

# Alignment of Customs Brokers' Competencies to RA 10863 Standards as Input for Retooling Program

## Article History:

Received: 11 October 2024

Accepted: 12 October 2024

Published: 17 October 2024

Lamberto G. Mindanao, ORCID No. 0009-0004-7446-1616

Doctor of Business Administration (DBA), St. Paul University-Manila, Ermita, City of Manila, Philippines


## Abstract

In this study, the researcher used the mixed-method design specifically applying the sequential exploratory research approach. This involved the use of document analysis and focus group discussion (FGD) among selected Customs Brokers of the Philippines. The procedure commenced with the preparation and validation of a survey questionnaire that was administered to the Customs Brokers in determining categories and selected collection districts of the Philippines. For the qualitative phase, the researcher used document analysis and focus group discussions. There were nine (9) participants for FGD and one hundred forty-six (146) respondents for the survey, a total of one hundred fifty-five (155) sources. Participants were selected based on their areas of engagement. Percentage, frequency distribution, weighted mean, and ANOVA were used in presenting the data to evaluate the extent of the problem. Based on the data gathered and analyzed, customs brokers are moderately competent to implement RA 10863/CMTA in customs administration. They have moderate knowledge, ability, and attitude relative to customs administration prescribed by the CMTA. Customs Brokers has the highest competencies in the following: customs and supply chain management; ability to interact and negotiate; and ethics and integrity. The test revealed that customs brokers, who are now on their 15 to less than 20 years in the customs industry, have significantly lower overall competence. The results clearly show that Customs Brokers from the outports have significantly lower overall competence than those from the Manila ports, those working in the Academe, and those in the private firms. Based on the findings, the researcher concluded that Customs Brokers' knowledge, ability, and attitude align with the standards of the CMTA to a moderate extent. Customs Brokers, therefore, are important components to re-tool the Philippine Bureau of Customs. Customs brokers possess the highest competencies in the following: customs and supply chain management; ability to interact and negotiate; and ethics and integrity but need improvement in economic, finance, and information and data management. Based on the findings and conclusions of the study, the following recommendations were drawn: alignment of customs brokers' and customs administrators' competencies with the standards of regional and global Philippines' commitments; inclusion of customs brokers financial capability as one of the considerations in competency assessment; hiring of professional customs brokers in BOC positions as a matter of priority and policy; systematic and strategic competency enhancement training for members of CCBI in the outports and for the aging members that need updates and trends; implementation of the Re-Tooling Program formulated based upon the findings of this study and a systematic evaluation for the purpose; cooperation among CCBI, PRB-CB, HEIs to promote the use of the Re-Tooling Program in the professionalization and modernization of the Philippines' customs administration.

**Keywords:** Republic Act 10863, Customs Broker, Competencies, Modernization, Re-Tooling Program



Copyright © 2024. The Author/s. Published by VMC Analytik's Multidisciplinary Journal News Publishing Services. Alignment of Customs Broker's Competencies to RA 10863 Standards as Input for Retooling Program © 2024 by Lamberto G. Mindanao is licensed under [Creative Commons Attribution \(CC BY 4.0\)](https://creativecommons.org/licenses/by/4.0/).

 Dr. Lamberto G. Mindanao is a distinguished academic and professional in the field of customs and international trade. Firstly, he held several important positions in logistics and business industries. He served as Executive Vice President (2013-2015) of the Chamber of Customs Brokers, Inc. (CCBI), as Secretary General of The Society of Filipino Customs Brokers Inc., as Director of the Philippine Association of Customs Brokers in Education (PACBE), and as Corporate Communication Officer of the Council of Marketing Educators (CME). Dr. Mindanao's commitment to education and professional development is also evident in his active involvement in various academic and professional organizations. He is a professor and guest lecturer of business and customs courses at the Asian Institute of Maritime Studies, Lyceum of the Philippine University-Manila, and Adamson University.

A graduate of Bachelor of Science in Customs Administration at Lyceum of the Philippines University (LPU)-Batangas, Dr. Mindanao is a Licensed Customs Broker by profession. He

finished his Master in Business Administration (MBA) at the Philippine Christian University (PCU)-Manila and earned his Juris Doctor from City University of Pasay (CUP). He also completed his Doctor of Business Administration (DBA) degree at St. Paul University-Manila (SPUM). At present, Dr. Mindanao is the Vice President for Academic Affairs (VPAA) at Asian Institute of Maritime Studies in Pasay City, Philippines. Address correspondence to Dr. Lamberto G. Mindanao, Asian Institute of Maritime Studies, Arnaiz Avenue, Pasay City. [lgmindanao@aims.edu.ph](mailto:lgmindanao@aims.edu.ph); [lambertgm858@yahoo.com](mailto:lambertgm858@yahoo.com).

## INTRODUCTION

President Benigno Aquino III of the Philippines expressed his concern with an allegedly insurmountable problem in the country's

customs department during his State of the Nation Address in July 2013. He emphasized that the problems are the fault of everyone. The previous President's displeasure came amid a rising tide of global customs reforms spurred by the burgeoning ideas of trade facilitation, which his government has pledged to adopt. Trade facilitation encourages countries to simplify and unify their international trade systems, resulting in modernization initiatives in customs systems not just among industrialized but also underdeveloped countries. The Philippines' decades of difficult circumstances and its recent embrace of the concept of modernity have resulted in a number of paradigm adjustments, particularly in border and customs control.

From 1960 to 2011, the Philippines had a number of issues with income collecting. The country lost \$267 billion in income due to trade mis-invoicing in its import and export activity over the years studied. Losses from outright smuggling into and out of the country are not included. Illicit financial flows have defrauded the government of an average of \$1.46 billion in tax income every year since the year 2000. In 2011, the lost tax revenue totaled \$3.85 billion, which was more than twice the budget deficit, which was equal to 95% of all government social benefit expenditures in the same year. The above-mentioned problematic scenarios drive Philippine trade facilitation in the context of customs administration, which is directed by the country's commitment to the World Customs Organization's Revised Kyoto Convention. As a result, Republic Act 10863, often known as the Customs Modernization and Tariff Act, was enacted.

Fundamentally, the R.A. 10863 or The Customs Modernization and Tariff Act was promulgated to reconstruct the Bureau of Customs, which was viewed as one of the most corrupt and less-performing agencies of the government. The law's passage also demonstrates the Philippines' commitment to the International Convention on the Simplification and Harmonization of Customs Procedures, popularly known as the Revised Kyoto Convention (RKC), to which it acceded on May

25, 2010. Under the Customs Modernization and Tariff Act, Filipino customs brokers have the status of both a business and a profession. They serve two constituencies: the government and their customers' businesses. The current situation necessitates that customs brokers possess abilities and capabilities that are adaptable to the new law's present context.

Customs brokers are regarded as quasi-customs agents who also function as a mediator on behalf of the importer/exporter customer. They are licensed and controlled by the Professional Regulation Commission through PRB-CB, or the Professional Regulatory Board for Customs Brokers, under Republic Act 9280. Customs Brokers are Bachelor of Science in Customs Administration graduates who meet the basic competency standards outlined in CHED Memorandum Order 11 s. 2005, which was deemed outdated and unresponsive to current needs. Many people believe that the old CHED Memorandum No. 11 s. 2005 was more concerned with customs brokering than with customs administration. It is in need of modification since it misses the knowledge, skills, and attitudes of a modern customs broker and customs administrator. The Customs Administration carries out a delicate fundamental state power: taxation and revenue collection. It should be noted, however, that no existing rules or regulations mandate that Bureau of Customs positions be filled by graduates of customs administration or licensed customs brokers. As such, it is up to the selected BOC Commissioner's judgment.

