

The Effectiveness of Enhanced Value Reference Information System (e-VRIS) as New Database for Value and Classification of Imported Goods

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Abstract

The Enhanced Value Reference Information System (e-VRIS) is a new database for value and classification of imported goods in order to address corruption done through undervaluation and misclassification. With this aim, and with its considerable period of use and implementation, it is now imperative to determine how effective is this new system in combatting these types of corruption. Thus, the objective of this study is to determine the effectiveness e-VRIS in terms of the following: 1) Risk Valuation; 2) Enhanced Declared Value; and, 3) Classification. Data from 40 Customs Examiners from the Manila International Container Port (MICP) were elicited using a self-made survey questionnaire. To analyze the data, weighted mean was used as statistical tool. Findings indicated overall agreement among the respondents regarding e-VRIS's effectiveness in identifying revenue and compliance risks, with positive feedback on its monitoring mechanism. Similarly, respondents generally acknowledged e-VRIS's contribution to accurate tariff classification, despite differing opinions on determining country of origin. In conclusion, e-VRIS demonstrated effectiveness as a modern customs administration tool, essential for trade facilitation and corruption prevention. Its alignment with international standards and consistent performance underscored its significance in promoting transparency and efficiency in customs procedures in the Philippine customs industry.

Keywords: Enhanced Value Reference Information System (e-VRIS), valuation, classification, imported goods



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INTRODUCTION

The Philippine Bureau of Customs (BOC) initiated a new system that will provide a reliable database on preventing the “mis invoicing and misclassification” on the goods being imported or exported in the country. The electronic to mobile (E2M) system will use the Enhanced Value Reference Information System (e-VRIS), which is a database of reference values. The main goal of the e-VRIS is to determine if the importer's declared value appropriately reflects the transaction value, or the amount paid or payable when the item is sold for export to the Philippines (Bureau of Customs, 2020b).

Misclassification refers to (1) the use of insufficient or incorrect descriptions of goods, or the use of incorrect tariff headings and subheadings, resulting in a difference between the duty and tax that should have been paid and the duty and tax that was actually paid; and/or (2) to avoid compliance with government regulations relating to the entry of Regulated,

Prohibited, or Restricted goods into Philippine Customs Territory. On the other hand, undervaluation occurs when the declared value fails to disclose the full price actually paid or payable; or any dutiable adjustment to the price actually paid or payable; or when an incorrect valuation method is used; or the valuation rules are not properly followed, resulting in a discrepancy in duty and tax to be paid between what is legally determined as the correct value and the declared value (Bureau of Customs, 2020a).

From 2012 to 2017, the level of undervaluation in the Philippines was between 0.15 and 0.38 percent of GDP (Abante, 2019). This shows that undervaluation does affect not only the BOC but also our country's economy. Misclassification and undervaluation can be a result of corruption inside the industry. In line with this, the e-VRIS was implemented to combat corruption and resolve revenue collection leakage due to product undervaluation and misclassification. The BOC is working to improve its value reference information system to accurately

monitor the valuation and tariff classification of imported items via the import and assessment service (IAS).

Since the e-VRIS is implemented to combat corruption by means of undervaluation and misclassification, this research aims to investigate if the Enhanced Value Reference Information System (e-VRIS) is effective as the New Database for Value and Classification of Imported Goods.

LITERATURES

National Value Verification System. The initial response to a worldwide problem prevention and suppression of smuggling and other related fraudulent practices against customs laws is one of the urgent concerns of the BOC. Indeed, valuation fraud is a serious problem in most countries, particularly in developing countries that have relatively high rates of duties and other various taxes on imported goods. "Developing countries are of the view that requiring customs to accept the transaction value reflected in invoices submitted by importers would impede detection of cases in which imported goods were undervalued to reduce the incidence of duties" (Rege, 2002).

