



Republic of the Philippines  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**  
Office of the Commissioner

September 28, 1990

CUSTOMS MEMORANDUM ORDER  
NO. 79-90

TO : All Collectors of Customs  
Service, Division and Section Chiefs  
Breakbulk/Consolidation Agents, Brokers  
And All Others Concerned

SUBJECT : Revised Rules and Regulations Governing the Entry of  
Non-Commercial Inbound Consolidation Shipments from  
Filipino Abroad, Repealing for the purpose CHO No. 32-90

For the guidance of all concerned, the following revised rules and regulations are hereby prescribed to govern the entry of non-commercial inbound consolidation shipments from Filipinos abroad:

SECTION 1 OBJECTIVES

- 1.1 To enhance Philippine tradition and culture for the promotion and preservation of strong family ties through love and caring expressed in gift-giving by family members and relatives residing/living abroad.
- 1.2 To protect the legitimate interests of bona-fide consignors/senders and their consignees, in particular, and the transacting public, in general.
- 1.3 To prevent "fly-by-night" operators from victimizing innocent consignor/senders and their consignees.
- 1.4 To protect the interests of the government.
- 1.5 To prevent and suppress smuggling and other fraud upon Customs.

SECTION 2 ADMINISTRATIVE PROVISIONS

- 2.1 Definition of Terms - The following terms are hereby defined, to wit:
  - 2.1.1 Consolidation Shipment - Two (2) or more shipments from two (2) or more individual consignors/senders abroad, assembled and consolidated at one point of

*Armando M. Miron*

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origin/exportation and shipped together under a single master ocean bill of lading or master airway bill by a freight forwarder/consolidator to its breakbulk/consolidation agent in the Philippines.

- 2.1.2 Freight Forwarder/Consolidator - A duly licensed and registered foreign forwarding entity that procures the transport of goods and issues in its name house bills of or house airway bill to the individual consignors/senders and ships the consolidated shipment to its breakbulk/consolidation agent in the Philippines as consignee, under one master bill of lading or master airway bill issued under its name.
  - 2.1.3 Breakbulk/Consolidation Agent - The Philippine agent, representative of a freight forwarder/consolidator named in a master bill of lading or master airway bill as consignee of a consolidated shipment.
  - 2.1.4 Master-Ocean Bill of Lading/Master Airway Bill - an ocean bill of lading or airway bill issued by common ocean/air carrier to a freight forwarder/consolidator covering a consolidated shipment.
  - 2.1.5 House Bill of Lading/House Airway Bill - a bill of lading or airway bill covering a single, individual shipment/consignment issued by the freight forwarder/consolidator to the consignor/sender containing the names and addresses, respectively, of both the consignor/sender and the consignee/receiver and the detailed, specific description/s of the goods shipped.
  - 2.1.6 Consolidated Cargo Manifest - A true and correct manifest of all the individual shipments/consignments in a consolidated shipment destined to be unladen in a port of entry in the Philippines, the same being attached as a Rider to the inward foreign manifest of the carrying vessel.
- 2.2 Accreditation/Registration - No breakbulk/consolidation agent shall be allowed to transact business with the Bureau of Customs unless duly accredited and its freight forwarder/consolidator abroad duly registered as follows:

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2.2.1 Accreditation of the Breakbulk/Consolidation Agent -  
The agent shall file a written application executed under oath before a Notary Public or a Customs Official authorized to administer oath, per format shown in Annex "A" hereof, with the Director, Import Assessment Service, Office of the Commissioner of Customs, thereto attaching the following documents:

2.2.1.1 True copies (with presentation of originals) of -

- ( ) Articles of Incorporation/Partnership and By-Laws
- ( ) Certificate of Registration issued by the Bureau of Domestic Trade (if applicant is a single proprietorship);
- ( ) License as Customs broker issued by the Bureau of Customs to the owner/proprietor or, in case of a corporation/partnership, to the president, general manager or any one of the directors/officers or partners.

2.2.1.1 Financial statement and income tax return covering the last preceding year (if applicant has been in operation for at least one year).

