



Republic of the Philippines  
Department of Finance  
**BUREAU OF CUSTOMS**  
Manila

JUL 30 2002

**CUSTOMS MEMORANDUM ORDER**  
NO. 33-2002

TO: All Deputy Commissioners of Customs  
All Service Directors  
All District Collectors of Customs/Collectors of Customs  
All Divisions/Sections/Unit Heads  
All Others Concerned

SUBJECT: **Clearance Procedure for Short Shipped Cargoes**

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**1. SCOPE –**

The procedures hereunder described shall govern the customs clearance process for import cargoes declared and/or found to be, after actual examination, less than the total quantity or volume declared in the Import Entry & Internal Revenue Declaration (IEIRD) and cargoes arriving thereafter which are claimed to be a part thereof.

**2. OBJECTIVES –**

- 2.1. To establish a uniform clearance procedure for import cargoes declared and/or found to be less than the total quantity or volume as appearing in the Import Entry & Internal Revenue Declaration (IEIRD) and cargoes arriving thereafter which are claimed to be a part thereof.
- 2.2. To prevent the commission of fraud against customs through false claims for short shipment.

**3. ADMINISTRATIVE PROVISIONS –**

- 3.1. As a general rule, a claim for short shipment shall be given due course only when the consignee/owner/customs broker has expressly declared at the time of the lodgment of the import entry that the shipment is short shipped by accomplishing BOX No. 37 of the IEIRD.

However, such a claim may still be allowed where the deficiency in the quantity or volume is discovered only after actual physical examination of a cargo by a customs examiner. In such a case the shipment shall also be processed under the provisions of this Order, insofar as they are applicable.

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In case of shipments found to be short shipped, the COO III shall indicate in BOX 37 the Code 4900 for consumption entry and Code 7900 for warehousing entry.

- 3.2. An import entry lodged with BOX 37 accomplished shall always be channeled to the "RED" lane and shall be subject to 100% physical examination.

In the case of SGL shipments declared as short shipped, the 100% physical examination shall be conducted at the consignee's warehouse pursuant to CMO No. 2-2000.

- 3.3. An importation claimed to be a part of a previous importation should arrive within SIXTY (60) days from the date of release of the first importation. Thereafter, it shall be processed as a new importation, without prejudice to the right of the consignee/owner to claim for the refund of any excess duties, taxes, and other charges paid during the first importation.
- 3.4. The Collection Division (or its equivalent unit in other ports), after payment of all customs duties and taxes due on an importation claimed and/or found to be short shipped shall maintain a Suspense File where the import entry shall be kept for a period of not more than SIXTY (60) days from the date of payment, after which the import documents shall be forwarded to the Liquidation and Billing Division or its equivalent unit for appropriate action.

#### 4. CLEARANCE PROCEDURES -

##### 4.1. Procedure for Importation -

- 4.1.1. Upon lodgment, the EEC registers the import entry, produces the temporary assessment of charges and forwards the import documents to the Entry Processing Unit in the Formal Entry Division.
- 4.1.2. The Entry Processing Unit (EPU) records the import declaration and forwards the same, together with all its supporting documents, to the COO V of the proper assessment section in the Formal Entry Division or the Warehousing Assessment, as the case may be.
- 4.1.3. The COO V of the section verifies that all required documents are present, assigns and instructs the COO III to conduct a 100% physical examination of the importation.
- 4.1.4. Based on the entry declaration, as supported by the other import documents, the COO III conducts a 100% physical examination of the

cargo. He shall specify in his examination returns, among others, the quantity or volume of the article(s) found to have been short shipped and shall accomplish Box 37 (SAD) as necessary.

- 4.1.5. The COO V assesses the proper customs duties, taxes and other charges and forwards the import entry, with its supporting documents, to the Collection Division for the lifting of the duty stop.
- 4.1.6. In ports where ACOS is enabled, the payments and payables are matched through the AMPP. If there is no discrepancy, the duty stop on the importation is lifted and the operator is authorized through the OLSR to release the shipment.

The import entry, together with all its supporting documents, shall be kept in a Suspense File at the Collection Division for at least SIXTY (60) days to await further disposition.

