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PROFESSIONALISM INTEGRITY ACCOUNTABILITY

Date JUN 02 2022

CUSTOMS MEMORANDUM ORDER (CMO)

No. 15-2022

SUBJECT: RULES AND REGULATIONS IMPLEMENTING CUSTOMS ADMINISTRATIVE ORDER (CAO) NO. 12-2019 ON THE TRANSSHIPMENT OF GOODS

Section 1. Coverage. This Order shall apply to all goods clearly indicated in the Transshipment Foreign Cargo Manifest as destined for a foreign destination other than the Port of Discharge.

Section 2. Objectives.

- 2.1. To ensure that trade facilitation can be genuinely achieved by eliminating roadblocks that curtail the expeditious processing of goods for Transshipment.
- 2.2. To provide for streamlined procedures in the processing of goods for transshipment at hub facilities.
- 2.3. To provide for clear, uniform and transparent procedures in the processing of goods for transshipment.
- 2.4. To delineate the duties and responsibilities of the different offices involved in the clearance of goods for transshipment.

Section 3. Definition of Terms. For purposes of this Order, the following terms shall be defined accordingly:

- 3.1. **Air Express Cargo Operators (AECO)** — shall refer to a company which provides and arranges fast and rapid transport and delivery of express shipments, by order and in the interest of shippers or consignors, either as a direct common carrier or an indirect common air carrier, and as such issues its own airway bill to shippers or consignors of shipments under solicitation.¹
- 3.2. **Aircraft** — shall refer to any weight – carrying device or structure for navigation in the air.

¹ CAO No. 05-2020, Section 3.2 and CMO 9-2021, Sections 2.1.

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- 3.3. **Carrier** — shall refer to the juridical persons responsible for the transport of goods such as airlines, shipping lines, international freight forwarders, cargo consolidators, non-vessel operating common carriers and other international transport operators.² For purposes of this Order, carriers shall be used synonymously with common carrier.
- 3.4. **E-TRACC System** — shall refer to the Electronic Tracking of Containerized Cargo System, a real-time monitoring system of containerized cargoes using GPS-enabled electronic locks (e-lock).³
- 3.5. **Foreign Goods** — shall refer to goods of foreign origin.⁴
- 3.6. **Hub Facility** — shall refer to a facility that receives and handles transshipment goods for breakdown, sorting, build-up and consolidation prior to shipment to their foreign destinations.⁵
- 3.7. **Inspector's Certificate of Loading** — shall refer to the Certificate issued by the CCCD attesting that cargoes for transshipment have been loaded to the exporting carrier.
- 3.8. **Master of Vessel** — shall refer to the term that is given to the captain of a ship or the chief commanding officer of a ship.
- 3.9. **Pilot-in-Command** — shall refer to a person aboard the Aircraft who is ultimately responsible for its operation and safety during flight.
- 3.10. **Port of Final Destination (of Goods)** — shall refer to the next foreign port of call of carrier to unload foreign goods.⁶
- 3.11. **Port of Entry** — shall refer to the first Philippine port of call of a foreign carrier. These shall be the ports designated as such by applicable laws or by the President in the exercise of his authority to open or close any port.⁷
- 3.12. **Port of Discharge** — also called Port of unloading, shall refer to a place where a vessel, ship, aircraft or train unloads its shipments,

² cf. CMTA, Title I, Chapter 2, Section 102(j) and CAO No. 15-2020, Section 3.13.

³ cf. CMO No. 4-2020.

⁴ CAO No. 12-2019, Section 3.7.

⁵ cf. CMO No. 28-1996.

⁶ CAO No. 12-2019, Section 3.15.

⁷ cf. CMTA, Title I, Chapter 2, Section 102 (hh).

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from where they will be dispatched to their respective consignees.⁸

- 3.13. Special Permit to Load (SPL)** — shall refer to a document that grants the authority to load goods for export in a situation where no Export Declaration is required as provided in existing CAOs and relevant Customs Memorandum Order. Shall also serve as the authority for the terminal operator to load containerized cargoes into the exporting vessel.⁹
- 3.14. Transfer Note** — shall refer to a document that accompanies the transfer of Transshipment Goods to a Customs Facility and Warehouse (CFW) and serves as proof of delivery or receipt of the articles at its intended destination duly acknowledged on its face by the Collector of Custom or his duly authorized representative. It is commonly referred to as a "boat note".
- 3.15. Transshipment** — shall refer to the customs procedure under which goods are transferred under Customs control from the importing means of transport to the exporting means of transport within the area of one Customs office which is the office of both importation and exportation.¹⁰
- 3.16. Transshipment Foreign Cargo Manifest (TFCM)** — formerly known as Transit Cargo Manifest (TCM), shall refer to Cargo Manifest of all shipments intended to be temporarily unloaded at a port of entry in the Philippines subject to re-exportation to its destination to countries other than the Philippines. In electronic format, it is also known as e-TFCM.¹¹
- 3.17. Transshipment Goods** — shall refer to goods that are transferred under customs control from the importing means of transport to the exporting means of transport within the customs office, which is the office of both importation and exportation¹².
- 3.18. Transshipment Goods Declaration** — shall refer to the document which is required by the Bureau to be submitted, particularly describing the nature and quantity of the goods

⁸ CMTA, Title I, Chapter 2, Section 102 (ii).