Modernizing customs, according to the researcher, entails much more than establishing new laws and regulations. It is about more than having cutting-edge technology. Employing skilled and competent experts whose capabilities are congruent with the needs of their employment is essential to modernizing customs. It necessitates manpower that is both adaptable to the new governing law and complies with internationally accepted standards and best practices. Modern customs necessitate a skilled personnel as well as flexible third-party service suppliers.

With great consideration to the foregoing, the researcher aimed to know the necessary customs brokers' competencies in order to comply or implement the provisions of RA10863 or Customs Modernization and Tariff Act (CMTA), and the areas of improvement of customs brokers' competencies to enable the customs brokers to play the role of customs administrators under the law. The study aimed to develop policy guidelines and enhancement program to align customs brokers' competencies with the provision of CMTA and retool the professional customs brokers and the Philippines' Bureau of Customs in general.

## LITERATURES

Modernization of Customs throughout the World. The World Customs Organization (WCO) developed a theoretical model for world-class customs that includes essential elements such as infrastructure, processes, technology, time management, cost control, and mission (Coyle & Cruthirds, 2014). Efficient policies and procedures help organizations operate effectively, and education strengthens organizational performance. Without proper managerial education and training, organizations may struggle. Effective processes align the organization's vision with its operations, improving security, trade competitiveness, the speed of commodity release, and compliance with international treaties. The integration of modern technology improves customs operations, especially in risk management and non-intrusive detection, and helps reduce delays (Coyle & Cruthirds, 2014).

One issue in customs is cycle time. Delays in transporting goods across borders increase costs and risk obsolescence, making businesses and countries less competitive. Transaction costs are another concern, as extensive border delays raise the prices of goods. The customs mission serves as the foundation for developing strategic approaches to ensure effectiveness (Coyle & Cruthirds, 2014).

Davaa and Namsrai (2015) assessed Mongolia's customs structures and recommended applying a risk-based customs control system to achieve compliance and support trade and investment. The risk-based system improves customs efficiency by activating resources and reducing unnecessary procedures. It encourages electronic systems and post-clearance audits to speed up services and reduce costs (Davaa & Namsrai, 2015).

Colesky and Raath (2015) discussed the inefficiencies in South Africa's customs system and emphasized the importance of political will and coordinated government efforts. Successful customs operations depend on holistic management, where all stakeholders, including customs, collaborate (Colesky & Raath, 2015). Similarly, Heinesson (2016) highlighted the importance of governance and integrity for capacity-building projects. He noted that the WCO's Arusha Declaration faces challenges in influencing members' capacity-building efforts, indicating the need for better communication and implementation strategies (Heinesson, 2016).

Canon (2016) presented Uruguay's efforts to fight corruption within its customs administration by introducing automated systems and transparent procedures. These measures, supported by a code of conduct, improved employee morale and strengthened relationships with the private sector (Canon, 2016). Wei (2016) explored the customs strategies adopted by BRICS countries to promote global trade and economic recovery. BRICS developed business-friendly policies such as Accredited Operator (AO) programs to enhance mutual recognition between customs administrations and encourage vocational training (Wei, 2016).

Widdowson (2016) emphasized a shift in customs practices, from inspecting goods upon arrival to monitoring them throughout the supply chain. This change, driven by the SAFE Framework, has improved the efficiency of customs operations globally. However, some countries prioritize maintaining trade relationships over addressing security risks,

such as cross-border threats (Widdowson, 2016).

Karlsson (2017) examined developments in the Authorized Economic Operator (AEO) program, which promotes compliance management and customs reform. AEO programs improve trade security and foster smoother customs processes. Expanding AEO initiatives to small businesses and government agencies is expected to enhance global trade and promote development. The AEO program provides a framework for balancing security, compliance, and business interests while supporting safer and more efficient international trade (Karlsson, 2017).

Philippines' Economic Prospect and Its Demands for Customs Administration Capacity Building Initiatives. In 2017, the Philippines was one of the top three economic performers in East Asia, alongside Vietnam and China. Despite a slight slowdown from 6.9% in 2016 to 6.7% in 2017, the economy remained strong, driven primarily by exports. While investment growth slowed and consumer demand softened, exports became the primary driver of economic growth. Imports also consistently grew by double digits. Rising inflation, however, slowed real wage growth and private consumption. Looking ahead, the Philippines is expected to maintain an annual growth rate of 6.7% in both 2018 and 2019, and 6.6% in 2020. The country is making strategic investments in physical and human capital to sustain its economic growth. Moreover, investment growth is supported by the government's effective implementation of public investment plans (Hans, 2018).

In the logistics sector, the Philippines is working to strengthen its infrastructure to position itself as Asia's preferred business destination and improve the ease of doing business. To stimulate economic growth, the country is expected to boost its GDP by at least 5% annually. Demand for construction-related goods such as metals and transportation equipment is predicted to rise. Additionally, the Philippines is enhancing its port infrastructure to prepare for ASEAN regional integration. The country is also focused on improving basic services like finance, telecommunications, and

logistics, with the goal of connecting domestic businesses to global markets. Investments in infrastructure and logistics are seen as critical to enhancing competitiveness, reducing costs, and improving connectivity (Hans, 2018).

In terms of trade regulations, the Philippines is anticipated to maintain anti-dumping and countervailing procedures while exploring new revenue-generating trade tools. Additionally, the country is striving to achieve its vision of a "Matatag, Maginhawa, and Panatag na Buhay" by 2022 through inclusive growth initiatives (Hans, 2018). The Bureau of Customs in the Philippines is in the process of modernizing its operations through the implementation of the Customs Modernization and Tariff Act (RA 10863), which incorporates the World Customs Organization's (WCO) Capacity Building principles of ownership, accountability, and empowerment. These principles aim to empower WCO member countries to modernize customs systems while developing capacity. In this context, human capital is considered the most significant asset for maintaining economic growth and competitiveness in customs administration (Checcucci, 2016).

The Philippines is committed to innovating in customs education and establishing customs as a profession. New platforms for collaboration in customs education are needed to enhance professional knowledge and elevate the status of customs professionals. The WCO has integrated education, training, and development programs for customs professionals, encouraging countries to develop career plans for customs officers (Checcucci, 2016).

Customs officials must focus on attracting talented employees, aligning their performance with organizational goals, and promoting a culture of integrity and regional partnerships. These principles are crucial for developing effective customs capacity-building programs in the Philippines (Checcucci, 2016).

The academic community in the Philippines also plays a vital role in customs education. Over 86 higher education institutions offer the Bachelor of Science in Customs Administration (BSCA)

program, which aims to develop skilled customs brokers and administrators. The competencies outlined by the Commission on Higher Education (CHED) under Memorandum Order No. 11 (2005) include advising on customs laws, preparing necessary paperwork, and representing clients before government agencies (CMO 11, 2005).

