inc., GlaxoSmithKline Philippines, Inc., DHL Express, Rexim Philippines, Bhagi’s International Trading, Formway Trading and Services, Inc., Creative Skin and Spa, and Essilor Philippines who usually have definite and precise

connection to the customs broker in processing the importations.

It utilized the convenience sampling technique for the survey questionnaires which were distributed to those respondents who are physically available during the data gathering of the researchers.

2.3 Research Instrument

The data for the study were thus collected using questionnaires. Questionnaire consisting of mainly structured or close-ended questions was used to collect the primary data for the study. Close-ended questions were used to provide control over the participant’s range of responses by providing specific response alternatives. Hence, this made it easier to summarize and analyze the responses.

2.4 Data Gathering Procedure

By the use of convenience sampling method, the researchers personally gave out the questionnaires to the BOC representatives who have face-to-face transactions to the customs brokers to fill and to the selected importers in Metro Manila who also have direct interaction to the brokers in aiding and smoothing the progress of the importation. The researchers personally collected all completed questionnaires from the BOC employees and importers at the point where the questionnaires are administered. After the questionnaires had been filled out, the researchers ensured that the respondents answered all relevant and necessary questions.

2.5 Statistical Treatment

The study used the percentage (%) for the profile of the respondents- selected importers and BOC representatives.

The formula is:

$$\text{Percent} = \frac{(f/n)}{100}$$

Where:

$$\begin{aligned} f &= \text{frequency} \\ n &= \text{total number of the part} \\ 100 &= \text{constant} \end{aligned}$$

The weighted mean was employed from the generated data concerning the level of importance of the customs brokers in mediating transactions between the selected importers in Metro Manila and the Bureau of Customs.

The formula for the weighted mean is:

$$X = \frac{\sum fX}{N}$$

Where: X = Weighted mean
 $\sum fX$ = Sum of the product of the weighted frequencies
 f = Sum of the frequencies of number of respondents
 n = Population
 Σ = Summation

The measurement for the weighted mean used the Likert-type Scale with verbal interpretation as follows:

Table 2.1. Likert-type Scale w/ verbal interpretation

<i>Weight</i>	<i>Range</i>	<i>Verbal Interpretation</i>
(5)	4.51-5.00	Extremely Important
(4)	3.51-4.50	Very Important
(3)	2.51-3.50	Fairly Important
(2)	1.51-2.50	Less Important
(1)	1.00-1.50	Not Important

The researchers also utilized the T-Test of Independent or Uncorrelated Means. The formula for the T-Test is:

$$t = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{s_1^2 + s_2^2}{n}}}$$

3. RESULTS AND DISCUSSION

3.1 The profile of the respondents.

Table 1. Percentage Distribution of the BOC/Importer Respondents in Terms of Profession/Work

Profession	BOC		Importers	
	F	Percentage	F	Percentage
Government	74	100.00	-	-
Private	-	-	95	100.00
Total	74	100.00	95	100.00

Table 2. Percentage Distribution of BOC Respondents in Terms of Department/Division

Department	F	Percentage
Assessment Division	28	37.8
Formal Entry Division	40	44.1
Informal Entry Division	1	1.4
Warehousing Division	5	6.8
Total	74	100.0

Table 3. Percentage Distribution of the Importers in terms of Department/Division

Department	F	Percentage
Import	21	22.1
Logistics	47	49.5
Product	1	1.1
Purchasing	26	27.4
Total	95	100.0

Table 4. Percentage Distribution of the BOC Respondents in Terms of Position

Position	F	Percentage
Acting Chief	1	1.4
Chief	1	1.4
Clerk	1	1.4
Customs Guard	1	1.4
Customs Officer	33	44.6
Examiner	32	43.2
Section Chief	1	1.4
Storekeeper	2	2.7
Wharfinger	2	2.7
Total	74	100.0

Table 5. Percentage Distribution of the Importers in Terms of Position

Position	F	Percentage
Coordinator	1	1.1
Manager	20	21.1
Officer	15	15.8
Product Manager	1	1.1
Staff	58	61.1
Total	95	100.0

