

[BOC CUSTOMS MEMORANDUM ORDER NO. 18-2010, May 12, 2010]

PROCEDURE FOR THE BULK AND BREAK BULK CARGO CLERANCE ENHANCEMENT PROGRAM MANDATED UNDER ADMINISTRATIVE ORDER (AO) NO. 243 AS AMENDED BY AO 243-A

Pursuant to Customs Administrative Order (CAO) No. 3-2010, the following procedures are hereby prescribed to ensure the effective implementation of Administrative Order No. 243 dated 13 October 2008, as amended by AO 243-A dated 16 September 2009, entitled "Creating a System for the Bulk and Break Bulk Cargo Clearance Enhancement Program (BBCCCEP) of the Bureau of Customs (BOC)".

1. Objectives:

- 1.1 To generate more revenues for the government
- 1.2 To curb technical smuggling committed through misdeclaration, misclassification and undervaluation
- 1.3 To facilitate the movement/release of imported articles covered by Load Port Survey Reports.
- 1.4 To provide procedures for imported articles covered by Destination Port Survey Reports.

2. Definition of Terms.

2.1 Accredited Cargo Surveying Company (ACSC) – a surveying company possessing a duly approved accreditation issued by the Committee for Accreditation of Cargo Surveying Companies (CACSC).

2.2 Committee for Accreditation of Cargo Surveying Companies (CACSC) – the accreditation committee created under AO 243, as amended, directly under the supervision and control of the Office of the President tasked and authorized to grant and approve accreditation of cargo surveying companies and periodically review the performance thereof. The CACSC may also investigate violations of the provisions of this Order and thereafter suspend and/or revoke the accreditation given to a cargo surveying company.

2.3 Bulk Cargo – Refers to cargoes in a mass of one commodity not packaged, bundled, bottled or otherwise packed.

2.4 Break-Bulk Cargo – Refers to non-containerized general cargo stored in boxes, bales, pallet or other individual units to be loaded onto or discharged from vessels, not shipped in containers or in bulk.

2.5 Load Port Survey (LPS) Report – A report issued by an ACSC for Bulk/Break-Bulk Cargo to be imported into the Philippines. The report shall be submitted to the BOC directly from the ACSC in a secure electronic format.

2.6 Discharge Port Survey (DPS) Report – A report issued by an ACSC for Bulk/Break-Bulk Cargo after the conduct of a survey at the port of discharge.

2.7 One-Stop Shop (OSS) – as used in this Order shall mean the composite unit headed by the Deputy Commissioner for Assessment and Operations Group (AOCG) and composed of representatives from the Office of the Commissioner (OCOM), Management Information System and Technology Group (MISTG), Enforcement Group (EG), Post-Entry Audit Group (PEAG), Risk Management Office (RMO), representatives of the Department of Trade and Industry (DTI) and Private Sector who are also members of the CACSC, and representative of the Office of the Presidential Adviser on Revenue Enhancement (OPARE). The OSS shall be responsible for confirming/approving requests for DPS made by importers of shipments not covered by the required LPS Reports.

2.8 Motor Vehicles for Special Purpose – as used in this Order, those motor vehicles equipped to function for a special purpose, e.g. cranes, backhoes, bulldozers, ambulances, buses, funeral hearses, and the like.

3. Coverage

This Order shall cover all Philippine bound bulk and break-bulk cargoes/shipments loaded unto carrying vessels. The categories of goods covered include but are not limited to the following:

3.1.1 Liquids

3.2.2 Chemicals

3.3.3 Petroleum Products

3.4.5 All other cargo shipped in Bulk/Break-Bulk the duties and taxes of which are normally determined by weight (e.g. wood, steel, coal, grains, etc.)

4. Administrative Provisions

4.1 LPS Report and Summary Report (SR):

4.1.1 The LPS Report to be issued by the ACSC after a full survey of quantity and quality of the Bulk/Break-Bulk Cargo should detail, but not be limited to, the following:

- a. Description of goods:
- b. Shipper (as declared):
- c. Receiver (as declared):
- d. Other intervening parties (name and capacity, as declared):
- e. Date of inspection: dd/mm/yy or mm/dd/yy
- f. Quantity of the Consignment:
- g. Quality of the consignment
- h. Grade of the Cargo (where applicable)
- i. Price or value of the cargo (as declared)
- j. Classification of the cargo (as declared by the importer or exporter)
- k. Port of Loading
- l. Name of the vessel
- m. Hatch or hold number
- n. Date and time or estimated date and time of departure of the vessel from Port of loading
- o. Bills of Lading details No. x dd xx.xx.xxxx
- p. Surveyor's seals details (where applicable)
- q. Ports of call of vessel (as declared by vessel)
- r. Additional information such as additional testing results as may be required by the Bureau of Customs necessary in determining the value, tariff classification and/or assessment of shipments covered by this Order.