⁹ CAO No. 8-2020. Section 3.14.

¹⁰ CAO No. 12-2019, Section 3.18.

¹¹ cf. CMO No. 9-2021.

¹² CAO No. 12-2019, Section 3.19.

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subject of transshipment duly supported by transport documents. Also known as Transshipment Permit¹³.

- 3.19. Transit of Strategic Goods** — shall refer to shipment of strategic goods within the Philippines and those entering and passing through the territory of the Philippines with an ultimate destination outside the Philippines in such a manner that the strategic goods remain at all times in or on the same carrier.¹⁴
- 3.20. Transshipment of Strategic Goods** — refers to a mode of shipping a good on a carrier which enters the territory of the Philippines, wherein the good is unloaded from the carrier and reloaded in the same or on another carrier that is bound for an ultimate destination outside the Philippines.¹⁵
- 3.21. Vessel-to-Vessel Transfer/Aircraft-to-Aircraft Transfer** — shall refer to the direct transfer of cargo from the carrying vessel or aircraft to the vessel or aircraft of exportation where both the carrying vessel and the receiving vessel are within the area of one Customs office which is the office of both importation and exportation.
- 3.22. Weapons of Mass Destruction (WMD)** — shall refer to any destructive device or weapon that is designed or intended to cause death or serious bodily injury through the release, dissemination, or impact of toxic or poisonous chemicals, or their precursors, any weapon involving a biological agent, toxin, or vector, or any weapon that is designed to release radiation or radioactivity at a level dangerous to human life. This includes, but not limited to: (a) nuclear and radiological explosive devices and their major sub-systems; (b) chemicals covered by Schedule I, II and III of the Chemical Weapons Convention; and (c) biological agents and biologically derived substances specifically developed, configured, adapted, or modified for the purpose of increasing their capability to produce casualties in humans or livestock, degrade equipment, or damage crops.¹⁶

Section 4. Administrative Provisions.

- 4.1. Treatment of Transshipment Goods.** Goods intended for transshipment shall not be subject to the payment of duties and

¹³ CAO No. 12-2019, Section 3.20.

¹⁴ Republic Act No. 10697, Sec. 5 (z).

¹⁵ Republic Act No. 10697, Sec. 5 (aa).

¹⁶ Republic Act No. 10697, Sec. 5 (cc).

taxes, provided, that the Transshipment Goods Declaration particularly indicates such nature of goods, duly supported by commercial or transport documents or evidence as required by the Bureau.¹⁷

4.2. Accreditation of Transshippers. Upon implementation of the electronic lodgment of Goods Declaration for Transshipment in the Bureau's computer system, all entities, natural or juridical, engaged in transshipment activities must apply for accreditation with the Bureau as transshippers. This shall include Cargo forwarders, consolidators, shipping lines, AECOs and other similar entities engaged in transshipment operations.

A separate CMO shall be issued to govern the procedures in the accreditation of transshippers and their authorized brokers.

4.3. Transshipment Goods Declaration. Request for issuance of Transshipment Permit shall be made at the Office of the Deputy Collector for Operations or equivalent office of the port where the goods for transshipment were discharged. Until such time the Bureau's computer system allows electronic lodgment of the transshipment goods declaration, the Transshipment Permit (TP) (BOC Form No. 199) shall continue to be in use. The copies of the processed TP shall be distributed among the following offices, to wit:

- a. White - Piers Inspection Division (PID)/Aircraft Operations Division (AOD) or equivalent office;
- b. Green - Office of the Deputy Collector for Operations or equivalent office;
- c. Grey - Container Control and Cargo Division (CCCD)/equivalent office for containerized goods or Wharfinger-in-Charge/Warehouseman or equivalent office for LCL cargoes

A description of the consignment shall appear in the permit, or in a list attached, and the utmost precaution shall be taken that no cargo is discharged on its authority other than that described therein.