Efforts to amend CHED's curriculum standards have been made, but as of 2019, no updates have been implemented. Meanwhile, the Professional Regulatory Board for Customs Brokers has revised the Customs Brokers Licensure Examination to include new competencies required by the evolving customs environment. However, the BSCA curriculum remains unchanged, presenting challenges to both the customs authority and the academic community as they adapt to the requirements of the Customs Modernization and Tariff Act (Riga, 2016).

Republic Act 10863 or The Philippine Customs Modernization and Tariff Act (CMTA) of 2016. On May 25, 2010, the Philippines signed the Revised Kyoto Protocol, which led to the enactment of Republic Act 10863, also known as the Customs Modernization and Tariff Act (CMTA) of 2016. This law was implemented to confirm the Philippines' commitment to the Protocol and reorganize and modernize the Bureau of Customs (BOC), which had long been criticized for corruption and inefficiency. The CMTA aims to align the country's customs practices with the Revised Kyoto Convention (RKC) by simplifying and harmonizing customs procedures. It mandates the development of projects to improve customs systems over time, the adoption of transparent customs regulations consistent with international standards, and the creation of mechanisms for stakeholders to access information and comply with customs policies. Additionally, the law promotes coordination between government agencies and private sectors, offers fair grievance procedures, modernizes customs through information technology, and enhances professionalism by hiring competent customs officers.

The CMTA is divided into 18 titles, 43 chapters, and 319 sections, each addressing different aspects of customs administration. Title 1 provides preliminary provisions covering state policy, the start and termination of importation, the responsibilities of declarants, and the use of information technology in customs processes. Title 2 deals with the general administration of the Bureau of Customs, including its powers and functions, as well as its authority over districts and ports of entry. Title 3 outlines customs jurisdiction and control over goods and premises. Title 4 specifies the procedures for import clearance, including goods declaration, examination, and release, with special provisions for passenger baggage, mail, and advance clearance. Title 5 covers export formalities, such as export declaration and compliance with product standards. Title 6 focuses on customs transit and transshipment processes, specifying duties on transit goods and provisions for carriers' security.

Title 7 addresses the valuation of imported goods and trade remedies, while Title 8 provides guidelines for tax and duty exemptions, customs warehouses, and free zones. Title 9 discusses duty drawbacks and refunds, including the conditions under which refunds or abatements can be claimed. Title 10 deals with post-clearance audits, which allow customs officials to examine import records, demand relevant information, and issue summons if necessary. Title 11 outlines administrative and judicial procedures for customs disputes, including protest mechanisms, seizure orders, appeals, and penalties for customs violations. Title 12 defines the roles of third parties in customs operations, such as customs service providers and authorized economic operators. Title 13 establishes customs fees and charges, along with provisions for their adjustment. Title 14 specifies the penalties for customs offenses, including misdeclaration, undervaluation, and misconduct by customs employees. Title 15 includes miscellaneous provisions, such as transparency requirements, publication of rulings, outsourcing of customs functions, and adherence to international best practices. Title 16 focuses on tariff administration and the role



of the Tariff Commission, while Title 17 creates a congressional oversight committee. Finally, Title 18 covers the law's implementation rules, transitory provisions, and saving clauses.

One of the salient features of the CMTA is the definition of a "declarant," which is based on the RKC. Under Section 106 of the CMTA, a declarant is a person with the legal right to dispose of goods and must file a goods declaration with the BOC. This role can be filled by importers, exporters, customs brokers, or authorized representatives. For juridical entities, responsible officers such as the president, managing partner, or treasurer may act as declarants. The CMTA makes it more challenging for importers to act as declarants without involving customs brokers, ensuring that proper declarations are submitted. The law also grants the Commissioner of Customs the power to assign or reassign officials, provided they do not serve more than three years in one post. Additionally, the Commissioner holds exclusive jurisdiction to interpret the CMTA, subject to review by the Secretary of Finance. The CMTA introduced several new privileges and regulations. Section 800 increased the duty-free privilege for returning residents from ₱10,000 to ₱350,000, depending on their length of stay abroad, provided that imported goods are not for commercial purposes. Returning residents, overseas Filipino workers (OFWs), and other Filipinos are also allowed to bring in balikbayan boxes up to three times a year, tax-free, with a total value not exceeding ₱150,000. Section 402 mandates the use of formal entry procedures for goods valued at ₱50,000 and above, while personal and household items imported through passenger baggage or mail are exempt. Sections 403 and 411 introduce the option of filing provisional declarations when documentation is incomplete, provided that sufficient security is posted. The declarant must also swear under oath regarding the accuracy of the declared values and authenticity of submitted documents, with penalties imposed for false declarations.

The CMTA establishes time limits for customs procedures under Section 407. Goods declarations must be filed within 15 days of the

final package discharge, with a possible extension of another 15 days for valid reasons. Duties and taxes must be paid within 15 days of receiving the final assessment notice, and importers must claim their goods within 30 days after payment to avoid abandonment. Section 423 introduces a de minimis value, exempting goods worth less than ₱10,000 from duties and taxes. Additionally, the BOC is authorized under Section 1000 to conduct post-clearance audits within three years from the date of final duty payment. Importers are required to maintain records for the same period to facilitate audits. Special economic zone locators must also comply with these record-keeping requirements.

Penalties for non-compliance discovered during audits are outlined in Section 1005. Negligence results in a fine of 125% of the revenue loss, while fraudulent activities attract fines of up to 600% of the revenue loss and imprisonment of two to eight years. To support audits, Section 1004 empowers the BOC to access relevant business information from government agencies, summon individuals for testimony, and request financial documents from banks, though bank deposits remain protected. To prevent revenue loss from undervaluation, Section 709 allows the Commissioner to acquire undervalued goods at the declared customs value plus duties paid. The CMTA also provides civil remedies for the recovery of unpaid duties and taxes, including the distraint of personal and real property, as outlined in Section 1134.

Lastly, Section 1400 of the CMTA establishes stricter penalties for technical violations in goods declarations, such as misdeclaration and undervaluation. A surcharge of 250% is imposed if the discrepancy between declared and assessed duties exceeds 10%. If the difference surpasses 30%, it is considered prima facie evidence of fraud, triggering more severe penalties. These measures aim to enhance transparency, ensure compliance, and protect government revenues from fraudulent practices. The Customs Modernization and Tariff Act of 2016 reflects the Philippines' commitment to modernizing its customs operations in line

with international standards and addressing long-standing issues within the Bureau of Customs.

Competency Requirements in Customs Administration. Customs administration competencies are essential for effective operations and can be measured through practice. Operational skills include valuation, enforcement, and risk analysis, while management abilities involve planning, supply chain management, and people management. Models like the Swiss Federal Administration's Competency Model and Burkina Faso's framework highlight management, personal, social, and professional skills tailored to different organizational needs. Identifying key competencies ensures fair, performance-based staffing policies (WCO Framework, 2015).

Customs officers must manage risks, especially related to hazardous waste, which threatens people and the environment. Officers play a critical role in detecting hazardous materials at borders. Strategies for effective control include national Single Window systems, the WCO's Authorized Economic Operator program, and intelligence sharing at regional and global levels. Initiatives like the Green Customs Initiative convert field experience into systematic knowledge for waste management (Omi, 2020).

Innovation is vital, especially after the COVID-19 pandemic, which required customs to facilitate trade while preventing illegal activities. Innovations focus on adopting new technologies, improving communication, fostering partnerships, and promoting regulatory changes to meet modern challenges (Trevino, 2020).