2.2.1.3 The duly executed contract entered into by and between the freight forwarder/consolidation agent which shall contain the following covenants, undertakings and provisions:

- That no consolidated shipment shall contain any banned, prohibited or regulated articles;
- That should any consolidated shipments include or contain any individual shipment/consignment which contains a banned, prohibited or regulated articles or otherwise not allowed under this Order, the freight forwarder/consolidator and the breakbulk/consolidation agent shall cooperate and assist in determining who shall be held responsible therefor and in the prosecution of those found responsible in Philippine and/or foreign courts/agencies.
- That no individual shipment/consignment shall exceed the limits as to value, quantity, kind and frequency fixed by the Bureau of Customs;
- That the freight forwarder/consolidator shall advise the consignor/sender, and ensure, that no prohibited, banned or regulated article is included in the shipment, that the required

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*Lawrence M. Villar*

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Consignor's Export Declaration and Packing List is properly accomplished, per format shown in annex B hereof and the limits fixed be duly complied with;

- That there is a clear indication whether the individual consignees shall pay for the duties and taxes due, transport/delivery expenses, storage/demurrage charges and/or specified expenses.

2.2.1.4 Fidelity/Performance Bond - The breakbulk/consolidation agent shall post a continuing fidelity/performance or surety bond in the amount of 100,000.00 pesos to guarantee faithful compliance with this Order and all pertinent Customs and related rules and regulations as well as to answer for any damage which the government, consignors/senders and their consignees may suffer from the misconduct or negligence of subject breakbulk/consolidator or their respective officers or employees, and for any financial obligation liability assumed by the breakbulk/consolidation agent and not settled with the Bureau of Customs

2.2.2 Registration of the Freight Forwarder/Consolidator - The freight forwarder/consolidator shall register with a Philippine Consular Office by submitting copies of the following:

2.2.2.1 License/Permit and/or certificate of registration or authority issued by the appropriate agency of the government of the country in which the freight forwarder/consolidator operates or is engaged in the business.

2.2.2.2 A certified true copy of the contract entered into with the Philippine breakbulk agent which is the same document required in 2.2.1.3 hereof.

However, in geographical units where there is no Philippine Consular Office, or where the Philippine Consulate refuses in writing to act on accreditation request, this requirement of registration of the freight forwarder/consolidator may be waived.

2.2.3 Lifetime of the Accreditation/Registration - Unless sooner revoked or withdrawn, the accreditation or registration shall be for a term of one (1) year, renewable yearly upon application in writing not less than fifteen (15) days prior to the expiration of the one (1) year period from the date of the approval of the accreditation/registration of the breakbulk/consolidation agent and the freight forwarder/consolidator, respectively.

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*Jawad M. Kiriya*

SECTION 3 OPERATIONAL PROVISIONS

3.1 Documentary Requirements - The following supporting documents shall be required for the filing/processing of import entries:

3.1.1 The inward foreign manifest with the corresponding rider or consolidated cargo manifest.

3.1.2 The Master ocean bill of lading or master airway bill with the corresponding individual house bills of lading or house airway bills.

3.1.3 The consignor's Export Declaration and Packing List per format shown in Annex "B" hereof, specified as true, correct and accurate and signed by both the consignor/sender, and the freight forwarder/consolidator as witness. The said declaration and list shall be attached to the box package containing the goods.

3.2 Filing of the Import Entry - One informal entry may be filed for every ten (10) individual consignees in a given consolidated shipment; Provided that, a formal entry shall be filed for commercial consignment subject to existing Customs and related rules and regulations.

The following procedures shall be observed:

3.2.1 All entries covering individual consignments in a consolidated shipment shall be filed and processed altogether at the same time.

3.2.2 The separate filing and/or processing of any of the entries shall be allowed where -

3.2.2.1 The consolidated shipment is covered by or subject of a duly issued derogatory alert/information, and in connection therewith, the breakbulk/consolidation agent or importer/consignee shall be given the notice required by CMO No. 65-89 dated 12 July 1989.

3.2.2.2 The consolidated shipment was entered in violation of Customs and/or related laws, and regulations; and/or

3.2.2.3 Upon examination, it is found that any of the individual shipments was entered in violation of Customs and/or related laws, rules and regulations and such violation warrants the issuance of a

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warrant of Seizure & Detention (WSD).