4.4. Documentary Requirements. The following documents must be submitted by the carrier's agent or representative when

¹⁷ cf. CMTA, Title VI, Chapter 2, Section 603; CAO No. 12-2019.

applying for the Transshipment Permit, except for those transshipments covered by Section 6 hereof:

- a. Transshipment Permit (B.C. Form 199) with BOC Documentary Stamp
- b. Notarized Request with BOC Documentary Stamp
- c. Transshipment Foreign Cargo Manifest (TFCM)
- d. Bill of Lading or Air Way Bill indorsed by shipping lines/airline
- e. Notice of Arrival, in case of vessels and unscheduled flights
- f. Surety Bond, in case of in-transit transfers, if applicable
- g. Certificate of Arrival
- h. Certification from the Master of the vessel (for ship's spares)
- i. BOC Receipt evidencing payment of Transshipment Fee
- j. Permits/Clearances, if applicable (i.e. For cigarettes or tobacco, Certificate of Accreditation from the National Tobacco Administration)

4.5. Examination at Port of Importation. Unless subject of derogatory information or there is a clear violation of existing laws, or upon the written request of the carrier's representative agent, goods for transshipment shall remain unopened in the original packing containers under the original shipper's seal and shall not be inspected or examined at the port or airport of discharge. In case there is a need to conduct an examination of the goods, the Port shall document and explain its reasons for the examination and attach the same to the approved Transshipment Permit. Non-intrusive inspection or physical examination for purposes of verification shall be made in the presence of representative from the carrier and, if applicable, the concerned regulatory agency.

4.6. Customs Supervision. Transshipped goods shall be under continuous under-guarding from the time of its discharge from the Carrier up to transfer to the CFW or from exit from the CFW to its loading for exportation through the carrying vessel or aircraft.

4.7. Direct Transfer to Vessels/Aircraft. Goods from a foreign port may be transshipped direct from the carrying vessel/aircraft to another vessel/aircraft engaged in foreign trade upon receipt of written permission from the Collector of Customs.

- 4.8. Transshipment of Bulk and Break-bulk Cargoes.** Bulk and break-bulk cargoes for transshipment shall either be discharged directly into the receiving vessel if it comes alongside, or otherwise transshipped to it in lighters or discharged at the pier for eventual loading to the receiving vessel. Lighters containing the transshipment cargo shall remain under-guarded until it is loaded in the receiving vessel and properly receipted by the master of said vessel¹⁸.
- 4.9. In-transit Transfers.** The Port shall allow the in-transit transfers of goods for transshipment under the following instances:
- 4.9.1.** In case of less container load (LCLs) shipments for consolidation in accredited off-dock/off-terminal Customs Facilities and Warehouses (CFWs) prior to loading at port of exportation;
 - 4.9.2.** The goods are consolidation shipments loaded in containers to be sorted in accredited CFWs prior to loading for export;
 - 4.9.3.** When the goods for transshipment are directly transferred from the carrying vessel or aircraft to the exporting vessel or aircraft for immediate re-exportation where the latter is stationed outside the Port of Entry (i.e. ships/aircraft spares or parts);
 - 4.9.4.** When there are limitations in the terminal facilities at the port of discharge which would not allow the direct transfer of the goods from the carrying vessel to the exporting vessel; and
 - 4.9.5.** Other analogous circumstances.

In-transit transfers of goods to CFWs shall be allowed only if the CFW is accredited in the same Collection District where the goods have been discharged. Transfers of goods to CFWs outside the jurisdiction of the Port of discharge shall follow existing transit procedures.

The Port shall designate the vessel or aircraft in which the goods are to be loaded as constructive warehouses to facilitate the transfer of the goods to the exporting vessel or aircraft.

¹⁸ CMO No. 22-2010.

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Pending electronic lodgment of the goods declaration in the Customs system and establishment of systems and procedures on the filing of multi-purpose declarations, the approved TP or equivalent document shall be considered as the constructive warehousing entry, in lieu of the filing of a separate warehousing entry for the same shipment.

4.10. Period to Load. Unless specifically provided in this CMO, goods intended for Transshipment must be loaded in the exporting means of transport within thirty (30) calendar days from the date of arrival. For this purpose, the exportation commences when the carrying vessel or aircraft leaves the Philippine territory.¹⁹

The Bureau shall allow an extension of such period for valid causes, such as the following:

- a. Force majeure;
- b. Act of public enemy in war, whether international or civil;
- c. If the container is damaged or leaked;
- d. Legal order or act of competent public authority;
- e. Mechanical failures or problems that prevent the aircraft from departing, if applicable; and
- f. Other causes beyond the control of shipper or agent or other analogous situation.

Provided, that the Transshipment Goods must be loaded on board the exporting carrier within a reasonable period when the causes for such extension cease to exist, otherwise the agent or shipper shall be subject to the penalties provided under existing rules and regulations.

4.11. Failure to Load. In case of failure to load within the period allowed, the Transshipment Goods shall be treated by the Bureau as regular importation. When the owner or interested party, after due notice, fails to file the goods declaration within the prescribed period under Section 407 of the CMTA, the goods shall be subjected to the provisions of Title XI, Chapter 6 of the CMTA on abandonment.

4.12. Containerized Cargoes. In-transit transfers of goods in containers shall be equipped with the electronic customs seal under the Electronic Tracking of Containerized Cargo (E-TRACC) System.

¹⁹ cf. CMTA, Title I, Chapter 2, Section 102 (s).