In December 2016, the BOC developed a system that helps them monitor the declared value of imported goods to prevent mis-invoicing. The system was called the Value Reference Information System (VRIS). This system is an electronic platform that establishes a value standard for each imported product based on the historical value of past importations, as well as current market prices and statistical research. According to Customs Commissioner Nicanor Faeldon, "The Bureau of Customs will push through with its implementation to avoid undervaluation of imports. This will protect legitimate importers and stakeholders from smugglers and corrupt stakeholders" (PortCalls, 2016). This way, the BOC could also monitor all declared imported goods to avoid misinterpretation in the declaration of the goods.

The developed system seeks to boost BOC's revenue collection performance, and to strengthen its border protection measures against technical smuggling. This is also in keeping with the Bureau's automation and modernization efforts to increase the country's ease of doing business. On the other hand, the National Value Verification System (NVVS) was envisioned to check if an importer's claimed value for shipments corresponds to the real price of the products when they were sold for export to the Philippines. "The NVVS will ensure that updated and correct valuation is being implemented in all ports nationwide. Hence, the system is also an effective tool in addressing the issue of benchmarking in the BOC through application of correct values of goods entering the ports" (Padin, 2019). Previous importations, similar and identical items at the same time of importation, and other methods of valuation as authorized by the Republic Act 10863, also known as the Customs Modernization and Tariff Act, will be used as a foundation for verification. Increasing the Bureau's capabilities and effectiveness in enforcing trade restrictions, monitoring all imports, and ensuring accurate declaration of imported commodities to appropriately analyze and increase the collection of authorized revenues. The system will also give information on all commodity imports in aggregate, broken down by HS Code, precise description, and country of origin. Under TradeNet, the government's online platform for processing imports and export licenses, the Philippine Drug Enforcement Agency (PDEA) will begin processing special export permits for dangerous narcotics, controlled precursors, and controlled chemicals.

On April 8, 2019, the web based NVVS was put to test in all ports in the Philippines. It was an internal tool used by the BOC Assessment Officers to verify the stated value of imports to the current reference values. It enables customs inspectors to check if the value disclosed by the importer corresponds to the amount paid or due for the goods when they are sold for export to the Philippines. "BOC Spokesperson, Atty. Erastus Sandino Austria, in a phone interview with PortCalls, said the system is a tool that customs assessment

officers can use to verify values, but clarified this does not mean the value provided by NVVS is absolute” (PortCalls, 2019). As the implementation of NVVS value is not 100% absolute, stakeholders started complaining and raised their concerns about the system. “There are many instances wherein shipments have been upgraded to match the NVVS despite the submission of complete documents with proof of payments,” Chamber of Customs Brokers, Inc. (CCBI) claimed (PortCalls, 2020). This means that the value verified by the BOC Assessment Officers were not the same as the value of importers.

Enhanced Value Reference Information System (e-VRIS): The Subsequent Response to a Worldwide Problem. In response to clamor against the old system, BOC thus started implementing a new system which they called the Enhanced Value Reference Information System or e-VRIS. On July 14, 2020, BOC signed the Customs Memorandum Order (CMO) No. 16-2020 implementing the e-VRIS. As mentioned earlier, it is a risk management tool used to operate as a reference value database for the electronic to mobile (E2M) system which replaced the National Value Verification System (NVVS). The e-VRIS, will help the BOC “establish a reliable and comprehensive database of information on the value and classification of imports for reference purposes in support of the implementation of the WTO Value System” (Bureau of Customs, 2020b; Pablo, 2020). This is different from the previous system in which the NVVS was implemented for verifying the import value; on the other hand, the e-VRIS only gives database information of the import value for references only to avoid undervaluation.

BOC's new database of reference values, the e-VRIS, will be used in the industry's Electronic-to-Mobile (e2m) System. The system was simply a continuation of the NVVS, which the Committee members wanted to discontinue due to its vulnerability to corruption and abuse. The e-VRIS expects to give a dependable data set on the worth and characterization of imports to forestall mis invoicing and misclassification. Nonetheless, Aambis-OWA party-list Rep. Sharon Garin expressed that the shady dealings

of the BOC with the classification and undervaluation of imported commodities, which creates opportunities for corruption. “Republic Act 10863, otherwise known as the CMTA, pointed out the misuse of the Harmonized System (HS) codes and maintained that the BOC may be culpable of violating CMTA's Transaction Value System which specifies transaction value as the primary method for determining the value of shipments.” The e-VRIS, rather than the transaction value, has become the default foundation for establishing the importer's duty and tax obligations. BOC must thoroughly examine the actions of the Import Assessment Service (IAS) to prevent unethical practices that may ultimately harm the country's economic performance on importing and exporting of goods.