Table 6. Percentage Distribution of the BOC Respondents in Terms of Experience

Years of Experience	F	Percentage
1 – 3 years	1	1.4
4 – 6 years	13	17.6
7 years and above	60	81.1
Total	74	100.0

Table 7. Percentage Distribution of Importers in terms of Years of Experience

Years	F	Percentage
1 – 3 years	37	38.9
4 – 6 years	23	24.2
7 years & above	35	36.8
Total	95	100.0

Table 8. Percentage Distribution on the Employment Status of BOC respondents

Status	F	Percentage
Contractual	1	1.4
Regular	73	98.6
Total	74	100.0

Table 9. Percentage Distribution on the Employment Status of Importers

Status	F	Percentage
Contractual	8	8.4
Probationary	9	9.5
Regular	78	82.1
Total	95	100.0

The study revealed that respondents were made up of 74 BOC representatives as well as 95 importers with the sum of 169. It appeared therefore that all BOC were government personnel and also all of the importers were engaged in private entities. The study exhibited that 44.1% of the BOC respondents were from the Formal Entry Division, 44.6% were customs officers, 81.1% had 7 years and beyond experience in the industry, and (98.6%) were all regular personnel of the Bureau; whilst out of 95 importer respondents, 49.5 were from Logistics Department consolidating the imports and maintaining the supply chain management, 61.1% were staffs, 38.9% have 1-3 years of experience in the industry, and 82% were regular employees of the

company. These percentage distributions of the profile stated above were the most numbered respondents who answered the questions.

3.2 Level of importance of the Customs Brokers' role in mediating transactions.

Table 10. Mean Distribution on the Importance of Customs Brokers in Trade Facilitation

Items	BOC		Importers	
	WM	Interpretation	WM	Interpretation
Preparation of customs requisite documents	4.45	Very Important	4.49	Very Important
Declaration of customs duties and taxes	4.54	Extremely Important	4.54	Extremely Important
Preparation of import entries	4.42	Very Important	4.51	Extremely Important
Signing of import entries	4.47	Very Important	4.42	Very Important
Filing of import entries	4.47	Very Important	4.43	Very Important
Lodging of import entries	4.45	Very Important	4.36	Very Important
Processing of import entries	4.42	Very Important	4.48	Very Important
Representing importers before government and private entities	4.41	Very Important	4.47	Very Important
Other professional services relating to customs and tariff laws	4.39	Very Important	4.49	Very Important
Consultation	4.38	Very Important	4.37	Very Important
Over-All Mean	4.44	Very Important	4.46	Very Important

Table 11. Mean Distribution on Importance of Customs Brokers in Prevention of Technical Smuggling

Item	BOC		Importers	
	WM	Interpretation	WM	Interpretation
1. Misdeclaration	4.45	Very Important	4.37	Very Important
2. Misclassification	4.49	Very Important	4.33	Very Important
3. Undervaluation	4.46	Very Important	4.37	Very Important
Over-all Mean	4.47	Very Important	4.36	Very Important

Table 12. Mean Distribution on Importance of Customs Brokers in Securing Government Revenue Collection

Item	BOC		Importers	
	WM	Interpretation	WM	Interpretation
1. Ensure the collection of the right amount of duties and taxes from the imported articles	4.36	Very Important	4.23	Very Important
2. Helps in reaching the target revenue of the Bureau of Customs	4.3	Very Important	4.25	Very Important
3. Helps in the tax collection efforts of the government by discouraging smuggling to the importers	4.39	Very Important	4.29	Very Important
Over-all Mean	4.35	Very Important	4.26	Very Important

BOC employees and importers believed that customs brokers are very important in trade facilitation having the overall mean of 4.44 and 4.46 respectively. BOC representatives and importers also positively determined that customs brokers were also very important in the prevention of technical smuggling having the overall mean of 4.37 and 4.36 respectively. Lastly, the results expressed that BOC employees and importers believed that customs brokers are very important in securing the revenue collection of the government having the overall mean of 4.44 and 4.46 respectively. However, the results show that customs brokers are extremely important

in declaration of customs duties and taxes levied on imported articles under trade facilitation which are evaluated by both importers and BOC representatives.