The LPS shall be accompanied by a Summary Report (SR) which shall contain such information as the BOC and CACSC shall require in such format as shown in Annex "A" hereof which is likewise made an integral part of this Order.

4.1.2 The LPS Report and SR must be received by the BOC at least twelve (12) hours before the arrival of the cargo in the Philippines and shall be transmitted to the MISTG of the BOC and the CACSC and in accordance with the dissemination list under 4.4 hereof. The LPS and the SR must be submitted in a secure electronic format with security features in the form of a hologram, microprint, encrypted grid or equivalent.

4.1.3 The importer may use the LPS Report and its SR to avail of the advance clearance procedure. The LPS Report and its SR containing the findings of ACSC shall be used by the BOC Examiners/Appraisers in the determination of dutiable weight,

volume, description, value and tariff classification of imported articles, without prejudice to actual verification as the need arises.

4.2 Pending the Development of the appropriate module under the Bureau's e2m system of the advance submission in electronic format of the survey reports and summaries, submission of the same shall be submitted by the ACSC to the MISTG's secured and authorized website.

4.3 MISTG shall be the official repository of all survey data under this program.

To facilitate the processing of survey data, ACSCs are required to provide hardware/software as part of the Capacity Building Program for the exclusive use of BBBCCEP.

4.4 The following offices shall be simultaneously given both electronic copies of all Port Surveys by MISTG, whether LPS or DPS:

- Office of the Commissioner
- Deputy Commissioner for Assessment and Operation Group.
- Deputy Commissioner for Intelligence and Investigation
- Deputy Commissioner for Enforcement
- Post Entry Audit Group
- Port/District Collector where the shipments Import Entries are to be made
- CACSC (hard copy)

4.5 Capacity Building Programs for BOC personnel in the form of technical training and continuing education in cargo surveying techniques shall be provided by the ACSC either in a Philippine or International forum. To declare the commitment of ACSCs to the Capacity Building Program for cargo surveying, a Capacity Building Undertaking Form is hereby required from all ACSCs.

4.6 In addition, upon prior consultation with the concerned private sector/s CACSC shall recommend to the Commissioner of Customs other benefits under this program that may be granted to compliant importers within the framework of the Tariff and Customs Code of the Philippines as amended (TCCP).

4.7 Shipments inspected by the ACSC at the loading port shall *prima facie* be deemed to have been examined for customs purposes pursuant to Section 1401 of the TCCP, as amended, and shall no longer be re-examined upon arrival in the country but shall instead be immediately released/transferred to the importer/consignee's warehouse or facility following the procedures described in this Order except in the following situation:

- a. The surveyors report has been tampered or shows signs that the same has been altered.
- b. The shipment is covered by an alert or hold order issued pursuant to existing orders.
- c. Upon request of the importer if he disagrees with the findings of the surveyor.
- d. If the Commissioner or the Collector has derogatory information that there is a substantial variance between the declared and true quantity, measurement, weight and tariff classification of the shipment.

4.8 Request for the conduct of DPS shall be filed with the OSS, which is headed by the Deputy Commissioner, AOCG. The OSS shall confirm the ACSC chosen by the importer or authorized representative to conduct the DPS unless there are justifiable reasons which would mandate the OSS to choose otherwise, such as, but no limited to: constraints in the ACSC's available manpower, expertise, facilities, and the like.

5. Operational Provisions:

5.1 The importer must inform his exporter of the requirements of this Order and shall ensure that the cargoes are surveyed by an ACSC. It is the responsibility of the importer of bulk and break bulk cargo to obtain from the BOC the names and overseas addresses of ACSCs and to communicate this information to the seller/exporter of the goods.

5.2 The exporter must contact the nearest office of the ACSC selected by him to register his cargo falling under the coverage of AO 243-A and this Order and provide a full description, technical specification and quantity of the cargo.

5.3 The exporter must advise the selected ACSC of the whereabouts and availability of the cargo at least three (3) working days prior to the required date of survey. The exporter must present the goods in a manner to allow a full survey to be conducted. They must arrange and