The attempt to halt the deployment of the e-VRIS in late 2019, citing fears that it would violate the WTO's agreement on import valuation. The BOC stated in July that it would replace the NVVS with the e-VRIS, which was described as a risk management tool for determining the authenticity of any statement, document, or declaration provided for customs valuation purposes. “To determine a commodity's transaction value, the BOC should instead adhere to the sequential method specified under the CMTA, adding that the bureau must not have the reference value arbitrarily changed as shown in the e-VRIS committee demonstration” (Garin, 2020). The e-VRIS is intended to help their front-liners detect possible trade mis-invoicing by providing them with a quick reference guide on prevailing identical or similar declared values. As required by law, the BOC already has the authority to verify the truth or correctness of any statement, document, or declaration given by importers. The risk management capability of the system allows for the automated flagging of possibly undervalued items, or goods whose values fall below the minimal range; the Bureau's increased campaign against undervaluation is reflected in the large number of tariff lines covered. These figures are not to be used as substitutes, but rather as a guide to aid assessment professionals in determining the value of imported items.

BOC, in advance, stated that the e-VRIS could assist customs set up a dependable complete database on the fee category of imports for reference functions in the implementation WTO's Valuation System. Customs appraisers ought to no longer tolerate the careless the valuation of shipments. All matters considered, the appraiser must first verify and if there is uncertainty, the appraiser must then require the shipper to provide numerous documents so to determine the cost of the cargo. If the additional documents were deemed sufficient, then the appraiser must accept the determined transaction value under Method 1 specified in Box 43. On the other hand, if the appraiser is not satisfied with the documents provided, the subsequent Valuation Methods shall be determined as cited in the memorandum (Bureau of Customs, 2020b). Undervalued goods are also identified by the system (Pablo, 2023).

There are a number of key features in e-VRIS which make it reliable and efficient. First, the automated flagging of potentially undervalued goods. This system itself automatically identifies if a shipment falls below the minimum range. This feature is the risk management functionality if the e-VRIS. Second, it provides a look up table of identical similar entries in compliance with WVA and CMTA. This key feature allows the assessment personnel the capability to apply the sequential methods of valuation specifically under method 2 or the transaction value of identical goods and method 3 the transaction value of similar goods. Third, the specification codes are now available to the importer. These specification codes are the coded product description list that is available to the declarant or importer during the lodgment phase. Fourth, scanning of import documents in the E2M. with the examiner capability the examiner and appraiser can now attach import documents under the attached document tab of the E2M. Fifth, it requires assessment personnel to indicate valuation method use (Method 1 to Method 6 of WVA and pertinent provisions of CMTA). The e-VRIS is integrated in the E2M so there is a mechanism that mandates the examiner or the appraiser to

indicate the appropriate methods of valuation use.

The BOC has built a new system that intends to give a trustworthy database on the value and categorization of imports to prevent "mis invoicing and misclassification". The e-VRIS is one of the modernization ventures of the BOC which plans to upgrade the current value reference data framework for it to be at standard with globally acknowledged principles and shall serve as a risk management tool to ascertain the veracity of any statement, document, or declaration presented for customs valuation purposes (Bureau of Customs, 2020b). It was developed in coordination with Webb Fontaine Group (WFG) specifically to be WTO compliant. This developed program has a similar program by WFG in Ghana and Bahrain. The WFG is an expert and leading consultancy group on customs and trade facilitation which has developed various customs and trade related projects worldwide. These values are not to be considered substitute values but only reference values to assist assessment personnel in valuation of goods. The e-VRIS reference values shall be used solely for internal purposes by the Bureau, and the system and its substance will not be made accessible to general society. The e-VRIS alludes to the data set of reference values that will work in the electronic to mobile (E2M) system. It is intended to decide whether the declared price made by the merchant is consistent to the transaction value or the costs paid or payable when sold in the market in the Philippines.

