

**[BOC CUSTOMS MEMORANDUM ORDER NO. 21-
2003, September 26, 2003]**

**SUPPLEMENTAL GUIDELINES IN THE DETERMINATION OF AIR
FREIGHT CHARGES**

To establish the guidelines in the determination/application of air freight charges as a component of dutiable value for Customs purposes, the following are hereby prescribed:

1. DEFINITION OF TERMS

For the purpose of this Order, the following definitions are adopted:

1.1 Air Freight Charges - the fees charged by airline companies or air carriers for the transport of air shipments.

1.2 Back-to-Back Airway Bill - a Master Airway Bill (MAWB) with the corresponding House Airway Bill (HAWB).

1.3 Break Bulk/Consolidated Agent - the representative of a freight forwarder/consolidator named in the MAWB as consignee of a consolidated shipment.

1.4 Consolidated Cargo Manifest - a list of all the individual shipments/consignments that compose the consolidated shipment, usually attached as a rider to the inward foreign cargo manifest of the carrying aircraft.

1.5 Consolidated Shipment - refers to two (2) or more shipments, assembled and consolidated at the point of origin/exportation and shipped together by a freight forwarder/consolidator under one MAWB.

1.6 Direct Airway Bill - the document, covering a shipment, issued by the air carrier directly to the shipper/consignee.

1.7 Freight Forwarder/Consolidator - the person/entity who shipped the goods to the Philippines and issued the HAWB.

1.8 House Airway Bill (HAWB) - the document issued by the freight forwarder/consolidator to the individual consignee/importer.

1.9 Master Airway Bill (MAWB) - the shipping document issued by the air carrier to a consolidator/freight forwarder, covering a shipment, which could be consolidated or not.

2. DETERMINATION OF AIR FREIGHT CHARGES

The air freight charges to be applied in determining the dutiable value of an air shipment shall be the amount based on as follows: