

**[BOC MEMORANDUM ORDER NO. 46-98,
November 03, 1998]**

**EXPEDITED CLEARANCE/RELEASE PROCEDURES AND
GUIDELINES ON EXPRESS CONSIGNMENTS**

By the authority of Section 608 of the Tariff and Customs Code of the Philippines, as amended, and in the exercise of the powers of the Bureau of Customs under Section 602 of the same Code, the following procedures and guidelines governing express consignment inbound are hereby prescribed:

**1.0
Objectives**

1.1 To establish operational procedures for the expedited clearance/release of express consignments in response to the continually changing international trading requirements in the global market place, taking into consideration the Guidelines set by the World Customs Organization (WCO).

1.2 To set uniform standards and operational guidelines in the transport and documentation of express consignments.

1.3 To further facilitate international trade and commerce, principally within the APEC/ASEAN member economics/states, by promoting the use of electronic data interchange (EDI) systems in the processing in the clearance/release of express consignments.

1.4 To ensure the collection of lawful government revenues as well as the proper compliance with all other laws and regulations administered and enforced by the Bureau of Customs.

**2.0
Scope**

This Order applies only to express consignments as herein defined and carried either as freight or as baggage by accredited Operators. This Order does not apply to other shipments which are traditionally transported as ordinary freight (whether shipped individually under one airline airway bill or as part of a consolidated shipment) which shall continue to be processed and cleared under existing informal and formal entry procedures.

This Order shall, as far as practicable, also apply to other international airports of entry where there are express consignments as defined below.

**3.0
Administrative Provisions**

3.1 *Definitions* — For the purpose of and as used in this Order, the following term shall mean as follows:

3.1.1 Express Consignments — consolidated air shipments of articles/goods which are time-sensitive in character, usually under a door-to-door service arrangement with on-time delivery commitment, which are shipped under a master air waybill (MAWB) consigned to Express Cargo Operator (ECO)

3.1.2 Express Cargo Operator (ECO) — a company which provide and arrange, by order and in the interests of shippers/consignors, for the fast and rapid transport and delivery of express consignment (either as a direct common carrier or an indirect air carrier) and as such issues its own air waybill to shippers/consignors of shipments under its solicitation.

3.1.3 Courier Services Operator (CSO) — a company which, by itself or in concert with affiliates or subcontractors, provide for the fast and rapid transport (as an indirect air carrier) and delivery of express consignments brought and arriving as accompanied baggage of its courier flying as passenger of commercial airlines. (The passenger is commonly known and referred to as On-Board-Courier or OBC).

3.1.4 Package — a closed container (i.e. box/carton/envelope) or covering in which the contents of a consignment is packed ready for shipment or transport subject to weight and size limits imposed in section 5.0 hereof.

3.1.5 Consignment/Shipment (the terms are used interchangeably) — one or more packages received from one shipper/consignor at one address and addressed to one consignee at one final destination, receipted for in one lot and shipped under one air waybill (AWD). (Consignments consisting of two or more packages are referred to as "Multiple Package Shipments").

3.1.6 Master air waybill (MAWB) — an air waybill showing, among other data elements, the consignee (nominal) at destination of a consolidated shipment, the total number of packages and total weight of the consolidation.

3.1.7 House air waybill (HAWB) — an air waybill showing all essential data elements of an individual consignment and its ultimate consignee at destination.

3.1.8 Customs — refers to the Bureau of Customs, an agency of the Government of the Republic of the Philippines, and its duly authorized officials and employees.

3.2 Express Consignments Clearance Office (ECCO)

3.2.1 For uniformity and consistency in the application and enforcement of customs laws and regulations, the composite units presently established in Customs Bonded Warehouses (CBWs) of Express Cargo Operators (ECOs) shall hereafter be named and referred to as Express Consignments Clearance Office (ECCO). These ECCOs shall be under the operational supervision and control of the Deputy Collector for Assessment and shall separately be headed by a Special Deputy Collector. The OBC Clearance Center shall remain to be under the operational control and supervision of the Deputy Collector for Passenger Services.

3.2.2 The ECCO shall receive all shipping documentations transmitted electronically or manually covering express consignments in their area of responsibility and the processing and clearance/release of the consignments. It shall keep and maintain records of all express consignments. A methodology which will provide an effective audit trail of each and every consignment cleared/released by the ECCO shall be formulated and prescribed by the Deputy Collector for Assessment.

3.2.3 Each ECCO shall gather, collate and maintain an electronic database of values from invoices of consignments, in close liaison and coordination with the other ECCOs, which database shall be updated from time to time as the need arises and interlinked with the Valuation Section central database. Values established shall be uniformly applied in the appraisal and valuation of subsequent importations of the same, like, or similar articles goods from the same country of origin until officially revised. This provision on the application of established values, however, shall be amended accordingly upon the implementation of the transaction value consistent with the WTO commitments.