Customs must also embrace data-driven governance. Although some agencies use data analytics, many lack comprehensive strategies. Key efforts include revenue forecasting, optimizing border security, and combating corruption. Open-source tools provide flexibility for data analysis, promoting innovation and collaboration among customs agencies worldwide (Mikuriya & Cantens, 2020).

In the Philippines, customs brokers' competencies align with the Philippine Skills Framework (PSF), which connects government, industry, and academia. The PSF identifies the skills needed for specific jobs and guides employers, job seekers, and educational institutions. It prioritizes sectors like logistics and supply chain management, focusing on areas such as freight forwarding, warehousing, logistics IT, and operations (Ibanez, 2021).

## METHODOLOGY

Populations, Samples, Sampling Design. The study's population consists of 3,600 licensed customs brokers practicing in different sectors. These brokers are grouped into five main categories: those working in out-ports, NCR ports (such as POM, MICT, and NAIA), academe, government service, and private firms. A total of 146 respondents were selected using a sample size calculator, with a 14% margin of error and a 95% confidence level. Purposive sampling was applied, ensuring respondents had at least one year of professional experience. Nine additional customs brokers were selected for a Focus Group Discussion (FGD), chosen based on age, gender, years of service, and practice category. The study's respondents were distributed across the five practice areas: 33% were focused on NCR ports, 22% in private firms, 19% in out-ports, 14% in academe, and 12% in government service. Although brokers are licensed for all ports, their primary area of operation may change annually, depending on shipment volume.

Research Instrument. Analysis of RA 10863 was conducted then a Focus Group Discussion was formed. At least one to two (1-2) customs brokers from each category formed part of the group. They were sourced out from the three major collection districts of the Philippines: NAIA, POM, MICT, out-ports, academe, BOC, and logistics firm. An interview questionnaire was formulated for group discussion purposes. Questionnaires were distributed digitally for the five scanning areas: out-ports, NCR ports, academe, government agencies (BOC), and logistics firms.

To determine the validity of survey content and construction, validation was conducted with the help of experts. A pilot test was conducted on a small subset of the population. This was to identify if there were questions that may arise, to determine the span of time spent on the survey of the respondents and to assess the reliability of the pilot survey.

A final survey was conducted. The respondents were asked to indicate their current views and scale from one to four. The rating scale is: 1 - not competent; 2 - fairly competent; 3 - moderately competent; 4 - highly competent. This was to identify the extent of customs brokers' competencies in order comply or implement the provisions of RA10863 or Customs Modernization and Tariff Act (CMTA). Cronbach's alpha is calculated by comparing the variation of all individual item scores to the overall score for each observation (typically individual survey respondents or test participants). The questionnaire obtained a coefficient of 0.98 indicating excellent internal consistency.

**Data Gathering Procedure.** The researcher conducted a document analysis of RA 10863 or the Customs Modernization and Tariff Act, followed by an independent analysis of a fellow who is considered expert in the field of customs and tariff education. The service of an independent document analyst was commissioned to mitigate biases that may be committed by the researcher during analysis. Thematic analysis was undertaken by the researcher upon the results of document analysis.

The researcher sent invitation letters to prospective members of the focus group discussion and scheduled the interview and discussion. The researcher and the commissioned independent analyst conducted the thematic analysis of the FGD transcript to create the Customs Brokers Competency Assessment Tool. The researcher commissioned the service of an independent analyst to mitigate biases during thematic analysis of the FGD transcripts. A survey tool

was then created independently by the researcher after combining the results of the analysis.

Once the Assessment Tool was created, the researcher then initiated the content and construct validation, as well as reliability test of the survey tool. Content and construct validation were undertaken by independent evaluators from the academe and logistics firms. They were composed of doctors in philosophy in education and maritime administration, as well as former program heads of customs administration program, master in customs administration program, and business administration program. A CEO and a manager of a brokerage firm and a logistics firm also joined as evaluators.

**Statistical Techniques Used.** The study used various statistical methods to analyze the numeric data collected through a quantitative non-experimental research design. These methods included frequency and percentage distributions, weighted mean, and Analysis of Variance (ANOVA).

Frequency and percentage distributions were used to organize and display the responses of customs brokers. This method helps to show how often certain responses occur and expresses them as a percentage of the total respondents. The percentage frequency distribution provides a clear representation of survey results through tables, bar graphs, and pie charts (Creswell, 2014).

Weighted mean was applied to interpret respondents' qualitative responses based on the variables' scores. A Likert-type scale was used for the evaluation of competency level.

**Analysis of Variance (ANOVA).** ANOVA was employed to determine whether significant differences existed in customs brokers' competencies based on their length of practice and employment category. This statistical test compares the means of three or more groups to identify any significant differences. The Scheffé test, a post-hoc analysis, was used to conduct unplanned comparisons between group means,



providing further insights into the differences observed.

## RESULTS

Knowledge Competencies from Document Analysis and Focus Group Discussion. The Thematic Analysis of the transcripts of document review and focus group discussion identified and verified the three (3) areas of customs brokers' competencies, such as knowledge or understanding, abilities or skills, behavior, or attitude. Table 4 revealed that there are eight (8) necessary customs brokers' "knowledge" competencies to comply or implement the provisions of RA10863 or Customs Modernization and Tariff Act (CMTA) as follows: Policy Comprehension, Adaptation, Development and Implementation; Customs and Supply Chain Management; Administrative, Judicial and Legislative Systems; Economic and Finance; Strategic Management; Human Capital Management and Good Governance; Information and Data Management; and Client Management and Public Relations. It means that among so many disciplines that require comprehension, the foregoing knowledge competencies are the most significant in the implementation of the provisions of the Customs Modernization and Tariff Act (RA 10863).

The first identified knowledge competency verified through thematic analysis is Policy Comprehension, Adaptation, Development, and Implementation which involves local and global economic policies; customs internal and external policy formulation and implementation; and trade practices. The second knowledge competency identified is Customs and Supply Chain Management that includes the business of customs, the role of customs in applying government policies, the role of customs in the supply chain, customs use of technology and modern approaches in its operation. The third identified knowledge competency is Judicial and Legislative Systems which involves the application of administrative, judicial, and legislative remedies, sanctions, and penalties and drafting position papers and appropriate correspondences. The fourth knowledge

competency is Economics and Finance that involves micro and macroeconomics, and complete comprehension of the government's financial, technical, and human resource procurement and allocation for the attainment of customs business. The fifth knowledge competency is Strategic Management which involves environment scanning, risk assessment, information, intelligence, structural and system requirements necessary for prevention and control of risks. The sixth knowledge competency, Human Capital Management and Good Governance, involves recruitment, retention, training, and performance management; and the creation of an ethical working environment. The seventh knowledge competency is Information and Data Management which includes core information identification, maintenance of customs corporate memory, simplification of processes thru IT, and essential records utilization. The eighth, but not the least, knowledge competency is Client Management and Public Relations that involves different communication techniques in promoting the culture of customs compliance, educating the trading community and government agencies through the use of different communication media, and client segmentation, satisfaction, and dialogue.