4.13. Transshipment of Goods via Air. Foreign cargo unladen from an aircraft may be transferred and laden under customs supervisions and control to another aircraft in the same airport which is the first airport of arrival of a scheduled flight for transportation to its final destination abroad. Transshipment of such cargo may be direct from aircraft to aircraft or from CFW to aircraft, subject to compliance with the provisions of this Order.

4.14. Transshipment of Goods Covered by International Conventions and Agreements.²⁰

4.14.1. WMD, and other goods prohibited under international conventions wherein the Philippines is a signatory, such as the Basel Convention, shall not be discharged from the carrier even for transshipment purposes, without the requisite prior authorization from the appropriate regulatory agency, if applicable.

Goods discharged at the port shall be seized by the Bureau and proceeded against in accordance with existing rules and regulations without prejudice to the filing of appropriate prosecution against the persons liable for administrative or criminal offenses, if any.

4.14.2. Transshipment Goods covered by Basel Convention and R.A. No. 6969, otherwise known as the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990", discharged at the port shall be immediately returned to the country of origin by the importing carrier or agent either before or after the seizure proceeding, without prejudice to the filing of administrative or criminal charges, if any, against any person involved.

The transporting vessel shall be seized by the Bureau and proceeded against in accordance with the CMTA, provided, that the vessel or aircraft is not used as a common carrier which has been chartered or leased for purposes of conveying or transporting cargo.²¹

4.14.3. Prohibited goods for transshipment shall be seized by the Bureau. The procedure on the seizure and forfeiture shall

²⁰ CAO No. 12-2019.

²¹ cf. CMTA, Section 1113 (a).

be governed by existing rules and regulations on seizure and forfeiture.

4.15. Transit of Strategic Goods and Transshipment of Strategic Goods under Republic Act No. 10697. No prior authorization is required for the Transit of Strategic Goods and Transshipment of Strategic Goods under Republic Act No. 10697, otherwise known as the Strategic Trade Management Act (STMA), until the Strategic Trade Management Office (STMO) issues a prior public notice of its implementation to all stakeholders.

Prior to the implementation of the transit and transshipment provisions under the STMA, the STMO will hold a public consultation to engage stakeholders in the development of the policy on the Transit of Strategic Goods and Transshipment of Strategic Goods. Stakeholders may provide feedback/input on the draft policy and share best practices on transit and transshipment from other countries implementing export controls.

Once the policy is finalized, all persons engaged or intending to engage in the transit and transshipment of strategic goods may apply for an Individual,²³ Global²⁴ or General²⁵ authorization from the STMO. Stakeholders shall likewise be given ample time to adjust their systems to meet authorization requirements for the transshipment of strategic goods.

4.16. Reconciliation of Records. The Collectors of the Ports of Discharge and Ports of Destination shall conduct a weekly and monthly reconciliation of records with respect to in-transit transfers of goods for transshipments, to closely monitor, verify and confirm arrival of cargoes sent to and received by their ports.

Section 5. Operational Provisions.

5.1. At the Seaports.

5.1.1. Upon receipt of the hard copy of the duly filled up Transshipment Permit (TP) and supporting documents, the Office of the Deputy Collector for Operations shall check the completeness of the information therein, compliance to the submission of the documentary requirements as provided in Section 4.4 above and

²³ Republic Act No. 10697 Implementing Rules and Regulations, Sec. 4(a)(1).

²⁴ Republic Act No. 10697 Implementing Rules and Regulations, Sec. 4(a)(2).

²⁵ Republic Act No. 10697 Implementing Rules and Regulations, Sec. 4(a)(3).

payment of the Transshipment Fee as provided under Section 6 of CAO No. 12-2019.

- 5.1.2.** If found to be complete, the hard copies of the TP, supporting documents, and proof of payment shall be forwarded to the Chief, Piers Inspection Division (PID) or equivalent office, for verification of arrival details and preparation of Disposition Form.
- 5.1.3.** The PID/equivalent office shall review the particulars entered in the TP and the supporting documents against the details of arrival of the vessels in the E2M Inward Foreign Manifest (IFM) module and the arrival and departure details of the carrying vessel if consistent with the declaration in the TP. If in order, it shall then prepare the Disposition Form recommending action on the request for transshipment for approval of the Deputy Collector for Operations.
- 5.1.4.** Once the request for issuance of TP is approved and an entry number is assigned to the TP, the Office of the Deputy Collector for Operations shall verify the e-TRACC booking in the case of containerized cargoes subject of in-transit transfers, before executing the manual discharge of the Bill of Lading in the e2m system. The green copy of the TP shall be retained for future reference.
- 5.1.5.** The signed TP and approved DF is then forwarded to the PID/equivalent unit for recordation in the logbook or encoding in the database the details of the TP (serial number, permit number, etc.) and forwarded to the Chief, Port Utilization Section (PUS) or Bay Service Section (BSS), in case of Port of Manila or Manila International Container Port, or equivalent offices in case of other ports, for implementation. The PID shall segregate the grey and white copies of the TP with the white copy to be retained by the PID/equivalent unit while the original and remaining copies thereof shall be given to the ship agent/broker or authorized representative.
- 5.1.6.** For vessel-to-vessel transfers, the Chief, BSS or equivalent unit, shall prepare for approval and signature of the Chief, PID/equivalent unit, the Mission Order (MO)

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assigning a Customs Guard to under-guard the cargoes until its direct loading to the exporting vessel.

