



**CUSTOMS ADMINISTRATIVE ORDER**  
NO. 1-2007

**SUBJECT: PENALTIES RELATED TO INWARD FOREIGN MANIFEST AND  
CONSOLIDATED CARGO MANIFEST**

**1. OBJECTIVES**

- 1.1 To make available to the different offices of the Bureau of Customs (BOC) accurate data and information concerning vessels and cargoes at the earliest possible time in order that said offices may freely utilize the same for anti-terrorism, law enforcement, and other related purposes;
- 1.2 To ensure that the Inward Foreign Manifest and Consolidated Cargo Manifest are submitted:
  - 1.2.1 in the prescribed form,
  - 1.2.2 with all the required information,
  - 1.2.3 at the prescribed time, and
  - 1.2.4 to the designated customs officials and offices;
- 1.3 To enable BOC to have advance information of cargoes destined to the Philippines in order to evaluate the risk of smuggling;
- 1.4 To obligate shipping lines, Non-Vessel Operating Common Carriers/Cargo Consolidators/Co-loaders/Breakbulk Agents to electronically transmit manifest information to Customs twelve (12) hours before arrival of vessel; and
- 1.5 To expedite the release of legitimate cargo upon arrival in the Philippines.

**2. GLOSSARY OF TERMS:**

For the purposes of this Order, the following terms are defined:

- 2.1 **Consolidated shipment** - two or more shipments from several shippers which are assembled and consolidated at one point of origin, each covered by individual house/forwarder's bill of lading and consigned to consignees which are shipped together under one master ocean bill of lading by a freight forwarder/consolidator to breakbulk agent at the port of destination for delivery to their respective consignees.
- 2.2 **Consolidated Cargo Manifest (CCM)** - a true and accurate manifest of all the individual shipments in the consolidation destined and intended to be unloaded at a port entry in the Philippines, submitted as rider to the inward foreign manifest of the carrying vessel.
- 2.3 **Non-Vessel Operation Common Carrier (NVOCC)** - a carrier that does not operate the vessel by which the ocean transportation is provided, and is a shipper in its relationship with an ocean common carrier but which issues bills of lading in its name to shipper under its solicitation to whom it directly assumes the liabilities and responsibilities of a carrier.
- 2.4 **Consolidator** - a foreign forwarder acting as an NVOCC which procures transport

of goods by sea and issues in its name house/forwarder's bills of lading, to whom it directly assumes the liabilities and responsibilities of a carrier for the destination of such goods and transports the shipment together in its name under a master ocean bill of lading consigned to a breakbulk agent at the port of destination.

- 2.5 **Co-loader** - a consolidator who can not fully fill up a container and utilizes the services of another consolidator (master loader) to assume the responsibility of transporting cargoes from named port/point of origin to named port/point of destination. Co-loader acts as the shipper in its relationship to the master loader. It could also refer to a shipping line using the services of another shipping line for the transport of the former's cargo from the port of origin to the port of destination.
- 2.6 **Shipper** - shall mean the owner or person for whose account the ocean transportation of cargo is provided.
- 2.7 **Consignee** - the party appearing in the transport document to whom delivery may be lawfully made in accordance with the contract of carriage.

3. **INWARD FOREIGN MANIFEST (IFM) AND CONSOLIDATED CARGO MANIFEST (CCM) CONTENTS:**

- 3.1 The following information must appear in the IFM/CCM for each cargo listed therein:
- 3.1.1 Bill of lading number
  - 3.1.2 Marks and numbers of cartons, drums, boxes, crates and others forms of protective packaging;
  - 3.1.3 Container and seal number if containerized and initials FCL, if full container load, and LCL, if less container load.
  - 3.1.4 Number of packages
  - 3.1.5 Kinds of packages (cartons, boxes, crates, drums, etc.)
  - 3.1.6 Contents of Description of Cargo
  - 3.1.7 Shipper
  - 3.1.8 Consignee
  - 3.1.9 Gross weight in metric tons
  - 3.1.10 Measurement in cubic meters
  - 3.1.11 Port of Origin
  - 3.1.12 Notify Party

4. **ADVANCE SUBMISSION OF IFM and CCM; SANCTIONS IN CASE OF DELAY**

- 4.1 The IFM, in the case of shipping line and CCM in the case of NVOCC/Cargo Consolidator/Co-Loader/Breakbulk Agent shall be submitted by the parties concerned to BOC (Attn: MISTG) electronically at least twelve (12) hours before arrival of the carrying vessel. Transmission shall be done thru the gateway of the BOC directly or thru any of the Value Added Service Provider accredited by the BOC.
- 4.2 The party failing to submit the required information within the period as above prescribed shall be subject to the payment of imposable fines in accordance with Section 2521 of the Tariff and Customs Code of the Philippines, as amended (TCCP), without prejudice to whatever additional recourse the BOC may pursue against the delinquent shipping line or NVOCC/Consolidator/Co-Loader/Breakbulk Agent.

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## 5. CARGO DESCRIPTION

- 5.1 Generic descriptions stated in the IFM of the carrying vessel such as FAK (Freight All Kinds), general cargo and/or similar terminologies shall not be allowed and shall be treated as incomplete information penalized under Section 2521 of the TCCP unless in the form of a consolidated cargo which shall be supported by the CCM submitted by the NVOCC/Consolidator/Co-loader/Breakbulk Agent to BOC under the procedures prescribed in the succeeding sections of this Order.
- 5.2 In any case, cargo description in the IFM or CCM shall be precise enough to enable BOC to identify the goods intended to be discharged in the port and take preemptive action if warranted. Hence, vague descriptions such as "chemicals", "foodstuffs", "electronics" should be avoided.

