



JUN 10 2016 2016

CUSTOMS MEMORANDUM ORDER
NO. 16-2016

**SUBJECT: OPERATIONAL GUIDELINES IN THE IMPLEMENTATION OF
REPUBLIC ACT 10668, OTHERWISE KNOWN AS "AN ACT
ALLOWING FOREIGN VESSELS TO TRANSPORT AND CO-LOAD
FOREIGN CARGOES FOR DOMESTIC TRANSSHIPMENT AND FOR
OTHER PURPOSES"**

Pursuant to Republic Act 10668 and its Implementing Rules and Regulations, the following rules are hereby promulgated:

1. OBJECTIVES

- a. To operationalize Sections 6, 7 and 8 of Joint Department Administrative Order (JDAO) No. 001.2016: Implementing Rules and Regulations of Republic Act 10668, otherwise known as "An Act Allowing Foreign vessels to Transport and Co-load Foreign Cargoes for Domestic Transshipment and for other purposes";
- b. To lower the cost of shipping Export Cargoes from Philippine Ports of Entry to international ports and Import Cargoes from international ports for the benefit of the consumers.

2. DEFINITION OF TERMS

For purposes of this order, the following terms are defined as follows:

- a. *Co-loading* refers to the agreements between two (2) or more international sea carrier bound for a specified destination agrees to load, transport, and unload the container van or cargo of another carrier bound for the same destination;
- b. *Recipient Vessel* refers to the foreign vessel that agrees to receive and carry foreign cargoes from the Transferor Vessel to its port of final destination;
- c. *Transferor Vessel* refers to the foreign vessel that transfers its foreign cargoes to a Recipient vessel for co-loading.

3. COVERAGE

These rules shall apply in connection with Section 6 (Co-loading of Import Cargo), Section 7 (Co-loading of Export Cargo) and Section 8 (Co-loading of Empty Containers) of JDAO No. 001.2016.

4. OPERATIONAL PROVISIONS

A. Import

A.1 Submission of Electronic Inward Foreign Manifest (e-IFM)

- 1.1 The e-IFM submission shall be in accordance with existing regulations. It shall be submitted both in the transit port and to the final port of discharge bearing the appropriate registry number of the carrying vessel.
- 1.2 The Transferor vessel shall submit the corresponding e-IFM at the transit port using bill of lading nature code "24" for its cargoes intended for co-loading.
- 1.3 The Recipient vessel shall submit the corresponding e-IFM for the co-loaded cargoes at the final port of discharge using bill of lading nature code "23".

A.2 Permit for Co-loading

- 2.1 The foreign ship operator or agent of the foreign Recipient vessel shall request for a Permit for Co-loading to the Office of the Deputy Collector for Operations or equivalent office at the port concerned using the form attached as Annex B at least twelve (12) hours before arrival of the vessel.
- 2.2 The Permit for Co-loading shall contain the following information as prescribed in the format annexed in this Order:
 - a. Application Date and Time
 - b. Estimated Time of Arrival (ETA) of Transferor vessel
 - c. Estimated Time of Arrival (ETA) of Recipient vessel
 - d. Details of Transferor and Recipient vessel such as but not limited to:
 - Vessel Operator (Shipping Line);
 - Vessel Name;
 - Voyage Number; and
 - Registry Number
 - e. Port of Loading
 - f. Port of Discharge (*of Goods*)
 - g. Quantity and marks of the foreign cargoes agreed to co-load
 - h. Bill of Lading details (use attached Notice of Imported Cargoes for Co-loading)
 - i. Original copy of the Official receipt issued by the Collection Division of concerned port as payment for administrative fee.
- 2.3 The following documents shall be attached to the Permit for Co-loading:
 - a. Load list with the container numbers and intended vessel of the cargoes to be co-loaded for containerized cargoes;
 - b. Load/Discharge port survey report for bulk and break-bulk cargoes;
 - c. Notice of Imported Cargoes for Co-loading which shall contain the following information and shall be in the prescribed format annexed herein (**Annex C**):
 - Vessel Operator (Shipping Line);
 - Vessel Name;
 - Voyage Number;
 - Registry Number;
 - Estimated Date and Time of Arrival;
 - Last Foreign or Philippine Port of Call (as applicable);
 - Next Philippine Port of Call;
 - Quantity and marks of the foreign cargoes to be unloaded; and

-B/L Details (e.g., B/L No., Consignee TIN & Name, Broker TIN & Name, Transit Shed Code)

- 2.4 The Office of the Deputy Collector for Operations or equivalent office at the transit port shall cause the "manual discharge" of the cargoes for co-loading pursuant to Sec. A.3 of this Order.
- 2.5 Approved Permit for Co-loading shall be sent via electronic mail and/or fax by the Office of the Deputy Collector or equivalent office at the Port of Discharge to the Office of the Deputy Collector or equivalent office at the Port of Final Destination immediately upon approval. The Bay Service Section, the Foreign Ship Operator or agent of the Transferor and Recipient vessel and port terminal operator shall likewise be furnished a copy immediately.
- 2.6 The Permit for Co-loading shall, as far as practicable, be acted upon by the Office of the Deputy Collector for Operations/Port Collector immediately upon filing thereof.

