



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

CUSTOMS ADMINISTRATIVE ORDER

05 APR 2011

NO. 6-2011

**SUBJECT: SUPPLEMENTAL RULES TO IMPLEMENT THE BULK
AND BREAKBULK CARGO CLEARANCE
ENHANCEMENT PROGRAM**

Pursuant to Customs Administrative Order (CAO) No. 3-2010 and in line with the implementation of Customs Memorandum Order (CMO) No. 18-2010 entitled "Procedure for Bulk and Breakbulk Cargo Clearance Enhancement Program Mandated under Administrative Order (AO) No. 243 as amended by AO 243-A", the following rules and regulations on shipments not covered by the Load Port Survey (LPS) Report are hereby prescribed.

1. Objectives:

- 1.1. To ensure achievement of the objectives set forth in AO 243-A;
- 1.2. To ensure effective implementation of CMO No. 18-2010, specifically item No. 7 thereof;
- 1.3. To ensure the integrity of Destination Port Survey (DPS) Report by instituting additional procedural guidelines in the conduct thereof;
- 1.4. To provide the measure to deter circumvention of the LPS by providing for a penalty in case of repeated violations thereof, as provided for under item No. 7 of CMO 18-2010.

2. ADMINISTRATIVE PROVISION:

2.1. Coverage:

- 2.1.1. Shipments considered as High Risk pursuant to Item No. 7 of CMO 18-2010.


- 2.1.2. Accredited Cargo Surveying Companies (ACSC) for Bulk and Break Bulk cargoes.
- 2.1.3. Importers of Bulk and Break Bulk cargoes deemed recidivists, pursuant to Item No. 7.2 (c).

2.2. REPORTS:

All ACSCs shall submit to the Deputy Commissioner for Assessment and Operations (AOCG), as head of the One Stop Shop (OSS) on Bulk and Break Bulk Cargoes a weekly report covering all bulk and break bulk cargoes inspected/surveyed at various ports of loading prior to shipment to the Philippines. The report shall include, among others, the data and information contained in the Rules to Implement the Bulk and Break Bulk Clearance Enhancement Program. Failure to submit the weekly report may render the surveying company liable under Section 8 and 29 thereof.

3. OPERATIONAL PROVISIONS GOVERNING SHIPMENTS WITH NO LPS.

- 3.1. The provisions of Item No. 7 of CMO 18-2010 shall be strictly applied to Bulk and Break Bulk shipments with no LPS.
- 3.2. The importer/s of Bulk and Break Bulk cargoes not covered by an LPS shall be allowed to apply for a DPS subject to the following conditions:
 - 3.2.1. Such shipment shall be considered High Risk, pursuant to Item No. 7.1 of CMO 18-2010, and subject to extensive actual physical examination continuous under guarding until accomplishment and submission of the DPS, other applicable control and payment of duties and taxes due on the shipment including administrative fines.
 - 3.2.2. In addition, the DPS shall be subject to the control and supervision of BOC, with respect to the following:

- a) Determination and/or assignment of ACSC that will conduct the actual survey;
 - b) The DPS shall be conducted by the selected ACSC in the presence and with the assistance of BOC examiner/appraiser from the concerned section and port, as well as representative/s from the AOCG/OSS.
- 3.2.3. If the concerned importer is already a recidivist, pursuant to Item No. 7.2 (c), an administrative fine shall be imposed as follows:
- a) 20% of the dutiable value of the goods, for the initial violation;
 - b) 40% of the dutiable value of the goods, for the succeeding violations.
- 3.2.4. The importer who shall be penalized with administrative fine shall pay the said amount either in a Manager's or Cashier's Check to the Bureau of Customs thru the Collecting Officer of the Port concerned.
- 3.3. When a designated ACSC has already been selected by the AOCG-OSS, the DPS, which shall be for the account of the importer, shall be conducted within 24 hours from receipt of the formal notice from AOCG-OSS. In relation thereto, the provisions of Item 5.15 and 5.16 of CMO 18-2010 shall be strictly implemented.
- 3.4. Exemption from the submission of LPS shall be allowed only in case of force majeure, duly verified by the OSS.
- 3.5. To ensure the effective implementation of this Order, the following provisions of CMO 18-2010 are hereby amended to read as follows:
- "2.7. One-Stop Shop (OSS) – as used in this Order, shall mean the composite unit headed by the Deputy Commissioner for Assessment and Operations Group (AOCG). The OSS shall be responsible for, among others, confirming/approving requests for DPS, monitoring/supervising the actual conduct for DPS, and imposition of penalty for repeated violations made by*
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importers of shipments not covered by the required LPS Reports.

4.7. x x x

d. If the Commissioner, the AOCG Deputy Commissioner or the Collector has derogatory information that there is a substantial variance between the declared and true quantity, measurement, weight and tariff classification of the shipment."

3.6. The concerned customs officials or employee who shall authorize the conduct of DPS without approval of the AOCG-OSS or who shall cause the release of goods without the required LPS or DPS shall be subjected to administrative and/or criminal case.

3.7. The AOCG shall recommend to the Commissioner the revocation of the accreditation of the ACSC or importer concerned, upon receipt of information/report from the Collector of the concerned port on the repeated/intentional violation of these Orders on Bulk and Break Bulk.

V. EFFECTIVITY CLAUSE

This Order takes effect 15 days after its issuance.

The provisions of CMO 18-2010 not otherwise amended/changed/affected by the issuance of this Order shall remain effective.

[Signature]
ANGELITO A. ALVAREZ 4/5/11
Customs Commissioner



APPROVED:
[Signature]
CESAR V. PURISIMA
Secretary, Department of Finance

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Date: JUL 07 2011