- a. The grey copy of the TP shall be forwarded to the CCCD/equivalent unit in the case of conventional cargoes for posting of container numbers and issuance of the Special Permit to Load (SPL) for their eventual loading. A copy of the SPL shall be provided the CCCD Inspector assigned to supervise the loading of the container/s.
- b. The CCCD Inspector (Loading Inspector) shall verify the correctness of the container numbers indicated in the permit prior to loading of the transshipment cargoes on board the exporting vessel, issue the Inspectors Certificate of Loading (ICL) and provide a copy thereof to the Inspector/Guard on board.
- c. For less container load (LCL) or loose shipments, the Chief, BSS/equivalent unit shall in addition to the Mission Order prepare a Transfer Note to accompany the transfer of the loose cargo for transshipment either for direct loading to the exporting vessel or to the designated Customs Facility or Warehouse (CFW) under the jurisdiction of the same Collection District prior to loading into the exporting vessel.
- d. The Wharfinger assigned at the CFW shall ascertain the correctness of the cargo thru the designated marks and numbers reflected in the Transfer Note against those found in the actual cargoes before acknowledging receipt of the same and to allow the transfer of the LCL cargoes from the CFW to the exporting vessel;

5.1.7. For in-transit transfers, the Chief, PUS/equivalent unit, as the case may be, shall prepare for approval and signature of the Chief, PID/equivalent unit, the Mission Order (MO) assigning a Customs Guard to under-guard the transfer of the cargoes for transshipment either to the exporting vessel which is stationed in another port (i.e. ships spares or parts) or to the off-dock CFW, hub facility under the jurisdiction of the same Collection district.

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- a. Containerized goods for transshipment subject of in-transit transfers shall be equipped with the Customs Electronic Device/Seal prior to its exit from the Port of Discharge until its receipt by the CCCD/equivalent unit of the Port where the exporting vessel is stationed.
- b. The grey copy of the TP shall be forwarded to the CCCD/equivalent unit of the Port of exportation for posting of container numbers and issuance of the Special Permit to Load (SPL) for their eventual loading. A copy of the SPL shall be provided the CCCD Inspector assigned to supervise the loading of the container/s.
- c. The CCCD Inspector (Loading Inspector) shall verify the correctness of the container numbers indicated in the permit prior to loading of the transshipment cargoes on board the exporting vessel, issue the Inspectors Certificate of Loading (ICL) and provide a copy thereof to the Inspector/Guard on board.
- d. For LCL cargoes, the Chief, BSS/equivalent unit shall in addition to the Mission Order prepare a Transfer Note to accompany the LCL cargo either directly to the exporting vessel or to the CFW or hub facility for receipt by the Wharfinger-in-Charge or assigned warehouseman.
- e. The Wharfinger assigned at the CFW shall ascertain the correctness of the cargo thru the designated marks and numbers reflected in the Transfer Note against those found in the actual cargoes before acknowledging receipt of the same. The transfer of the LCL cargoes from the CFW or hub facility to the exporting vessel shall be accompanied by a Transfer Note to be issued by the Chief, PUS or equivalent office. The Chief, PID/equivalent shall likewise issue a Mission Order assigning a Customs Guard to accompany the transfer. The grey copy of the TP shall be retained by the Wharfinger-in-Charge or Warehouseman assigned at the CFW or hub facility.

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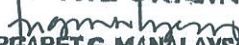
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- 5.1.8. The Master of the receiving vessel shall sign on the Transfer noted by the Customs Inspector/Guard on board to acknowledge receipt of the goods for transshipment.
- 5.1.9. The Inspector/Guard on board shall also require the submission of the Transit Cargo Manifest in triplicate copies by the shipping company/agent, notes on the same and have it received by the Master of the carrying vessel. A copy of the Transit Cargo Manifest duly received by the Master of the carrying vessel, noted by the Inspector/Guard on board and the ICL shall be attached to the after-completion report to be submitted to Chief, PID.
- 5.1.10. Within forty-eight (48) hours after the carrying vessel's departure, the shipping agent must submit to the Deputy Collector for Operations copies of the bill of lading for the cargo and the vessel's outward foreign cargo manifest.
- 5.1.11. The shipping company/agent who applied for the transshipment of such cargo shall, within fifteen (15) days from the departure of the carrying vessel, submit to the Office of the Deputy Collector for Operations of the original Port of Discharge, in addition to the usual documentary requirements for purposes of clearance of a departing vessel, a certification from the consignee thereof that the latter has received the shipment, together with a certified true copy of the inward foreign manifest submitted to, received by, and properly stamped by the authorities in the port of destination.
- 5.1.12. Upon submission of the above documents, the security posted shall be cancelled.