In any of the above cases, the individual consignments found to be in order and without discrepancy shall be processed separately ahead in order to avoid any undue inconvenience, delay and/or prejudice to the consignees thereof who shall be allowed to have the entries processed and the shipments released on their own or thru the assistance of any Customs broker of their choice in which case the brokerage fee shall be chargeable to the breakbulk/consolidation agent concerned. Where any of said consignees is unable, for whatever reason, to employ the services of a Customs broker, the Chief of the Division concerned shall see to it that such consignee is given all the necessary assistance.

3.3 Examination - The examination of a consolidated shipment shall be conducted as follows:

3.3.1 Regular Examination - where the Consignor's Export Declaration and Packing List is attached to the box/package containing the individual consignment/shipment, the assigned Customs examiner may conduct the examination at random and, thereby, make a speedy determination whether the contents correspond with the packing list.

3.3.2 100% Examination - A thorough 100% examination shall be conducted where -

3.3.2.1 The Consignor's Export Declaration and Packing List is not attached to the box/package; or

3.3.2.2 The consolidated shipment is covered by a duly issued derogatory alert/information; or, when in the course of conducting the regular examination, a violation/discrepancy is found which warrants the issuance of a WSD; Provided that in either case, the provisions of CMO No. 65-89, dated 12 July 1989, shall be duly and strictly complied with.

3.4 Appraisal - The appraisal of consolidated shipments shall be based on the nature/character of the article under appraisement on a per item basis, subject to existing rules and regulations on the treatment of used, off-quality, second hand, etc., items.

3.5 Limitation - Maximum limits per individual consignment/shipment shall be, and are hereby fixed, as follows:

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- 3.5.1 As to value - - - - - US\$500.00
- 3.5.2 As to quantity/kind
  - 3.5.2.1 Foodstuff such as canned goods, grocery items, etc. - - - - - 1 dozen of a kind
  - 3.5.2.2 wearing apparel and clothing material not exceeding 3 yards per cut, whether used or new - - - - - 1 dozen of a kind
  - 3.5.2.3 Other household, personal effects, whether used or new - - - - - 1 dozen of a kind
- 3.5.3 Number of box/package - - - - - 1
- 3.5.4 As to frequency: One (1) individual consignment per consignor/sender during a e month period.

Provided that, home appliances, whether used or new, shall be disallowed, and Provided further that, any consignment/shipment entered in violation of the limits herein fixed shall automatically be subjected to seizure proceedings, without prejudice to the cancellation/revocation of the certificate of registration of the freight forwarder/consolidator as well as the cancellation/revocation of the accreditation of the breakbulk/consolidation agent; Provided, however that in cases of consolidated shipments consisting of personal and household effects and used home appliances belonging to returning Filipino residents and overseas contract workers, and accompanying them on their return or arriving within a reasonable time, the privileges granted under Executive Order No. 206 dated June 30, 1987 subject to the conditions thereunder shall remain in full force and effect; Provided further that the privileges granted to Filipinos coming to settle in the Philippines who are now residents or citizens of other countries under existing laws with respect to their personal and household effects accompanying them on their return or arriving within a reasonable time shall in no way be prejudiced by this Order, and Provided finally that the overseas Filipinos is advised to avail the privileges under R.A. No. 6768 which allows them purchase goods duty and tax free up to the amount of U.S. \$1,000.00 at Philippine duty free shops once a year.

*Donald M. Niim*

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SECTION 4. MISCELLANEOUS PROVISIONS

In order to implement an efficient and centralized control and recording system, a Consolidation Shipment Committee is hereby constituted as follows:

Chairman - - - - - The Director, Import Assessment Service

Members - - - - - A representative each of the CIIS and ESS.  
The Chiefs, Informal Entry Divisions, FOM,  
HICP and NAIA

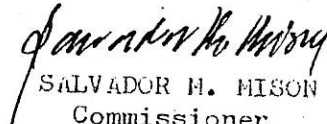
The Committee may issue its internal guidelines pursuant to, and consistent with, this Order and its objectives, subject to the approval of the Commissioner of Customs.

SECTION 5. REPEALING CLAUSE

Customs Memorandum Order No. 32-90 is hereby expressly repealed.

SECTION 6. EFFECTIVITY

This Order shall take effect upon approval.