The e-VRIS gives a repository of formerly familiar transaction values of same and similar goods. With this enhancement, the declared cost will be mechanically matched with the present database of reference values to decide if there is a viable undervaluation of goods. The system acknowledges a list of identical and similar previously imported goods in the Philippines. For instances wherein there's no transaction fee, or in which the transaction fee isn't always proper because the customs fee due to the fact the fee has been distorted due to sure conditions, the WTO Agreement on

Implementation of Article VII of the GATT 1994 following conclusion of the Uruguay Round lays down five other methods of customs valuation, to be applied in the prescribed hierarchical order. Overall, the following six methods are considered in the Agreement, to wit: Method 1 — Transaction value; Method 2 — Transaction value of identical goods; Method 3 — Transaction value of similar goods; Method 4 — Deductive method; Method 5 — Computed method; and Method 6 — Fall-back method.

The WTO Agreement on Customs Valuations is an outcome of long negotiations of the contracting parties in several Rounds. "It is a remarkable development in the sector of customs valuation which also ensures that customs administration cannot challenge the declared value without documentary evidence and cannot increase value without giving importers an opportunity to be heard" (Rajkarnikar, 2007.) Hence, in the e-VRIS, if the declaration was hit by the valuation criteria in the system wherein the declared value falls below the minimum of the allowable range of the reference values, the importer, consignee and its attorney-in-fact, are required to present necessary requirements such as sales contract, proforma invoice, purchase order and telegraphic transfer duly validated by the bank to support its claim that the declared value actually represents the transaction value or the price actually paid or payable when sold for export to the Philippines.

The BOC is increasingly investing significant resources to obtain a modernized and credible customs administration that is among the world's best by the year 2020. The said agency is strictly striving to have all the transactions within the BOC to be fully automated. To put in record, one of the objectives for the implementation of Enhanced Value Reference Information System (e-VRIS) based on Customs Memorandum Order No. 16-2020 is to establish a reliable and comprehensive database of information on the value and classification of imports for reference purposes in support of the implementation of the WTO Valuation System. It is worthy to note, that the Bureau of Customs, as the most productive collective

agency of the Philippines should implement a systematic and effective system to fully implement its mandate which is to collect lawful revenues. Pursuant to DeLone and McLean (2020) success model, "system quality" measures technical success which is the desired characteristics of the system; "information quality" measures semantic success on characteristics of the information and its desired form; and "use and user satisfaction" measures effectiveness success which studies that attempt to analyze and measure the interaction of the information product with its recipients. In essence, system effectiveness can be described as the extent to which information systems contribute to achieving the organizational goals and benefits. The e-VRIS refers to the database of reference values that will operate in the electronic to mobile (E2M) system. The system was progressively composed of a set of information which includes reference values towards a specifically described commodity based on the Harmonized System (HS) Code of tariff classification that has been declared by the declarant. The system is designed to determine if the declared value made by the importer represents the transaction value or the price actually paid or payable when sold for export to the Philippines.

For other countries, synonymous to the e-VRIS is the National Value Database (NVD). The NVD is used by several countries worldwide including the Association of Southeast Asian Nations (ASEAN) Member States. "A national valuation database is a risk assessment tool which may be used by a Customs Administration along with other risk tools to assess potential risk regarding the truth or accuracy of the declared Customs value for imported goods" (World Customs Organization, 2012). The information in the database must be up-to-date and reflect customs duties and other relevant information regarding previously imported goods. This value sets the tariff price for imported goods and should not be used as an alternative value or mechanism for setting the minimum value for imported goods. Customs authorities using the valuation database must implement a monitoring

mechanism to ensure that the database is used as a risk valuation tool and that the information stored in the database is updated on a regular basis.