A.3 "Manual Discharge"

- 3.1 The Office of the Deputy Collector for Operations or equivalent office at the port of discharge shall follow the procedure of "Manual Discharge" under the Bureau's e2m system for cargoes subject of co-loading. The registration number and date as shown in the e2m "Manual Discharge" interface shall be the corresponding control number and date in the Permit for Co-loading.
- 3.2 The Online Release System (OLRS) instruction received by the port terminal operator from the Bureau shall be tagged as "MISRouted" in their system so that gate pass need not be issued by the port terminal operator for such cargoes.

A.4 Arrival, Discharge and Loading of Co loaded Cargoes

- 4.1 The Transferor vessel shall submit the hard copies of the Inward Foreign Manifest (IFM) of the goods intended to be co-loaded to the Customs Senior Boarding Officer upon arrival in copies as prescribed by current regulations. Likewise, it shall present the approved Permit for Co-loading and its attachments.
- 4.2 The Customs Senior Boarding Officer shall proceed with the discharging formalities as prescribed by current regulations.
- 4.3 The port terminal operator shall place transit containers together for purposes of accessibility.
- 4.4 The containers for co-loading shall not be included in the port terminal operator's automated system such as Terminal Appointment Booking System (TABS), gate pass, etc. since the containers are for temporary movement only.
- 2.7 The foreign ship operator or agent of the foreign Recipient vessel shall submit to the Bay Service Section or equivalent office of the port or sub-

port concerned a Permit for Co-loading using the form attached as **Annex B** at least three (3) hours prior to its departure.

- 4.5 The port terminal operator shall ensure that only cargoes indicated in the approved permit for co-loading furnished to them will be loaded at the Recipient Vessel.
- 4.6 The Office of the Deputy Collector for Operations or equivalent office at the port of discharge/loading shall send via electronic mail and/or fax the discharge and loading report of the co-loaded imported cargoes within six (6) hours after departure of Recipient Vessel.
- 4.7 The Annexes in this Order shall form part of the required documents of a vessel when arriving, discharging or loading at a Philippine port and shall be submitted to the appropriate Bureau office or officers, as necessary.

A.5 Notice of Discharge

When coming from a Philippine port and proceeding to another Philippine port, the foreign ship operator or agent of a foreign vessels carrying foreign cargoes to its final port of discharge shall submit to the Bay Service Section or equivalent office at the transit port or sub-port concerned the Notice of Discharge to its next Philippine port of call prior to departure using the form attached as **Annex A**.

A.6 Clearance of Foreign Vessel to a Philippine Port

The Piers and Inspection Division or equivalent office shall issue a Clearance of Foreign Vessel to a Philippine Port upon submission of the documentary requirements prescribed by current regulations together with the applicable annexes in this Order.

A.7 Office of the Deputy Collector for Operations at Final Port of Discharge

The Office of the Deputy Collector for Operations at the final port of discharge shall inform the Office of the Deputy Collector for Operations at the transit port immediately upon arrival of the Recipient Vessel or foreign vessel carrying its foreign cargo to its final port of discharge.

B. Export

Export cargo shall be covered by an export declaration, at the concerned port of loading, whether or not passing through another Philippine Port of Entry or for domestic transfer and discharge by a foreign vessel to another Philippine Port of Entry before the same is loaded for export in another foreign vessel for delivery to the foreign port of destination.

C. Empty containers

- C.1 For purposes of this Order, an empty Foreign Container Van going to or coming from any Philippine Port, or going to or coming from a Foreign Port, and being transshipped between two (2) Philippine Ports shall be allowed. Thus, Foreign vessels shall be allowed to load or co-load empty containers in the following instances:

- a. From any port in the Philippines to any Philippine Port of Entry for repositioning abroad or for use in the stuffing of Philippine exports;
- b. When loading Import Cargo from the Port of Entry or Transshipment Port to the Port of Final Destination; and
- c. When loading Export Cargo from the port of origin in the Philippines to another Philippine Port where the same shall be immediately exported or utilized for the stuffing of Philippine exports.

C.2 The Bureau of Customs shall issue a Special Permit to Load for Domestic Movement (SPL-DM) with reference to the domestic leg in case the empty container is transferred from one Philippine Port to another and a Special Permit to Load for Immediate Exportation (SPL-IE) in case the foreign empty container is loaded by a foreign vessel for immediate exportation.

