

**[BOC CUSTOMS ADMINISTRATIVE ORDER NO. 6-
2011, April 05, 2011]**

**SUPPLEMENTAL RULES TO IMPLEMENT THE BULK AND
BREAKBULK CARGO CLEARANCE ENHANCEMENT PROGRAM**

Pursuant to Customs Administrative Order (CAO) No. 3-2010 and in line with the implementation of Customs Memorandum Order (CMO) No. 18-2010 entitled "Procedure for Bulk and Breakbulk Cargo Clearance Enhancement Program Mandated under Administrative Order (AO) No. 243 as amended by AO 243-A", the following rules and regulations on shipments not covered by the Load Port Survey (LPS) Report are hereby prescribed.

1. OBJECTIVES:

- 1.1 To ensure achievement of the objectives set forth in AO 243-A;
- 1.2 To ensure effective implementation of CMO No. 18-2010, specifically item No. 7 thereof;
- 1.3 To ensure the integrity of Destination Port Survey (DPS) Report by instituting additional procedural guidelines in the conduct thereof;
- 1.4 To provide the measure to deter circumvention of the LPS by providing for a penalty in case of repeated violations thereof, as provided for under item No. 7 of CMO 18-20.10.

2. ADMINISTRATIVE PROVISION:

2.1 Coverage:

- 2.1.1 Shipments considered as High Risk pursuant to Item No. 7 of CMO 18-2010.
- 2.1.2 Accredited Cargo Surveying Companies (ACSC) for Bulk and Break Bulk Cargoes.
- 2.1.3 Importers of Bulk and Break Bulk cargoes deemed recidivists, pursuant to Item No. 7.2 (c).

2.2 REPORTS:

All ACSCs shall submit to the Deputy Commissioner for Assessment and Operations (AOCG), as head of the One Stop Shop (OSS) on Bulk and Break Bulk Cargoes a weekly report covering all bulk and break bulk cargoes inspected/surveyed at various ports of loading prior to shipment to the Philippines. The report shall include,

among others, the data and information contained in the Rules to Implement the Bulk and Break Bulk Clearance Enhancement Program. Failure to submit the weekly report may render the surveying company liable under Section 8 and 29 thereof.

3. OPERATIONAL PROVISIONS GOVERNING SHIPMENTS WITH NO LPS

3.1 The provisions of Item No. 7 of CMO 18-2010 shall be strictly applied to Bulk and Break Bulk shipments with no LPS.

3.2 The importer/s of Bulk and Break Bulk cargoes not covered by an LPS shall be allowed to apply for a DPS subject to the following conditions:

3.2.1 Such shipment shall be considered High Risk, pursuant to Item No. 7.1 of CMO 18-2010, and subject to extensive actual physical examination continuous under guarding until accomplishment and submission of the DPS, other applicable control and payment of duties and taxes due on the shipment including administrative fines.

3.2.2 In addition, the DPS shall be subject to the control and supervision of BOC, with respect to the following:

- a. Determination and/or assignment of ACSC that will conduct the actual survey;
- b. The DPS shall be conducted by the selected ACSC in the presence and with the assistance of BOC examiner/appraiser from the concerned section and port, as well as representative/s from the AOCG/OSS.

3.2.3 If the concerned importer is already a recidivist, pursuant to Item No. 7.2 (c), an administrative fine shall be imposed as follows:

- a. 20% of the dutiable value of the goods, for the initial violation;
- b. 40% of the dutiable value of the goods, for the succeeding violations.

3.2.4 The importer who shall be penalized with administrative fine shall pay the said amount either in a Manager's or Cashier's Check to the Bureau of Customs thru the Collecting Officer of the Port concerned.

3.3 When a designated ACSC has already been selected by the AOCG-OSS, the DPS, which shall be for the account of the importer, shall be