The agreement implementing Article 7 of GATT 1994, well known as the WTO Agreement on Tariff Assessment, provides a fair, unified, and neutral system for tariff assessment of imported goods, with trade practices. The basis for the valuation of goods in this system is, wherever possible, the transaction value of the imported goods, that is, the price actually paid for the goods or paid when sold for export to the importing country, it will be adjusted according to the Provisions of Article 8 of the Agreement.

Nonetheless, no country is immune to the issue of corruption and the fact that BOC also face challenges and vulnerabilities. There are many forms of corruption and one of them is the following: Misclassification and Undervaluation. One of the tools that the bureau of customs is using to fight against corruption is the e-VRIS. According to Abante (2019), "from the year 2012 to 2017, the level of undervaluation in the Philippines was between 0.15 and 0.38 percent of GDP. Fully closing this gap would have yielded additional tax collections worth P16 to P38 billion. This represents a 0.7 to 1.7 percent improvement in collections or a 0.02 to 0.05 percentage point increase in the tax to GDP ratio over this six-year period." This study shows that the undervaluation results in a large impact on the economy of the Philippines. Most tariffs and duties are calculated according to the principle of "ad valorem". The amounts of unpaid tariffs are a percentage of the value of the imported goods. By falsely claiming that a product is less valuable than it really is, fraudsters can manipulate calculations to pay less obligations than they must pay.

METHODOLOGY

Population and Sampling. Using purposive sampling, a total of 40 Customs Examiners from the Manila International Container Port (MICP) were outsourced as respondents of the study. All have either undergone single to multiple transactions with the e-VRIS.

Instrumentation. A researcher-made survey questionnaire was prepared to gather the necessary data of the study. Comprising of 15-item questions, the development of the instrument was based on the gathered literatures, from system specifications to the prevailing issues encountered in using the e-VRIS. A 5-point Likert scale was assigned to measure the effectiveness of the e-VRIS as a new database for value and classification of imported goods. Below are the scale numbers and corresponding verbal interpretations:

Table 1
Assigned Weight and Range of Likert Scale used in Assessing the Effectiveness of the e-VRIS

Weight	Range	Verbal Interpretation
(5)	4.51 - 5.00	Strongly Agree
(4)	3.51 - 4.50	Agree
(3)	2.51 - 3.50	Neutral
(2)	1.51 - 2.50	Disagree
(1)	1.00 - 1.50	Strongly Disagree

To determine its reliability, a test-run of the instrument was administered to ten (10) non-participating respondents but with a minimum qualification of at least one (1) transaction with the e-VRIS. Using Statistical Package for Social Sciences (SPSS v.20), the questionnaire elicited a Cronbach Alpha of 0.88. This suggests that the instrument is accurate and consistent in producing the results needed to answer the study's goals. With this, the instrument was converted into an online format (through Google Form) to comply with the Inter-Agency Task Force (IATF) protocol of non-contact due to Covid-19. Hence, the instrument was converted for an online survey administration.

Data Source. A letter of permission to conduct a survey was initially forwarded to the District Collector of Manila International Container Port (MICP). After few days, a representative from MICP sent a routing slip to the researchers indicating the District Collector's approval to conduct the survey. With the above permission, the researchers started to administer the survey beginning February 5, 2021. The soft copy of the questionnaire was initially sent via email to one of the Customs Examiners at MICP for distribution. Upon reaching a considerable

number of responses (which is 40), the researchers closed the survey period on February 15, 2021. Results were downloaded from Google and the matrix of results (in excel format) was subjected for review and data cleaning. During the review, the researchers made sure that the respondents have answered all pertinent and necessary questions. Fortunately, all 40 respondents have answered all the questions reflected. Hence, the yielded data were prepared for statistical treatment.

Data Analysis. Weighted mean was used as tool in deriving and analyzing the data. This was done through the use of Statistical Package for Social Sciences (SPSS v.20).