## 6. SUBMISSION OF SUPPLEMENTAL CARGO MANIFEST

- 6.1 Cargoes/containers not listed in the IFM but are otherwise recorded in the Stowage Plan shall be covered by a Supplemental Manifest which shall be submitted not later than forty-eight (48) hours from date of discharge of the last package from the vessel.
- 6.2 For cargoes/containers not listed in the IFM and Stowage Plan, the Supplemental Manifest must be submitted not later than twenty-four (24) hour from date of discharge of last package.
- 6.3 Supplemental Manifest shall be submitted in hard copies and electronic form within the period prescribed in this Order; otherwise, the shipments subject of the Supplemental Manifest shall be considered unmanifested and subject to seizure proceedings.

## 7. SUBMISSION OF HARD COPIES

- 7.1 Immediately upon arrival of the carrying vessel, the master/agent thereof must submit to the Piers and Inspection Division (PID) or its equivalent unit the hard copy of the IFM in four (4) sets, distributed as follows:

- 7.1.1 PID or equivalent office
- 7.1.2 Intelligence and Enforcement Group (IEG)
- 7.1.3 Assessment and Operations Coordinating Group (AOCG)
- 7.1.4 COA Resident Auditor through the Office of the Commissioner (OCOM)

- 7.2 The CCM shall also be submitted upon vessel's arrival in the same number of the copies and the distributed to the offices as provided herein above.

## 8. ADDITIONAL RULES AND REGULATIONS

The Commissioner of Customs may issue additional rules and regulations for the effective implementation of this Order.

## 9. REPEALING CLAUSE

All Customs Memorandum Orders and other issuances in conflict or inconsistent with this Order are hereby deemed revised, amended or repealed accordingly.

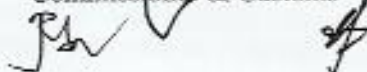
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**10. EFFECTIVITY**

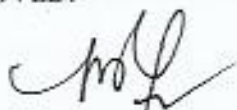
This Order shall take effect immediately except in the case of submission of advance electronic manifest which shall take effect as follows:

- 10.1 01 March 2007 – IMF for all international shipping lines at the Port of Manila and MICP;
- 10.2 01 April 2007 – IMF for all international shipping lines at the provincial ports of entry;
- 10.3 01 May 2007 – CCM for NVOCC/Cargo Consolidator/Co-Loader/Breakbulk Agent at the Port of Manila and MICP; and
- 10.4 01 June 2007 - CCM for NVOCC/Cargo Consolidator/Co-Loader/Breakbulk Agent at the provincial ports of entry.

**NAPOLEON L. MORALES**  
Commissioner of Customs



APPROVED:



**MARGARITO B. TEVES**

Secretary of Finance

Date: \_\_\_\_\_

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### MEMORANDUM OF AGREEMENT

This Memorandum of Agreement or "MOA" is entered into in Manila this 1<sup>st</sup> day of January, 2007 by and between:

**BUREAU OF CUSTOMS**, herein referred to as **BOC**, a government agency under the Department of Finance and represented by the Commissioner of Customs, **NAPOLEON L. MORALES**;

-and-

**ASSOCIATION OF INTERNATIONAL SHIPPING LINES, INC.**, herein referred to as **AISL**, a corporation duly organized under existing laws composed of various international containerized shipping lines engaged in the operation of ocean-going vessels arriving in Philippine ports and represented by its General Manager, **ATTY. MAXIMINO T. CRUZ**;

#### WITNESSETH:

WHEREAS, BOC intends to gather information and monitor closely all importation of goods carried by ocean-going vessels arriving in Philippine ports pursuant to its mandate to enhance revenues for the government and prevent smuggling as well as to fight terrorism;

WHEREAS, AISL member companies agree to cooperate fully with the BOC's intention;

NOW THEREFORE, in consideration of the foregoing, the BOC and AISL have entered into a MOA subject to the following terms and conditions:

1. AISL member companies thru their ship agents or representatives shall provide an advanced copy of Inward Foreign Manifest (IFM) to the BOC.
2. The IFM shall be submitted via secured electronic means to the BOC Gateway directly or thru Value Added Service Provider (VASP) at least twelve (12) hours prior to the arrival of the ocean-going containerized vessel at the port of entry. Transmission shall be done thru the gateway of the BOC directly or thru any of the Value Added Service Provider accredited by the BOC.
3. Notwithstanding the arrangement above, AISL member companies thru their ship agents or representatives shall continue to present hard copies of the IFM signed by the Master of the vessel under oath during boarding formalities to the BOC Boarding Officer or to the appropriate BOC unit as provided under Customs laws and regulations.
4. Any amendment to the IFM or submission of Supplemental Manifest must be in accord with Customs laws and regulations.
5. The BOC and AISL will organize a Technical Working Group for the purpose of pursuing joint activities for the joint benefit of the parties to this MOA.

This MOA shall take effect immediately upon its execution and shall remain valid until revoked by the parties herein except that the effectivity date for the advance submission of the electronic manifest shall be stated in the Customs regulation to be issued by the BOC for such purpose.

*RM*

*[Signature]*

*1/1/2007*