5.2. At the Airports except Hub Facilities.

- 5.2.1. Requests for the transshipment of goods unladen from an aircraft shall be made with the Office of the Deputy Collector for Operations of the airport where the goods where unladen upon filing of the notarized request together with the applicable supporting documents required under Section 4.2 hereof. For this purpose, the presentation of the Transit Manifest or Airway Bill duly endorsed by the airline shall suffice as Transshipment

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Goods Declaration in lieu of the Transshipment Permit (BC From 199).

- 5.2.2.** Upon receipt of the hard copy of the request and endorsed Transit Manifest or Airway Bill and supporting documents, the Office of the Deputy Collector for Operations shall check the completeness of the information therein, compliance to the submission of the documentary requirements and payment of the required Supervision Fee.
- 5.2.3.** If found to be complete, the Deputy Collector for Operations or equivalent shall approve the request for transshipment and forward the same to the Aircraft Operations Division (AOD)/equivalent unit for tagging of the Airway Bill in the Bureau's automated system.
- 5.2.4.** For loading of the goods for transshipment directly from the carrying aircraft to the exporting aircraft, the Chief, AOD/equivalent unit shall issue the Transfer Note and the Mission Order assigning a Customs Guard to under-guard the transfer of the goods from the carrying aircraft directly to the exporting aircraft.
- 5.2.5.** Where the goods are to be brought to a CFW or hub facility which are under the jurisdiction of the same Collection District, the AOD Chief/equivalent shall issue the Transfer Note and the Mission Order assigning a Customs Guard to under-guard the transfer of the goods from the carrying aircraft to the CFW. The Wharfinger-in-Charge or Warehouseman assigned at the CFW shall ascertain the correctness of the cargo thru the designated marks and numbers reflected in the Transfer Note against those found in the actual cargoes before acknowledging receipt of the same.
- 5.2.6.** Loading of the goods for transshipment from the CFW to the exporting aircraft shall be covered by a Special Permit to Load (SPL) issued by the Export Division of the Port having jurisdiction over the CFW. The Chief, AOD/equivalent shall likewise issue a Mission Order assigning a Customs Guard to accompany the transfer and the Transfer Note.

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- 5.2.7. The Captain of the aircraft shall sign on the Transfer noted by the Customs Inspector/Guard on board to acknowledge receipt of the goods for transshipment.
- 5.2.8. Within forty-eight (48) hours after the carrying vessel's departure, the agent must submit to the Deputy Collector for Operations copies of the bill of lading for the cargo and the aircraft's outward foreign cargo manifest.
- 5.2.9. The agent who applied for the transshipment of such cargo shall, within fifteen (15) days from the departure of the carrying aircraft, submit to the Office of the Deputy Collector for Operations of the original Port of Discharge, in addition to the usual documentary requirements for purposes of clearance of a departing aircraft, a certification from the consignee thereof that the latter has received the shipment, together with a certified true copy of the inward foreign manifest submitted to, received by, and properly stamped by the authorities in the port of destination.

Section 6. Transshipment Operations of Hub Facilities Operated by AECOs.

Transshipment operations at Hub Facilities shall be dedicated to the sorting and distributing of shipments from points across the world that are then physically transferred to a connecting transportation mode and be governed by the following operational procedures:

- 6.1. **Accreditation of Hub Facilities as Customs Facilities and Warehouse (CFWs).** Hub Facilities owned and operated by AECOs shall be accredited and registered as CFWs with the Collection District having jurisdiction over the facility following procedures under existing rules and regulations.
- 6.2. Transshipment operations at Hub Facilities may cover the following:
 - a. **Transfer** - which is the transit of transshipment goods under customs control from one port of entry to another port of entry for onward shipment to a destination outside of the Philippines.
 - b. **Transhold** - shall refer to the arrival and departure of shipments in the same port of entry on the same transporting vessel or aircraft without unloading or sortation.

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- c. **Transload** - shall refer to the process of transferring a shipment from one mode of transportation to another within the same port of entry.
- d. **Transsort** - shall refer to the unloading, sortation, and reloading of goods, in one continuous process within the same port of entry.

6.3. Submission of e-TCFM and e-Outward Foreign Cargo Manifest. All transshipment goods for sorting at the Hub Facility (CFW) shall be accompanied by a TFCM the hard copy of which shall be submitted during the conduct of boarding formalities upon arrival of the vessel or aircraft.

For express shipments, the e-TFCM shall be submitted within twenty-four (24) hours from the arrival of the aircraft at the Port of Discharge. Goods for transshipment not covered by the initial submission of the e-TFCM must be covered by a supplemental e-TFCM which must be submitted before the transshipment goods will be exported, otherwise the goods will be considered as unmanifested and shall be proceeded against pursuant to existing provisions of the CMTA and rules and regulations.