4.0

Categories of Express Consignments and Restrictions

4.1 *Consignment Categories* — Express consignments shall be categorized as follows:

4.1.1 Documents (DOCS) — those generally considered as business, interoffice, or personal (BIP) in character which have no commercial value. Included under this category are diplomatic bags/pouches with official seal and international letter-mail (excluding parcels) for entry into the Philippine postal system. Representative examples of these consignments are listed in Appendix "A" hereof.)

4.1.2 Non Documents (NON-DOCS) — Consignments which do not fall under the DOCS category, further sub-categorized as follows:

4.1.2.1 Low value non-dutiable consignments — Consignments whose aggregate amount of duties, taxes and other charges collectible is less than the amount authorized by law.

4.1.2.2 Low value dutiable consignments — Consignments above the duty, tax and charges limit whose value is not more than the established low value threshold FOB.

4.1.2.3 High value consignments — Consignments whose value is above the established low value threshold FOB.

4.2 *Restrictions* — No express consignments shall include any of the following:

4.2.1 Prohibited/Regulated imports under the Philippine Laws;

4.2.2 Dangerous Goods/Hazardous substances such as explosives and other hazardous chemicals under RA 6969;

4.2.3 Valuable cargo such as jewelry, works of Art and the like;

4.2.4 Animal, fish and fowls (live or frozen);

4.2.5 Foodstuff and highly perishable articles;

4.2.6 Human remains/cadavers;

4.2.7 Money (coins, cash, paper money and negotiable instruments equivalent to cash); and

4.2.8 Personal effects of Balikbayans, OFWs (Overseas Filipino Workers) and other travelers.

5.0

Standards and Documentation

5.1 *Package Weight and Size Limits* — Unless compliance is not feasible due to the nature, size, or dimensions of the articles/goods to be transported, each express consignment package shall weight not more than thirty (30) kilograms and shall not exceed 1.50 meters for any one dimension or 3 meters for the sum of the length and the greatest circumference measured in a direction other than that of the length. However; Customs may also consider clearly established and universally accepted international standards on the size and weight of express consignment package.

5.2 Description and Limit on Commodities

5.2.1 Articles/goods shall be described on commercial/pro-forma invoices in their normal trade description expressed in sufficiently precise terms to enable immediate and unambiguous identification and tariff classification of the commodity, preferably with correct H.S. Code for each commodity.

5.2.2 Low-value consignments (dutiable or non-dutiable) shall not contain more than five (5) commodities with different tariff classification or H.S. Codes per HAWB.

5.3 Method of Transport

5.3.1 DOCS and NON-DOCS consignments shall not be commingled in one bag/sack but placed in separate bag/sacks or other containers.

5.3.2 DOCS consignments shall be placed in Green-colored bags/sacks and NON-DOCS in bags/sacks of a different color. Any bag/sack not of Green color shall be presumed to contain NON-DOCS consignments and shall be treated accordingly.

5.4 Manifest Requirements

5.4.1 A consolidated manifest copy shall be prepared and submitted for all DOCS and both low-value dutiable and non-dutiable NON-DOCS consignments. High value NON-DOCS consignments require submission of a separate Manifest.

5.4.2 Consol (consolidation) manifest shall contain, among others, the following data elements:

5.4.2.1 HAWB numbers of the consignments, with corresponding —

5.4.2.2 Number of packages.

5.4.2.3 Brief description of commodities;

5.4.2.4 Weight of the consignment (in kgs.);

5.4.2.5 Value of the consignment;

5.4.2.6 Name of shipper/consignor; and

5.4.2.7 Name and address of consignee.

5.4.3 OBC consol manifest shall contain, among others, the following data elements:

5.4.3.1 Flight number/identification of carrying aircraft;

5.4.3.2 Name and passport number of the courier;

5.4.3.3 Airport of origin;

5.4.3.4 Original airport of origin of a consignment (if a consignment/s originates from another airport);

5.4.3.5 Total number of bags/sacks;

5.4.3.6 Gross weight of all bags/sacks brought in; and

5.4.3.7 Baggage claim tag number of each bag/sack.

5.4.4 Each consignment shall be accompanied by the covering HAWB and commercial pro-forma invoice placed inside a transparent self-adhesive plastic document pouch which shall be securely affixed to the consignment with the face of the HAWB readable from the outside for easy identification of the consignment. For multiple package consignments, the document pouch shall be affixed to the #1 package, the rest of the packages to be properly identified or marked.

6.0

Expedited Operational Procedures

6.1 *Post-Arrival Routines*

6.1.1 For consignments carried as freight:

6.1.1.1 Upon arrival, the consignment shall be immediately transferred underguard to the CBW of the Operator concerned. In case where short-shipment is noted, a Cargo Irregularity Report (CIR) shall be prepared by the representative of the airline. The CIR shall be noted by the assigned Customs Guard who shall secure a copy for record purposes.

6.1.1.2 Receiving Customs Warehouseman and Operator shall check the