These findings affirmed the claims in several published pieces of literature. In the Competency Framework published by Organization for Economic Cooperation and Development (OECD), the identified competencies for the success of every organization are as follows: delivery competencies which include analytical thinking, drafting skills, achievement focus, flexible thinking, managing resources, teamwork, and team leadership; interpersonal competencies which include client focus, diplomatic sensitivity, influencing, negotiating, and organizational knowledge; and strategic competencies which include developing talent; organizational alignment; strategic networking; and strategic thinking (Competency Framework – OECD, 2014). These competencies identified by OECD are almost similar to those competencies that customs administrators must have as identified by the researcher during the thematic

analysis of the document review. According to a World Customs Organization report, insufficient technical knowledge on how to determine the classification of goods, as well as a lack of skills in the clearance process, documentary requirements, source of documents and certificates, contribute to unnecessary errors and significant delays in preparing an error-free goods declaration for Customs (WCO, 2016). Knowledge competencies are highly interrelated with the capabilities that a customs organization shall possess with which personnel competencies must be congruent. According to the International Air Cargo Association, customs agencies must have the following capabilities as best practices: online information, advance rulings, independent administrative reviews, transparency, integrity, continuous modernization, paperless environment, risk assessment, formal consultation, distinction of physical release from fiscal release; post-release and post-entry audit (Coyle and Cruthirds, 2014).

Ability Competencies from Document Analysis and Focus Group Discussion. The thematic analysis of document review and the FGD revealed in Table 5 that there are seven (7) necessary customs brokers' "ability" competencies to comply with or implement the provisions of RA10863 or Customs Modernization and Tariff Act (CMTA) as follows: Lead and Ensure Integrity; Manage Information; Make Decision; Interact and Negotiate; Manage Self and People; Draft Written Works and Apply Computer Technology; and Manage Change, Time, Stress, and Pressure.

The first identified ability competency verified through thematic analysis is the ability to lead and ensure integrity which involves the skills to communicate a clear direction, conform to standards, assimilate and analyze complex information, delegate responsibly, encourage and inspires participation, and adhere to the principle of integrity in policy implementation. The second ability competency is the ability to manage information that includes the skills to gather, process, and strategically communicate information, emphatically explain requirements to others in different ways, listen actively to a

variety of ideas, and create an environment of rational debate and influence different opinions in the process. The third ability competency is the ability to make a decision which involves the skills to identify and analyze customs business facts and apply them to resolve conflicts, use information, assess risks, set direction, and establish measurable objectives, and work either alone or with the group to gain perspectives of all facets of an issue, identify and test options, and come up with viable solutions. The fourth ability competency is the ability to interact and negotiate, that includes the skills to maintain an effective personal and organizational relationship, deal with different individual, create win-win situations, assert authority, identify and manage causes and situations for conflicts ensuring positive results, and communicate with foreign experts and specialists. The fifth ability competency is the ability to manage self and people which involves the skills to review and analyze own personal performance, guide the activities of the department or organization in achieving targets, establish and implement performance indicators, plan, hire, evaluate, train human resources, identify training needs, and manage differences and performance of the work force. The sixth ability competency is the ability to draft written works and apply computer technology that includes the skills to draft and present written work which establishes the purpose, meet necessities with clarity and precision, and logically presents information, issues, and conclusion, and use basic computer applications. The seventh ability competency is the ability to manage change, time, stress, and pressure that involves the skills to evaluate time and find ways to make its use more effective and efficient, to identify personal and organizational stressors, and to implement policy and system changes. This means that among so many significant abilities, the foregoing "ability" competencies are the most significant in the implementation of the provisions of the Customs Modernization and Tariff Act (RA10863).

These findings affirmed the claims in several published pieces of literature. Abilities identified in Table 5 are related to the study of

Bazaras, about People Skills. People skills are a particularly difficult element to master when dealing with international business or global trade, because behaviors and expectations may be applicable in a local setting but not in a foreign setting. When dealing with international visitors or clients, people skills come in handy. Interpersonal skills, such as building credibility, providing and receiving feedback, getting information, and evaluating individuals, can be a significant source of long-term competitive advantage. People skills are required for establishing networks and business relationships, as well as for gaining a competitive edge through structural transformation. Because supply chains are continually changing, logistics organizations' management structures must be altered from time to time. Companies make organizational adjustments to enhance their reliance on outsourcing partners. Advantages come from the ability to maximize relationships with partners (Bazaras, 2016). The "ability competencies" identified are also given importance in the study conducted about the national Customs Directorate of Uruguay. Canon sheds new light on the Uruguayan National Customs Directorate's campaign against corruption. Senior officials have committed to take the lead by addressing the Eastern Republic of Uruguay's Customs Code's regulatory structure and streamlining procedures based on global best practices, among other things. Among the procedures that have been simplified based on international best practices are increased transparency of customs operations, the introduction of automated systems leading to reform and modernization of practices, routine auditing, and greater collaboration to identify and investigate corrupt actions. Uruguay has established a human resources administration with a code of ethics. These actions strengthened the morale and culture of the country's Customs Directorate, resulting in enhanced interactions between the Customs Directorate and the business sector (Canon, 2016).

Attitude Competencies from Document Analysis and Focus Group Discussion. There are five (5)

necessary customs brokers' "attitude" competencies to comply or implement the provisions of RA10863 or Customs Modernization and Tariff Act (CMTA) as follows: Ethics and Integrity, Objectivity, Exemplarity, Self-assurance, and Client Focus.

The first identified attitude competency verified through thematic analysis is ethics and integrity that includes the manifestation of utmost integrity and good governance, professionalism, and respect of authority. The second attitude competency is objectivity which involves the demonstration of behavior reflective of the organization's desired performance and culture, and establishes a harmonious relationship with co-workers, peers, and clients. The third attitude competency is exemplarity that includes the behavioral demonstration of an understanding of employees' situations without compromising values, demonstrates no favoritism, no dispassionate views of circumstances, well-informed decision making, and transparency. The fourth attitude competency is the self-assurance that involves the behavioral manifestation of confidence in the ability of the organization to comply with government and public requirements. The fifth attitude competency is client focus which includes the behavioral manifestation of understanding client's needs and their business environment. This means that among so many significant attitudes or behavioral requirements in either public or private performance of duties and obligations the foregoing "attitude" competencies are the most significant in the implementation of the provisions of the Customs Modernization and Tariff Act (RA10863).

These findings affirmed the claims in several published pieces of literature. Demonstration of professionalism and transparency were also mentioned to be important attitudes that customs administrators and brokers must possess. According to World Customs Organization (WCO) reports, supply chain safety and security remain a priority, and communication between Customs administrations and Customs brokers in this regard should be open and transparent.

Customs brokers can be the first line of defense against illegal commerce for a government. (WCO Report, 2016).

It is widely held that sound governance and firm integrity are essential for any customs capacity-building project's success, and that proper issue management promotes effective development. According to Heinesson's research, the World Customs Organization's Arusha Declaration has little impact on members' attempts to enhance customs capacity. It is likely that the WCO is having problems articulating the Declaration's relevance, or that members are having problems adopting its principles into their capacity-building initiatives' Terms Of Reference (ToR). Although political support, self-assessment, organization, change management, follow-up, and leadership are all universally regarded as critical success factors by member states, their ToR makes relatively little mention of these (Heinesson, 2016).