3.3 Significant difference on the views of the respondents with regards to the importance of the customs brokers' roles in mediating transactions.

Table 13. T-test of the Perceptions on the Importance of the Role of Customs Brokers in Mediating Transactions by the Selected Importers and BOC representatives in Terms of Trade Facilitation

Respondents	N	Mean	s.d	d.f	Computed t	Computed p	Interpretation
BOC	10	4.4400	.0	18	0.669	0.329	$p > 0.05$
Importers	10	4.4560	.069				Not Significant

Table 14. T-test of the Perceptions on the Importance of the Role of Customs Brokers in Mediating Transactions by the Selected Importers and BOC representatives in terms of Prevention of Technical Smuggling

Respondents	N	Mean	s.d	d.f	Computed t	Computed p	Interpretation
BOC	3	4.4667	.0208	4	0.182	0.865	$p > 0.05$
Importer	3	4.3567	.0231				Not Significant

Table 15. T-test of the Perceptions on the Importance of the Role of Customs Brokers in Mediating Transactions by the Selected Importers and BOC representatives in Terms of Securing Government Revenue Collection

Respondents	N	Mean	s.d	d.f	Computed t	Computed p	Interpretation
BOC	3	4.3500	.0458	1	-	0.04	$p < 0.05$
Importers	3	4.2567	.0305	6	2.935	0.043	Significant

The research has conveyed that the computed t is -0.669 with $d.f. = 18$ and computed $p = 0.329$ which is higher than $\alpha = 0.05$, therefore the null hypothesis is hereby accepted which means that both BOC and importers have the same perceptions on the importance of the customs brokers in mediating transactions in terms of trade facilitation. In terms of suppression of technical smuggling, the null hypothesis was also accepted since the computed t is 0.182 with $d.f. = 4$ and computed $p = 0.865$ which is higher than $\alpha = 0.05$. Nevertheless, in terms of securing the revenue collection of the Bureau of Customs, the null hypothesis was rejected because the computed t is 2.935 with $d.f. = 164$ and computed $p = 0.043$ which is higher than $\alpha = 0.05$ which means that the two groups of respondents vary on their perceptions.

4. CONCLUSIONS

The study was aimed at investigating the vitality of the role of the customs brokers. In the light of the findings, the following conclusions are drawn:

4.1 The profile of the respondents.

Most of the respondents are Customs Examiners who came from Formal Entry Division having 7 years and beyond experience in the industry and are regular employees of the government. On the other hand, on the part of the importers, majority of the respondents are staffs of the Logistics firm having 1-3 years of experience and are regular employees of the private entities.

4.2 Level of importance of the Customs Brokers' role in mediating transactions.

The study reveals that the respondent BOC employees and selected importers have the same or similar appreciation on the importance of the customs brokers. Both believe that customs brokers are very important in trade facilitation, in prevention of technical smuggling and securing the revenue collection of the government. Customs brokers are very crucial and essential in the field they serve indeed. The services they provide have positive effects on the smooth transactions between the importers and BOC personnel.

4.3 Significant difference on the views of the respondents with regards to the importance of the customs brokers' roles in mediating transactions.

The results also show that there is no significant difference on the views of the two groups of respondents with regard to how important is the role of the customs brokers in mediating transactions in terms of trade facilitation and prevention of the occurrence of technical smuggling. However, there is a significant difference on the views of the two groups of respondents with regards to how important is the role of the customs brokers in mediating transactions in terms of securing the revenue collection of the government. The BOC representatives see customs brokers as securing factor in the revenue of the government. Notwithstanding, the importers, more likely believe that customs brokers are not effective in achieving the target of the government. Customs brokers tolerates bad acts, commits under-the-table transactions and sometimes, the smugglers themselves. Further, they also have connivance to the bad actors in the Bureau of Customs so that they can continue their interest.

The similarities and differences on the perceptions of the group of respondents indicates that despite their importance, some thinks that their role needs to be upgraded to be more effective on the services they provide.

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