RESULTS

Effectiveness of Enhanced Value Reference Information System (e-VRIS) as the new database in terms of Risk Valuation

Table 2
Mean Distribution of e-VRIS Effectiveness in terms of Risk Valuation (N=40)

2.1 Risk Valuation Statement	Weighted Mean	Descriptive Interpretation
2.1.1 Enhanced Value Reference Information System information stored in the database is updated on a regular basis.	3.77	Agree
2.1.2 Enhanced Value Reference Information System helps to determine the possible revenue and compliance risk.	3.79	Agree
2.1.3 Enhanced Value Reference Information System maintain a valuation database for all products entered and accepted by the Bureau of Customs.	3.41	Agree
2.1.4 Enhanced Value Reference Information System is stored or remains viewable by users for a limited period only.	3.21	Moderately Agree
2.1.5 Enhanced Value Reference Information System monitoring mechanism is in place to proper application of Customs Valuation	3.59	Agree
<i>Average Weighted Mean</i>	<i>3.55</i>	<i>Agree</i>

Table 2 presents the effectiveness of the Enhanced Value Reference Information System (e-VRIS) in terms of Risk Valuation. The table clearly shows that majority of the indicator statements (4 out of 5 statements) were agreed upon by the respondents which include "Enhanced Value Reference Information System helps to determine the possible revenue and compliance risk" (WM = 3.79). The respondents therefore agree that e-VRIS prevents risk valuation in the case of imported goods. It determines whether the e-VRIS is effective in

terms of risk valuation, which assesses the potential risk of the declared Customs value for imported goods. The Convention specifies that all internationally traded goods shall be subject to customs control and provides that such control shall be limited to that which is necessary to ensure compliance with the law. And that, it should be applied using the principles of risk management as stated by Widdowson (2020). Enhanced Value Reference Information System (e-VRIS) set up a monitoring system mechanism ensuring that the database is used as a risk assessment tool. The results represent a complete or sufficient indicator of Enhanced Value Reference Information System (e-VRIS) potential risk. Overall, the respondents "agree" on the statements related to the effectiveness of the Enhanced Value Reference Information System (e-VRIS) in terms of Risk Valuation as reflected by the average weighted mean of 3.55 (agree).

Effectiveness of Enhanced Value Reference Information System (e-VRIS) as the new database in terms of Declared Value

Table 3
Mean Distribution of e-VRIS Effectiveness in terms of Declared Value (N=40)

2.2 Enhanced Declared Value Statement	Weighted Mean	Descriptive Interpretation
2.2.1 Enhanced Value Reference Information System is accurate in assessing the value of imported goods.	3.15	Moderately Agree
2.2.2 Enhanced Value Reference Information System can properly monitor the value and valuation methods used on imported goods	3.38	Moderately Agree
2.2.3 Enhanced Value Reference Information System meet the requirements to determine the correct duties and taxes due on imported goods.	3.28	Moderately Agree
2.2.4 Enhanced Value Reference Information System identify undervaluation.	3.46	Agree
2.2.5 Enhanced Value Reference Information System increase collection of duties and taxes.	3.51	Agree
<i>Average Weighted Mean</i>	<i>3.36</i>	<i>Moderately Agree</i>

Table 3 presents the distribution of the respondents in terms of the effectiveness of e-VRIS. The respondents "agreed" to 2 out of the 5 indicator statements. This includes "Enhanced Value Reference Information System increase collection of duties and taxes" with a weighted mean of 3.51. Under Republic Act No.10863, or the Customs Modernization and Tariff Act (CMTA), particularly Method 2 (Transaction

Value of Identical Goods) and Method 3 (Transaction Value of Similar Goods), as the e-VRIS shall provide for a look-up table of identical and similar entries from where appraisers can find the values of identical and similar entries when the shipment for valuation is rejected under Method 1 (Customs Gov Ph, 2021). In general, the respondents “moderately agree” on the effectiveness of the Enhanced Value Reference Information System (e-VRIS) in terms of Enhanced Declared Value as shown by the average weighted mean of 3.36 (moderately agree).