**Table 1**  
*The Extent of Existing Customs Brokers' Competencies as to Knowledge, Ability, And Attitude*

Competency Area	Weighted Mean	Interpretation
<b>Knowledge</b>		
1. Policy comprehension, adaptation, development, and implementation	2.95	Moderate
2. Customs and Supply Chain Management	3.04	Moderate
3. Administrative, Judicial, and Legislative Systems	2.90	Moderate
4. Economics and Finance	2.79	Moderate
5. Strategic Management	2.83	Moderate
6. Human Capital Management and Good Governance	2.88	Moderate
7. Information and Data Management	2.77	Moderate
8. Client Management and Public Relations	2.94	Moderate
<b>Average Weighted Mean (Knowledge)</b>	<b>2.89</b>	<b>Moderate</b>
<b>Abilities</b>		
9. Lead and ensure integrity	3.00	Moderate
10. Manage information	3.00	Moderate
11. Make decisions	3.04	Moderate
12. Interact and negotiate	3.06	Moderate
13. Manage self and people	3.05	Moderate
14. Draft written works and apply computer technology	2.92	Moderate
15. Manage change, time, stress, and pressure	2.98	Moderate
<b>Average Weighted Mean (Abilities)</b>	<b>3.01</b>	<b>Moderate</b>
<b>Attitude</b>		
16. Ethics and Integrity	3.17	Moderate
17. Objectivity	3.13	Moderate
18. Exemplarity	3.07	Moderate
19. Self-assurance	3.08	Moderate
20. Client Focus	3.06	Moderate
<b>Average Weighted Mean (Attitude)</b>	<b>3.10</b>	<b>Moderate</b>

The results, as shown in Table 1, revealed that all statements related to customs brokers' knowledge were rated "moderate" by the customs broker-respondents with "Customs and Supply Chain Management" having the highest weighted mean of 3.04 (moderate). In general, the customs brokers are moderately competent, as reflected by the average weighted mean (AWM) of 2.89 (moderate). All statements related to customs brokers' abilities came out to be moderate, with an average weighted mean of 3.01 (moderate). The ability to Interact and Negotiate got the highest weighted mean of 3.06 (moderate). The results revealed that all statements related to attitude competence were rated "moderate", with the statement on Ethics and Integrity given the highest weighted mean of 3.17 (moderate). As a whole, said respondents are "moderately competent" as to the area of attitude, with an average weighted mean of 3.10 (moderate).

**Table 2**  
*Distribution of Respondents According to the Extent of Existing Customs Brokers' Competence as to Knowledge, Abilities, and Attitude*

Extent	Knowledge		Abilities		Attitude		Overall Competence	
	F	%	F	%	F	%	F	%
Not Competent	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Fairly Competent	43	29.45%	32	21.92%	35	23.97%	39	26.71%
Moderately Competent	91	62.33%	76	52.05%	65	44.52%	87	59.59%
Highly Competent	12	8.22%	38	26.03%	46	31.51%	20	13.70%
<b>Total</b>	<b>146</b>	<b>100%</b>	<b>146</b>	<b>100%</b>	<b>146</b>	<b>100%</b>	<b>146</b>	<b>100%</b>

Table 2 shows that relative to "knowledge competencies", more than half (62.33%) of the respondents rated themselves as moderately competent, while only 8.22% claimed they are highly competent. More than one-fourth (26.03%) of the respondents rated themselves "highly competent" in terms of customs brokers' abilities, while half (52.05%) claimed they are moderately competent. Nearly one-third (31.51%) of the respondent customs brokers rated themselves as "highly competent", while less than half (44.52%) claimed they are moderately competent on competencies related

to attitude. With regard to the overall competence of the respondents, 13.70% assessed themselves as highly competent, more than half (59.59%) rated themselves as moderately competent, and 26.71% of the said customs brokers claimed they are fairly competent.

The data presented in Table 1 and Table 2 means that the majority of the customs brokers believe that the alignment of the existing competencies of customs brokers with the expected competencies stipulated in RA No. 10863 is moderate in extent. The alignment is highest in extent in the following competencies: Customs and Supply Chain Management, Ability to Interact and Negotiate, and Ethics and Integrity. The alignment is lowest in extent in the following competencies: Information and Data Management, Draft written works and apply computer technology, and Client Focus.

The findings are consistent with several published pieces of kinds of literature. Knowledge of Customs and Supply Chain management is of prime importance that a customs broker or customs administrator shall possess. This is vital in the well-planned customs control and improved overall customs administration performance. Well-planned customs control can improve overall customs administration performance by cutting expenses and shortening the time spent on customs control. Merging risk management with customs development strategy, strengthening customs manpower capacity building on risk management, implementing computer-based selectivity system, and developing risk management and post-clearance audits harmonization software are all activities that must be completed to develop a risk-based customs control system (Davaa & Namsrai, 2015). The ability to Interact and Negotiate is of prime importance in strengthening relationships not only in customs administration but also in the entire supply chain. Supply chain safety and security is one of the most important parts of Customs administration and Customs brokers working together. They continue to prioritize transparency and openness in this area. In the

fight against illegal business, customs brokers may be the first line of defense (WCO, 2016). Ethics and Integrity, as revealed by this study, is also of prime importance in customs administration as similarly identified in the study of the Netherlands Tax and Customs Administration. The public's faith in government is eroding. Ethics rules are not very effective in restoring public trust, and a clear link between them and changing behavior has yet to be shown. They serve as a form of external oversight, but they do not serve as a moral compass on the inside. Employees must also act with honesty to restore public trust. Both ethical and integrity-based actions are required; nevertheless, none is adequate (Franklin & Raadschelders, 2004).

Table 3  
*Results of Multiple Comparisons in Terms of Length of Practice and Area of Engagement*

Group Comparison	Mean Difference	p-value	Interpretation
<b>Length of Practice</b>			
15-<20 vs <5	-0.48	0.038	Significant
15-<20 vs 5-<10	-0.58	0.002	Significant
15-<20 vs 20-up	-0.55	0.014	Significant
<b>Area of Engagement</b>			
Outport vs Manila Ports	-0.46	0.006	Significant
Outport vs Academe	-0.58	0.005	Significant
Outport vs Private	-0.59	0.001	Significant

When respondent-customs brokers are grouped according to the length of practice, the results show that there is a significant difference in their knowledge competence. It was found that customs brokers who are in the service for 5 years to not more than 10 years have significantly higher knowledge competence than customs brokers who are 10 to less than 15 years, and 15 to less than 20 years of practice.

It also reveals that there is a significant difference in the customs-related abilities of the respondents when they are grouped according to the length of professional practice. It was found that brokers who are currently on the 15 to less than 20 years of customs practice have significantly lower ability competence compared to:



(a) those who are less than 5 years in service; (b) those who are 5 to less than 10 years of professional practice; and (c) those who are on their 20 or more years of practice.

The study also shows that there is a significant difference in the attitude-related competence of the respondents when grouped according to years of practice. It was found that customs brokers who are in the service for 20 or more years now have significantly higher attitude-related competence than brokers who are 15 to less than 20 years of service.

In terms of overall competence, the study showed that when respondents are grouped according to years of practice, a significant difference exists in their overall customs-related competence. The test revealed that customs brokers who are now on their 15 to less than 20 years have significantly lower overall competence than (a) those who are less than 5 years in service; (b) those who are 5 to less than 10 years of practice; and (c) those who are 20 or more years in the professional practice.