- 5. **BOAT NOTE.** The requirement for Boat Notes is hereby dispensed with for purposes of co-loading covered by this Order.
- 6. **ADMINISTRATIVE FEE.** An administrative fee amounting to Php 500.00 shall be paid at the Collection Division of the concerned port. A copy of the original receipt shall be attached to the request of permit for co-loading submitted at the Office of the Deputy Collector for Operations or equivalent office at the ports concerned.
- 7. **PENALTY.** There shall be a penalty of Php 10,000.00 for non-compliance of masters or agents of vessels with the requirements prescribed under this Order.
- 8. **REPORTS.** The Office of the Deputy Collector for Operations or equivalent office and port terminal operators at the ports concerned shall submit a monthly report of all co-loading transactions to the Deputy Commissioner, Assessment and Operations Coordinating Group through the Director, Port Operations Service
- 9. All other import and export transactions not covered by this Order shall be subject to existing applicable processes, rules and regulations.
- 10. If any provision of this Order is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.
- 11. All orders, rules and regulations, and other issuances, or parts thereof, inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

This order shall take effect immediately.

For compliance.

Alberto D. Lina

ALBERTO D. LINA
Commissioner



JUN 10 2016



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

Annex A

PORT OF _____
BAY SERVICE SECTION

NOTICE OF DISCHARGE

Date: _____

Vessel Operator (Shipping Line)	
Vessel name	
Voyage No.	
Registry No.	
Estimated Date and Time of Arrival	
Last Foreign or Philippine Port of Call (as applicable)	
Next Philippine Port of Call	

Quantity	
Container size/type	Quantity
20'	
40'	
RF	
(other container types)	

NOTE:

1. When coming from a Philippine port and proceeding to another Philippine port, must be submitted prior to departure.

I hereby certify that all information indicated herein are true and correct.

Shipping line representative:

(Name of Shipping Line representative)
(Shipping company)



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Annex B

**OFFICE OF THE DEPUTY COLLECTOR FOR OPERATIONS
PORT OF _____**

PERMIT FOR CO-LOADING

I. Registration Details. To be accomplished by assigned customs officer.

Registration Date <i>(mm/dd/yy)</i>		Registration No. <i>(YYYY-No.) (e.g., 201601)</i>	
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II. Recipient Vessel Details

Vessel operator		Tel/Mobile No.	
Vessel Name		Fax No.	
Voyage Number		Email Address	

III. Transferor Vessel Details

Vessel operator		Tel/Mobile No.	
Vessel Name		Fax No.	
Voyage Number		Email Address	

IV. Philippine Port Pair

Port of loading	
Port of discharge	

V. Quantity and marks. Attach load list of container numbers for containerized cargoes. If bulk, attach surveyed quantity or survey report.

Container size/type	Total	Commodity Type (Bulk and/or Break bulk)	Total weight (MT)
20'			
40'			
RF			
<i>(other container types)</i>			

VI. Bill of Lading Details. Please see attached Notice of Imported Cargoes for Co-loading.

I hereby certify that all information indicated herein are true and correct.

Shipping line representative:

(Name of Shipping Line representative)
(Shipping company)

Approved:

Deputy Collector for Operations/Equivalent Office



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**OFFICE OF THE DEPUTY COLLECTOR FOR OPERATIONS
PORT OF _____**

NOTICE OF IMPORTED CARGOES FOR CO-LOADING

Date: _____

I. Transferor Vessel Details

Vessel Operator (Shipping Line)	
Vessel Name	
Voyage No.	
Registry No.	
Estimated Date and Time of Arrival	
Last Foreign or Philippine Port of Call (as applicable)	
Next Philippine Port of Call	

II. Quantity and marks. Attach discharge list of container numbers for containerized cargoes. If bulk, attach surveyed quantity or survey report.

Container size/type	Total	Commodity Type (Bulk and/or Break bulk)	Total weight (MT)
20'			
40'			
RF			
<i>(other container types)</i>			

III. Bill of Lading Details. Indicate the following details for each Master B/Ls to be co-loaded. Continue in separate sheet if necessary.

Broker Name	
Broker TIN	

B/L No.	Consignee TIN	Consignee Name	Transit Shed Code

NOTE:

1. When coming from a foreign port of origin to its first Philippine port, must be submitted twelve (12) hours before the vessel's arrival.
2. When coming from a Philippine port and proceeding to another Philippine port, must be submitted prior to departure.

I hereby certify that all information indicated herein are true and correct.

Shipping line representative:

(Name of Shipping Line representative)
(Shipping company)



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BUREAU OF CUSTOMS

**OFFICE OF THE DEPUTY COMMISSIONER
ASSESSMENT AND OPERATIONS COORDINATING GROUP**

1ST Indorsement
03 June 2016

RECEIVED	
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16-17417	

Respectfully forwarded to **Honorable Commissioner Alberto D. Lina**, the herein draft Customs Memorandum Order, containing the Operational Guidelines in the Implementation of Republic Act No. 10668, otherwise known as "*An Act Allowing Foreign Vessels to Transport and Co-Load Foreign Cargoes for Domestic Transshipment and for other purposes*".

For honorable's review and approval.

Juvy C. Danorata
JUVY C. DANORATA
Officer-In-Charge

Assessment and Operations Coordinating Group