#### 4.2. Procedure for Subsequent Importation –

##### 4.2.1. Where Cargo Landed at the Same Port –

- 4.2.1.1. The consignee/owner/broker initially secures a certification from the Chief, Collection Division (or its equivalent unit in other ports), that the import documents for the previous importation are in the Suspense File of the Division, and that the customs duties, taxes, and other charges due for the **whole** importation have been fully paid and collected.
- 4.2.1.2. The COO V concerned shall request retrieval from the Collection Division of the original import documents of the previous importation, attaching thereto the certification of the Chief, Collection Division.
- 4.2.1.3. If the application is approved, the Chief, Collection Division, transmits the original import documents to the Entry Processing Unit of the Formal Entry Division. After recording, the EPU forwards the import documents to the concerned assessment section of the division.
- 4.2.1.4. The section COO V verifies in the ACOS whether or not the importation claimed to be a part of the previous importation has arrived and is listed in the incoming vessel's/aircraft's inward cargo manifest, after which the COO V assigns and instructs a COO III to conduct a 100% physical examination of the shipment.
- 4.2.1.5. The COO III conducts the required 100% examination and, based on the examination returns submitted by the COO III in the previous importation, confirms whether or not the articles found

tally with the description, quantity or volume reported not to have been previously landed.

4.2.1.5.1. Where no discrepancy is found, the COO V transmits the import documents to the Deputy Collector for Operations, who shall manually write off the current importation from the inward cargo manifest.

4.2.1.5.2. In case additional charges are assessed, the COO V makes the appropriate adjustments and forwards the documents to the Chief, Collection Division, for the collection of the additional charges. Once paid, the import documents are forwarded to the Deputy Collector for Operations who manually writes off the current importation from the inward cargo manifest.

4.2.1.6. The documents are then returned to the Collection Division where the duty stop is manually lifted.

#### 4.2.2. Shipment Landed in another Port –

4.2.2.1. The consignee/owner/broker files an application, supported by copies of the bill of lading, inward cargo manifest, etc., with the Deputy Collector for Assessment (DCA) of the port where the subsequent importation has landed, to secure from the original port of entry certified true copies of the import documents covering the original importation.

4.2.2.2. The DCA of the original port of entry, if warranted, requires the Chief, Collection Division, to issue certified true copies of all import documents pertaining to the original importation and to send them by official messenger to the DCA of the requesting port.

4.2.2.3. Upon receipt of the certified true copies of the import documents requested, the DCA forwards them, through the EPU, to the concerned section in the Formal Entry Division.

4.2.2.4. The COO V verifies in the ACOS whether or not the importation claimed to be a part of the previous importation has arrived and is listed in the incoming vessel's/aircraft's inward cargo manifest, after which the COO V assigns and instructs a COO III to conduct a 100% physical examination of the shipment.

4.2.2.5. The COO III conducts the required 100% examination of the shipment and, based on the examination return submitted by the COO III in the previous importation, confirms whether or not the articles found tally with the description, quantity or volume reported not to have been previously landed.

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- 4.2.2.5.1. Where no discrepancy is found, the COO V transmits the import documents to the Deputy Collector for Operations, who shall manually write off the current importation from the inward cargo manifest.
- 4.2.2.5.2. In case additional charges are assessed, the COO V makes the appropriate adjustments and forwards the documents to the Chief, Collection Division, for the collection of the additional charges.
- 4.2.2.6. The certified true copies of the import documents are then returned to the Collection Division, where the duty stop is manually lifted.
- 4.2.2.7. The Chief, Collection Division, shall furnish the Collection Division of the original port of entry with the certified true copies of all import documents pertaining to the current importation to enable the latter to adjust its records accordingly.
- 4.2.2.8. The District Collectors of Customs of the ports concerned shall provide for internal mechanism to effectively monitor short shipments which shall not cause any delay in the processing of entry documents.

**5. REPEALING CLAUSE –**

Except as provided in Subparagraph 4.3.2. (Short Shipment) of CMO No. 20-96 (Rules & Regulations for the Implementation of Executive Order No. 313 and Related Orders), all customs orders, memoranda, or other customs issuances contrary to the provisions of this Order are hereby deemed modified or revoked accordingly.

**6. Effectivity –**

This shall take effect immediately.

  
**ANTONIO M. BERNARDO**  
 Commissioner