When the respondent-customs brokers are grouped according to employment/engagement station, the results of the ANOVA show that there is a significant difference in their knowledge competence. It was found that brokers who are stationed on Outports have significantly lower knowledge-related competence than those on Manila ports and those working in private firms.

It was found that there is a significant difference in the ability-related competence of the respondents when they are grouped according to the workstation. It was found that customs brokers who are working on Outports have significantly lower ability-related competence than those working on Manila ports, in the Academe, and those working in private firms, in that order.

Results show that there is a significant difference in the attitude-related competence of the respondents when grouped according to employment. It was found that customs brokers

who are in the Outports have a significantly lower level of competence related to attitude compared to those in the Manila ports, and those in the private companies.

As to the overall competence, the Analysis of Variance (ANOVA) showed that when respondents are grouped according to a place of employment/engagement, there exists a significant difference among the groups' overall mean competence. The results clearly show that customs brokers from the Outports have significantly lower overall competence than those from the Manila ports, those working in the Academe, and those in the private firms.

Table 4  
*Areas on Customs Brokers Competence Needing Improvement*

Category	Statement	WM	Interpretation
Knowledge	Economics and Finance (Micro and macro-economic; and complete comprehension of government's financial, technical, and human resource procurement and allocation for the attainment of customs business)	2.79	Moderate
	Information and Data Management (Core information identification; maintenance of customs corporate memory; simplification of processes thru IT; and essential records utilization.)	2.77	Moderate
Abilities	Draft written works and apply computer technology (Draft and present written work which establishes the purpose, meets necessities with clarity and precision, and logically presents information, issues, and conclusion; and use basic computer applications.)	2.92	Moderate
	Manage change, time, stress, and pressure (Evaluate time and find ways to make its use more effective and efficient; identify personal and organizational stressors; implement policy and system changes.)	2.98	Moderate
Attitudes	Exemplarity (Demonstrates an understanding of employees' situations without compromising values; demonstrates no favoritism, no dispassionate views of circumstances; well-informed decision making; and transparency.)	3.07	Moderate
	Client Focus (Focus on understanding clients' needs and their business environment.)	3.06	Moderate

The areas of knowledge competence needing improvements include Economics and Finance (focused on Micro and macro-economics and complete comprehension of government's financial, technical, and human resource procurement and allocation for the attainment of customs business) and Information and Data Management (specifically on Core information

identification, maintenance of customs corporate memory, simplification of processes thru IT and essential records utilization).

In the area of customs abilities, skills to draft written works and apply computer technology (i.e. craft and present written work which establishes the purpose, meet necessities with clarity and precision and logically presents information, issues and conclusion; and use basic computer applications), and to manage change, time, stress and pressure ( that is, evaluate time and find ways to make its use more effective and efficient; identify personal and organizational stressors; implement policy and system changes).

Finally, on attitude area of competence, the areas related to exemplarity (demonstrates an understanding of employees' situations without compromising values; demonstrates no favoritism, no dispassionate views of circumstances; well- informed decision making; and transparency), and on client focus (focus on understanding clients' needs and their business environment).

The data presented in Table 4 means that the areas on customs brokers' competencies that need improvement are the following: economics and finance, information and data management, skills to draft written works and apply computer technology, exemplarity and client focus. Similarly, the report entitled 21st-Century Competencies and Their Impact: An Interdisciplinary Literature Review, revealed that there are five (5) major types of professional competencies that need to be improved: analytic skills, interpersonal skills, ability to execute, information processing, and capacity for change/learning. Although all five of these broad competency categories are critical for workers in the twenty-first century, there is very little evidence of a link between these skills and individual or organizational outcomes. Few studies explicitly analyze the impacts of competencies on outcomes, in part due to the absence of standardized assessments of these competencies (Finegold & Notabartolo, 2016).

## DISCUSSION

The researcher aimed to develop a Re-Tooling Program that will align the customs brokers' competencies with RA 10863 or The Customs Modernization Act to re-tool the Bureau of Customs (BOC) with a consistently competent workforce.

The sequential exploratory research strategy or mixed methodology research design started with two qualitative approaches: document review and focus group discussion. RA 10863 or the CMTA was analyzed by the researcher. Document Analysis was followed by a focus group discussion. The FGD was facilitated by the researcher and attended by nine (9) invited customs brokers. The Document Analysis and FGD led to the identification of CMTA's required competencies (knowledge, ability, attitude) after thematic analysis. The interview made use of main, follow-up, probing, and prompt questions. This was followed by a quantitative approach through the administration of the validated survey instrument, the Customs Brokers' Competency Assessment Tool. The questionnaires distributed in Microsoft Form digital format to 146 customs brokers in the outports, Manila ports, academe, BOC, and selected firms led to the determination of the extent of customs brokers' competencies (knowledge, ability, attitude) and the areas of competence improvements. This became the basis for the development of a Re-Tooling Program for Customs Brokers' Competency in Customs Administration.

The necessary customs brokers' competencies to comply or implement the provisions of RA10863 or Customs Modernization and Tariff Act (CMTA) involve knowledge competencies; ability competencies; and attitude competencies. Knowledge competencies include understanding or comprehension of customs and supply chain, policy development and implementation, client management and public relations, administrative, judicial, and legislative system, human capital management and good governance, strategic management, economic and finance, and information and data management. Ability competencies include

writing/drafting and presenting ability, skill on managing change, time, and pressure, leading and ensuring integrity, managing information, making a decision, managing self and other people, and having the ability to interact and negotiate. Attitude competencies include the behavioral manifestation and demonstration of ethics and integrity, objectivity, self-assurance, exemplarity, and client focus.

Most of the respondents have 10 years or more but not more than 15 years of professional practice, while those whose professional practice is 15 years or more but not more than 20 years account for only 15% of the total respondents. The Customs Broker whose practice focuses greatly in the Manila ports, such as (POM, MICT, and NAIA) are the majority while those Customs Broker engaged in government service/employed in the Bureau of Customs are few in numbers.

The alignment of the existing competencies of customs brokers with the expected competencies stipulated in RA No. 10863 is “moderate” in extent. Among those competencies to a moderate extent, knowledge in customs and supply chain management, ability to interact and negotiate, and ethics and integrity are the highest in the extent of alignment.

Customs brokers who are now on their 15 to less than 20 years have significantly lower overall competence than (a) those who are less than 5 years in service; (b) those who are 5 to less than 10 years of practice; and (c) those who are 20 or more years in the professional practice. Customs brokers from the Outports have significantly lower overall competence than those from the Manila ports, those working in the Academe, and those in the private firms.

The areas of improvement of competencies to enable the customs brokers to play the role of customs administrators under the Customs Modernization and Tariff Act are knowledge on Economics and Finance, and Information and Data Management, ability to draft written works and apply computer technology, and behavioral manifestation of exemplarity, and client focus.

Based on the findings and conclusions of this study, several recommendations are proposed. First, the competencies of customs brokers and Bureau of Customs (BOC) employees should be further studied by the BOC and academic researchers. This research should focus on the Philippines' regional and global commitments to determine whether the country can comply with the demands of the global customs system's harmonization and simplification initiatives. Second, additional demographic profiles of the respondents, such as capitalization or financial capability, should also be considered. These factors may affect professional competency and performance in the practice of the profession. Third, the alignment of existing competencies of customs brokers with the expected competencies outlined in Republic Act (RA) No. 10863 is moderate in extent. This suggests that professional customs brokers are competent and qualified to hold positions in the BOC. Therefore, it is recommended that the BOC prioritize hiring licensed customs brokers as a matter of policy.