The AECO shall submit the electronic Outward Foreign Cargo Manifest (e-OFCM) twenty-four (24) hours after the departing aircraft has left the Philippine territory.

Both the e-TFCM and e-OFCM must reflect the following information:

- a. Master Airway Bill (MAWB) No.;
- b. House Airway Bill (HAWB) Numbers of the individual goods for transshipment, including the name and address of both the shipper and consignee;
- c. Detailed description of commodity;
- d. Weight of goods in kilograms; and
- e. Declared Value of the goods.

Submission of the e-TFCM for non-express transshipment goods shall be submitted in the timelines for the submission of electronic Inward Foreign Cargo Manifest (e-IFCM) and supplemental manifest prescribed by existing rules and regulations.

6.4. Transfer of Goods from Aircraft to Hub Facility or Vice-Versa. Transfer of shipments for transshipment from the

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carrying vessel or aircraft to the Hub Facility or from the Hub Facility to the exporting aircraft shall be governed by the following procedures:

6.4.1. Transfer of the goods to the CFW shall be accompanied by the Transfer Note issued by the AOD/equivalent unit which shall be received by the Wharfinger or Warehouseman assigned at the CFW who shall check the details in the Transfer Note against the shipment received at the CFW.


6.4.2. The hard copy of the TFCM with the required BOC Documentary Stamp affixed shall act as the Transshipment Goods Declaration/Transshipment Permit in lieu of BC Form No. 199, which shall be filed by the carrier's agent or representative at the Office of the Deputy Collector for Operations within twenty-four hours from receipt of the goods at the Hub Facility. The TFCM filed as Transshipment Permit must have the following documents attached thereto:

- a. Master Bill of Lading or Master Airway Bill indorsed by shipping lines/airline
- b. BOC Receipt evidencing payment of the Transshipment Supervision Fee of Php2,500 per MAWB.

6.4.3. The Office of the Deputy Collector for Operations shall check the completeness of the information contained in the TFCM and compliance to the submission of the following documentary requirements within twenty-four (24) hours from arrival of the aircraft at the Port of Discharge:

- a. Request for Transshipment with Documentary Stamp;
- b. Master Bill of Lading or Master Airway Bill indorsed by shipping lines/airline, whichever is applicable;
- c. Notice of Arrival, in case of unscheduled flights
- d. BOC Receipt evidencing payment of Transshipment Supervision Fee of Php2,500 per MAWB.

6.4.4. If found to be complete, the Deputy Collector for Operations or equivalent shall approve the request for

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transshipment and forward the same to the Aircraft Operations Division (AOD)/equivalent unit for tagging of the Airway Bill in the Bureau's automated system.

6.4.5. Loading of the transshipment goods to the exporting aircraft must be covered by a Special Permit to Load issued by the Export Division or equivalent unit of the Collection District Concerned.

6.4.6. The Chief, AOD/equivalent shall issue the Transfer Note and the Mission Order assigning a Customs Guard to accompany the transfer of the transshipment goods from the Hub Facility to the exporting aircraft.

The Captain of the aircraft or airline representative authorized to receive goods for loading into the aircraft shall sign on the Transfer Note to acknowledge receipt of the goods for transshipment.

6.4.7. Goods intended for transshipment must be loaded in the exporting means of transport within five (5) days from the date of its receipt at the Hub Facility. The period to export the goods may be extended upon written request of the AECO to the District Collector concerned, provided said request for extension is made before expiration of the period to export for causes enumerated under Section 4.10 hereof.

6.4.8. Provisions of existing rules and regulations governing transshipment operations of air express operators not inconsistent with this Order shall apply suppletorily.

Section 7. Report of Overstaying Goods for Transshipment. The Chief, PID/AOD/ equivalent unit shall submit a report to the Deputy Collector for Operations of the Port of Discharge of all goods for transshipment which are still in the ports thirty (30) days after their date of discharge from the carrying vessel or aircraft or five (5) days after their receipt at the Hub Facilities in case of express shipments. The report shall be forwarded to the Law Division for the institution of abandonment proceedings.

Section 8. Supervision Fees. As provided under CAO No. 12-2019, the following fees shall be collected for all Transshipment Goods:

8.1. In case the port of entry is Port of Manila or Manila International Container Port — Php1,000/TEU.

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- 8.2. In case of other ports of entry — Php100.00/TEU.
- 8.3. For Goods to be transshipped via air, a service fee amounting to Php1.00 per kilo shall be paid by the freight forwarders or authorized agent except for shipments covered by Section 6 hereof.
- 8.4. For break-bulk cargoes like motor vehicles, one unit shall be considered as equivalent to one TEU.

Section 9. Schedule of Penalties.