  
SALVADOR M. MISON  
Commissioner

Date Approved: Oct 31, 1990



CMO NO. 79-90APPLICATION FOR ACCREDITATION

The Director  
 Import Assessment Service  
 Office of the Commissioner  
 Bureau of Customs  
 M a n i l a

S i r:

The undersigned, \_\_\_\_\_  
 (Company Name)  
 hereby respectfully applies for accreditation to transact business with  
 the Bureau of Customs pursuant to CMO No. \_\_\_\_\_  
 dated \_\_\_\_\_, Hereto attached are:

- ( ) Articles of Incorporation/Partnership and By-Laws duly registered with the SEC
- ( ) Certificate of Registration issued by the Bureau of Domestic Trade (if single proprietorship)
- ( ) License as Customs broker of \_\_\_\_\_  
 (Name)  
 who is \_\_\_\_\_  
 (Position in the Company)
- ( ) Copy of contract entered into with \_\_\_\_\_  
 \_\_\_\_\_  
 (Name of Freight Forwarder/Consolidator)
- ( ) Financial Statement and income tax return (with proof of payment of income tax) covering the last preceding year)
- ( ) Fidelity/Performance Bond No. \_\_\_\_\_  
 Name of Bonding firm \_\_\_\_\_

Information is hereby given as follows:

- ( ) Countries covered presently: \_\_\_\_\_  
 \_\_\_\_\_  
 (where shipments originate from)
- ( ) Facilities/vehicles owned for delivery of consignments \_\_\_\_\_  
 \_\_\_\_\_  
 (Indicate registry no./s. & under whose name)
- ( ) If no facility/vehicle owned, state how and by whom deliveries of consignments shall be effected:
- ( ) Other offices/branches are located in (give full address/as:)

U N D E R T A K I N G

Herein applicant has read CMO NO. \_\_\_\_\_, dated \_\_\_\_\_ and all pertinent related Customs rules and regulations and hereby undertakes and commits itself to faithfully abide by their provisions and all their terms and conditions of our fidelity/performance provisions and all the terms and conditions of our fidelity/performance bond.

Applicant hereby SOLEMNLY DECLARE, under pain of perjury, that all the information herein contained and in the documents submitted herewith are true and correct. It is hereby understood that any misrepresentation, false statement, non-disclosure of any required material information and/or violation of Customs law, rules and regulations shall be ground for the disapproval hereof as well as the cancellation/revocation of the authority to transact business with the Bureau of Customs, without prejudice to any administrative/criminal prosecution, as may be proper.

\_\_\_\_\_  
(Name of Company)  
TAN \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Tel. Nos. \_\_\_\_\_

By: \_\_\_\_\_  
(Owner/President/General Mgr.)  
Signature over printed name  
AFFIANT  
Position \_\_\_\_\_

Republic of the Philippines }  
City/Municipality/Province of } S.S.  
\_\_\_\_\_ }

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_  
19\_\_ in the City/Municipality of \_\_\_\_\_  
Province of \_\_\_\_\_, affiant exhibiting to me his  
Residence Certificate No. \_\_\_\_\_, issued at \_\_\_\_\_  
on \_\_\_\_\_

NOTARY PUBLIC  
Until December 31, 19\_\_

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 19 \_\_\_\_\_

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Annex B

SHIPPERS EXPORT DECLARATION AND PACKING LIST

NO. \_\_\_\_\_ DATE: \_\_\_\_\_ I.D. NO. \_\_\_\_\_

CONSIGNEE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SENDER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DETAILED PACKING LIST

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THIS IS TO CERTIFY THAT I AM THE CONSIGNOR/SENDER OF THE ABOVE ITEMS WHICH IS A TRUE AND CORRECT DESCRIPTION OF THE GOODS CONTAINED IN THIS PARCEL BEING SENT TO THE PHILIPPINES. I ALSO CERTIFY THAT THERE ARE NO UNDECLARED, RESTRICTED, ILLEGAL OR BANNED ITEMS, INCLUDING FIREARMS, AMMUNITION, ILLEGAL DRUGS, COMBUSTIBLE GOODS INCLUDED IN THIS SHIPMENT.

\_\_\_\_\_  
FREIGHT FORWARDER/CONSOLIDATOR  
(WITNESS)

\_\_\_\_\_  
CONSIGNOR/SENDER