Furthermore, age and place of practice influence competence. Thus, it is recommended that professional customs brokers conduct self-competency assessments and seek individual competency enhancement. The Chamber of Customs Brokers, Inc. (CCBI) should pay attention to the competency enhancement needs of its aging members and those working in the outports. The CCBI should implement a re-tooling program based on the findings of this study. The CCBI's Vice President for Professional Development should proactively create a committee to address the required competency enhancement for its members in the outports, as well as those aging members who need updates on current trends. Additionally, the CCBI, as an accredited national association of customs brokers, should work with Higher Educational Institutions (HEIs) and Continuing Professional Development (CPD) providers to implement the Re-Tooling Program formulated from this study's findings. Evaluation and certification mechanisms should be established to ensure that the areas of improvement identified in this study are effectively addressed and prioritized. Lastly, the

Bureau of Customs, CCBI, the Professional Regulatory Board for Customs Brokers (PRB-CB), and HEIs should collaborate to promote the use of the Re-Tooling Program. This program will serve as a capacity-building mechanism for the professionalization and modernization of the Philippines' customs administration.

## REFERENCES

- Abac, J. (2016). Problems on Accreditation Procedures of the Licensed Customs Brokers at the Port of Manila. The Faculty of the Graduate School. Asian Institute of Maritime Studies. Pasay City, Philippines.
- Aguila, S. (2013). The Service Quality of Selected Logistic and Customs Brokerage companies In Metro Manila: Implications to Customer's Satisfaction. The Faculty of the Graduate School. Asian Institute of Maritime Studies. Pasay City, Philippines.
- Bazaras, D. (2016). Transport and Telecommunication Journal: Competence and Capacity-Building Requirements in Transport and Logistics Market. Logistics and Transport Management Department. Vilnius Gediminas Technical University. Lithuania
- Canon, E. (2016). World Customs Journal: Ethics and transparency in Customs: a case study. International Network of Customs Universities (INCU). Charles Sturt University, Australia.
- Checucci, E. (2016). Capacity Building Strategies: The Mercator Program. World Customs Organization.
- Colesky, T., Raath, R. (2015). Political Will as an Enabler for a Customs Administration to Implement Coordinated Border Management: A Practical Example. Center for Customs and Excise Studies (CCES, Charles Sturt University, Australia and the University of Munster, Germany in association with the International Network of Customs Universities (INCU) and the World Customs Organization (WCO).
- Coyle, T., Cruthirds, K., Naranjo, S. & Nobel, K. (2014). World Customs Journal: Analysis of current customs practices in the United States and a proposed model for world class Customs. Centre for Customs and Excise Studies (CCES, Charles Sturt University, Australia and the University of Munster, Germany in association with the International Network of Customs Universities (INCU) and the World Customs Organization (WCO).
- CHED Memorandum No. 11, Series of 2005. (2005). Minimum Curricular Requirements for Bachelor of Science in Customs Administration (BSCA). Commission on Higher Education. Quezon City. Philippines.
- Davaa, T. & Namsrai, B. (2015). World Customs Journal: Ways to Modernize Customs Risk Management in Mongolia. Center for Customs and Excise Studies (CCES, Charles Sturt University, Australia and the University of Munster, Germany in association with the International Network of Customs Universities (INCU) and the World Customs Organization (WCO).
- Finegold, D. & Notabartolo, A.S. (2016). 21st-Century Competencies and Their Impact: An Interdisciplinary Literature Review. Retrieved 24/7/2021 from <http://www.hewlett.org/>
- Franklin, A. L & Raadschelders, J.C.N. (2004). Beyond Ethical Codes: The Management of Integrity in the Netherlands Tax and Customs Administration. Public Administration Review (Vol. 64, No. 6). Research Gate.
- Hans, B., & Diop, N. (2018). Philippines Economic Update: Investing in the Future. World

Bank's Macroeconomics, Trade, and Investment Global Practice (MTI). World Bank.

- Heinsson, P. (2016). World Customs Journal: Transparency and integrity in customs capacity building projects: a preliminary study. International Network of Customs Universities (INCUI). Charles Sturt University, Australia.
- Ibanez, J. (2021, June 25). Philippine skills framework launched. Businessworld. Retrieved 24/7/2021 from <https://www.bworldonline.com>.
- Karlsson, L. (2017). World Customs Journal: Back to the future of Customs: A new AEO paradigm will transform the global supply chain for the better. Center for Customs and Excise Studies (CCES, Charles Sturt University, Australia and the University of Munster, Germany in association with the International Network of Customs Universities (INCUI) and the World Customs Organization (WCO).
- Mikuriya, K. & Cantens, T. (2020). If algorithms dream of Customs, do customs officials dream of algorithms? A manifesto for data mobilization in Customs. World Customs Journal 14(2) pp. 3-22. Retrieved from <http://www.wcoomd.org>.
- Nague, A. F. (2019). Customs Modernization and Tariff Act. Central Book Supply, Inc., Quezon City. Philippines.
- OECD. (2014). Competency Framework. Talent. OECD (Organization for Economic Cooperation and Development).
- Omi, K. (2020). Current situation, analysis and observations on waste control at borders by Customs. WCO Research Paper No. 50. Retrieved 24/7/2021 from <http://www.wcoomd.org>.
- Reyes, A.P. (2014). E2M Modernization Program of the Bureau of Customs at the Port of Davao: An Assessment. The Faculty of the Graduate School. Asian Institute of Maritime Studies. Pasay City, Philippines.
- Riga, R. (2016). The Filipino Customs Brokers' Perception on the Proposed Customs Modernization and Tariff Act (CMTA) of the Philippines. The Faculty of the Graduate School. Asian Institute of Maritime Studies. Pasay City, Philippines.
- Trevino, R. (2020). Implementing an innovation strategy in WCO; responding to disruptive events. World Customs Journal 14(2) pp. 39-61. Retrieved 24/7/2021 from <http://www.wcoomd.org>.
- Uvero, A. T. (2017). Understanding International Trade, Tariff & Customs (with commentaries on RA 10863: Customs Modernization and Tariff Act). ProQuest Publishing, Inc. Unit 1402, Sunset View, Towers, 2230 Roxas Boulevard, Pasay City 1300, Philippines.
- Vegard, S. (2003). Age and Individual Productivity: A Literature Survey. MPIDR Working Paper, Germany. Retrieved 24/7/2021 from [www.demogr.mpg.de](http://www.demogr.mpg.de)
- WCO. (2016). WCO Study Report on Customs Brokers. World Customs Organization.
- Wei, L. (2016). World Customs Journal: Strengthening customs cooperation of BRICS countries: improving people-oriented capacity building strategies to achieve mutual recognition of Accredited Operator programs. International Network of Customs Universities (INCUI). Charles Sturt University, Australia.
- Widdowson, D. (2016). World Customs Journal: Managing the border: a transformational shift to pre-export screening. International Network of Customs Universities (INCUI). Charles Sturt University, Australia.