The respondents agreed that the Enhanced Value Reference Information System (e-VRIS) can properly monitor the value and valuation methods used on imported goods. The transaction value of commodities used for customs purposes is usually the price actually paid or payable for the goods. It was stated that the value of imported goods should be priced according to their true value rather than the value of goods, commodities on which duty is properly assessed arbitrary values or national origin.

Effectiveness of Enhanced Value Reference Information System (e-VRIS) as the new database in terms of Classification

Table 4
Effectiveness of Enhanced Value Reference Information System (e-VRIS) in terms of Classification

3.1 Classification Statement	Weighted Mean	Descriptive Interpretation
3.1.1 Enhanced Value Reference Information System provides accurate Tariff Classification of Commodity.	3.44	Agree
3.1.2 Enhanced Value Reference Information System provides accurate individual tariff specification code of commodity.	3.62	Agree
3.1.3 Enhanced Value Reference Information System provides accurate Country of origin of the goods.	3.28	Moderately Agree
3.1.4 Enhanced Value Reference Information System provides accurate Reference Value in determination of the accuracy of Dutiable Value.	3.28	Moderately Agree
3.1.5 Enhanced Value Reference Information System provides accurate Assessed of Goods Value.	3.33	Moderately Agree
<i>Average Weighted Mean</i>	<i>3.39</i>	<i>Moderately Agree</i>

Table 4 presents the distribution of the respondents in terms of the effectiveness of e-VRIS in terms of classification. Only 2 out of the 5 indicator statements were rated “agree” by the respondents. These statements are “Enhanced Value Reference Information System provides

accurate individual tariff specification code of commodity” (weighted mean = 3.62). The respondents moderately agree that determining the country of origin can be difficult for Customs. Country of origin is required of goods by the Bureau of Customs as required by documents of Certificate of Rules of Origin in order to verify accurate country of origin. and e-VRIS provides accurate Tariff Classification of Commodity” with weighted mean of 3.44. All the other statements were “moderately agreed.” In general, the respondents “moderately agree” on the effectiveness of the e-VRIS in terms of classification as revealed by the average weighted mean of 3.39 (moderately agree).

DISCUSSION

The effectiveness of the Enhanced Value Reference Information System (e-VRIS) as a new database for risk valuation and enhanced declared value is a critical aspect of modern customs administration. The majority of respondents agreed that the system helps determine possible revenue and compliance risks, with a weighted mean of 3.79, indicating overall agreement. Additionally, the system's monitoring mechanism received positive feedback, further supporting its role as a risk assessment tool. These findings suggest that e-VRIS is effective in identifying potential risks associated with imported goods, aligning with international standards of customs control and risk management (Bureau of Customs, 2020; World Trade Organization, n.d.).

In terms of enhanced declared value, the respondents' perceptions on e-VRIS effectiveness were varied. While the majority agreed that the system contributes to increased collection of duties and taxes, other aspects such as accuracy in assessing the value of imported goods received moderate agreement. Nonetheless, the system's ability to monitor valuation methods and identify undervaluation indicates its potential in promoting fair and transparent customs practices. These results highlight the importance of e-VRIS in ensuring the accuracy of declared values and proper collection of duties and taxes that are essential

for revenue generation and trade facilitation (CMO No.16, 2020).

Furthermore, the effectiveness of e-VRIS in terms of classification was explored. While respondents generally agreed that the system provides accurate tariff classification and individual tariff specification codes, other aspects such as determining the country of origin received moderate agreement. Nevertheless, the system's role in providing accurate classification and valuation information contributes to the efficiency and transparency of customs procedures.

In conclusion, the Enhanced Value Reference Information System (e-VRIS) demonstrates effectiveness as a new database for customs valuation and classification of imported goods. Its role in risk assessment, enhanced declared value determination, and accurate classification aligns with international standards and promotes transparency and efficiency in customs procedures. Moreover, as a cornerstone of modern customs administration, its potential in facilitating trade, and in combating fraud and corruption, is indeed very promising.

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