- 9.1. **Unloading of Goods for Transshipment before Arrival at Port of Entry.** If, upon the arrival within the limits of any Customs District of the Philippines of any Carrier engaged in foreign trade, the Master of the vessel or Pilot-in-Command thereof permits any part of the Goods to be unloaded before arrival at the Port of Entry, and without authority from proper customs officer, the owner, operator, or agent of such Carrier shall be liable for the following fines:

- 9.1.1. First Offense - Five Hundred Thousand Pesos (Php500,000.00)
- 9.1.2. Second Offense - One Million Pesos (Php1,000,000.00)
- 9.1.3. Third Offense - Two Million Pesos (Php2,000,000.00)

Provided, that no fine shall accrue upon satisfactory proof to the proper District Collector that the unloading was rendered necessary by stress of weather, accident or other necessity, provided, however, that the fine imposed herein shall be without prejudice to the application of fines or penalties provided under Section 1401 of the CMTA.

- 9.2. **Unloading of Goods for Transshipment at Improper Time and Place After Arrival.** The owner or operator of any Carrier from which Transshipment Goods are discharged upon arrival in the Philippines at a time or place other than that designated by the District Collector, shall be liable for the following fines:

- 9.2.1. First Offense - One Hundred Thousand Pesos (Php100,000.00)
- 9.2.2. Second Offense - Two Hundred Thousand Pesos (Php200,000.00)
- 9.2.3. Third Offense - Three Hundred Thousand Pesos (Php300,000.00)

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Provided, that no fine shall accrue upon satisfactory proof to the proper District Collector that the unloading was rendered necessary by stress of weather, accident or other necessity.

9.3. Failure to Supply Advance and Requisite Manifest. Except for causes beyond the control of the owner, operator or agent of the Carrier, failure to transmit the electronic copy of the TFCM within the required time prior to the arrival of the Carrier at the Port of Entry shall make the owner, operator, or agent of the Carrier liable for the following fines:

9.3.1. First Offense - One Hundred Thousand Pesos (Php100,000.00)

9.3.2. Second Offense - Two Hundred Thousand Pesos (Php200,000.00)

9.3.3. Third Offense - Three Hundred Thousand Pesos (Php300,000.00)

Failure to present the requisite manifest to the Bureau during boarding formalities shall likewise make the owner, operator, or agent of the vessel or aircraft liable for the fines above.

9.4. Disappearance of Manifested Goods for Transshipment. When any package or goods for transshipment mentioned in the manifest meant to be unloaded upon the arrival of the carrier is not unloaded or is missing or has disappeared, its agent shall be liable for the following fines unless the disappearance of the package or the goods in question was not due to the negligence of the Master of the vessel or Pilot-in-command of an aircraft and is explained to the satisfaction of the District Collector:

9.4.1. First Offense - One Hundred Thousand Pesos (Php100,000.00)

9.4.2. Second Offense - Two Hundred Thousand Pesos (Php200,000.00)

9.4.3. Third Offense - Three Hundred Thousand Pesos (Php300,000.00)

The owner, operator, or agent of a Carrier shall be liable for the payment of the same fine when a package or goods listed in the manifest do not tally materially in character or otherwise with the description thereof in the manifest.

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9.5. False statement of Port of Final Destination of Transshipment Goods. When the Master of a Vessel or the Pilot-in-Command of the aircraft loaded with goods shall make a false statement as to the final destination of Transshipment Goods loaded on-board such carrier, the owner or operator of such carrier shall be liable for the following fines:

- 9.5.1.** First Offense - One Hundred Thousand Pesos (Php100,000.00)
- 9.5.2.** Second Offense - Two Hundred Thousand Pesos (Php200,000.00)
- 9.5.3.** Third Offense - Three Hundred Thousand Pesos (Php300,000.00)

The arrival of a carrier at a different port other than the one it had been originally authorized and cleared for shall be enough to support the conclusion that the original statement as to the actual destination of the carrier was false, unless such arrival occurred due to necessity, e.g. arrival under stress, ship repairs, replenishment of stores, and other analogous circumstances.

9.6. In case of failure to load within the period allowed, the importing means of transport shall be liable for the following fines:

- 9.6.1.** For sea Goods, Five hundred Pesos (Php500.00) per TEU per day.
- 9.6.2.** For air Goods, One hundred Pesos (Php100.00) per kilogram per day.

9.7. Other violations for which delinquency no specific penalty is provided under CAO 12-2019, shall be liable for the following fines:

- 9.7.1.** First Offense - One Hundred Thousand Pesos (Php100,000.00)
- 9.7.2.** Second Offense - Two Hundred Thousand Pesos (Php200,000.00)
- 9.7.3.** Third Offense - Three Hundred Thousand Pesos (Php300,000.00)

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Section 10. Repealing Clause. Provisions of any CMO, Orders, or Memoranda inconsistent herewith are deemed repealed or modified accordingly.

Section 11. Effectivity. This Order shall take effect on JUN 06 2022.


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The Office of National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Order.


REY LEONARDO B. GUERRERO
Commissioner



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