



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

08 December 2010

CUSTOMS MEMORANDUM ORDER
NO. 52-211

To: District Collectors
Deputy Collectors
Chief, Formal Entry Division.
Chief, Warehousing Assessment Division
COO III and COO V of the Formal Entry and Warehousing
Assessment Division
Importers/Customs Brokers
All Others Concerned

Subject: Supplemental Guidelines in the Implementation of CMO
27-2009 Regarding Short Shipment

1.0 Objectives

- 1.1 To provide procedure for import cargoes declared and/or found to be, after actual examination, less than the total quantity or volume indicated in the Inward Foreign Manifest (IFM)/ Bill of Lading (BL).
- 1.2 To expedite release of legitimate cargoes upon arrival in the Philippines.
- 1.3 To facilitate trade.

2.0 Scope

This covers the E2M Customs procedure for clearing import declarations subject of short shipment.

3.0 General Provisions

- 3.1 BL of Short Shipped Cargoes should be marked "Short Shipped" when established as such.
- 3.2 Request for amendment of the IFM/BL shall be conditionally approved for short shipment known before lodgement subject to the results of actual 100% physical examination.
- 3.3 No claim for short shipment shall be allowed if the goods had been released without undergoing physical examination.

- 3.4 Importation subject of short shipment shall be treated as one complete importation. The subsequent importation shall likewise be treated as one complete importation.
- 3.5 Upon assessment of the customs declaration, the licenses, clearances or permits (LCP) including tax exempt certificates (TEC) issued for the shipment shall be electronically tagged as USED. The importer shall re-apply with the OGA for re-issuance of the said LCP and TEC to cover the remaining balance of the subsequent importation, if any and allowed by existing laws and regulations.
- 3.6 All other settlement modes such as the non-cash payments and the Import Entry Declaration (IED) for advance duty payments shall be applied on the shipment that actually arrived.
- 3.7 In case there is an excess in the payment of duties and taxes, after applying the advance payment of duties and the amount endorsed and paid at the bank, the importer may apply for a refund thereof.
- 3.8 All import declarations subject of short shipment shall be channeled to Red Lane.

4.0 Operational Provisions

- 4.1 Procedure for Short shipment known before electronic lodgement of entry
 - 4.1.1 The Importer/Customs broker shall file a request for amendment of the IFM/BL with the Deputy Collector for Operations (see Annex A hereof).
 - 4.1.2 The Deputy Collector for Operations shall conditionally approve the request for amendment subject to 100% physical examination.
 - 4.1.3 The Office of the Deputy Collector for Operations shall encode the necessary details to cause the amendment of the electronic manifest corresponding to the subject B/L.
 - 4.1.4 The Importer/Customs Broker, through the Value Added Service Provider (VASP), shall electronically lodge an entry based on the conditionally amended IFM/BL.
 - 4.1.5 The Assessment Office shall conduct physical examination of the shipment and follow the corresponding procedure, depending on the results of the physical examination conducted:
 - 4.1.5.1 No discrepancy in volume and/or quantity
The COO V shall forward the working entry of the Import Entry and Internal Revenue Declaration (IEIRD) to the District Collector for final approval of the request for amendment.

4.1.5.2 Discrepancy in Volume and/or Quantity is less than the amended IFM/BL

4.1.5.2.1 The COO III shall indicate the actual findings in the IEIRD and shall, upon approval by the District Collector, also make the necessary amendments in the SAD as follows:

- Adjust the CIF value to cover the actual quantity and volume of the subject shipment.
- Reflect the actual findings in the Inspection Act, as to the actual quantity and volume of the subject shipment.

4.1.5.3 Discrepancy in Volume and/or Quantity is more than the amended IFM/BL

If discrepancy is 30% or less

4.1.5.3.1 Apply Customs Memorandum Order (CMO) No. 64-93 entitled "Guidelines in the Implementation of CAO 10-93 regarding the imposition of surcharge under Section 2503 of TCCP, as amended by RA 7651".

4.1.5.3.2 The COO III shall indicate the actual findings and appropriate penalty/fine (if applicable) in the IEIRD and shall, upon approval by the District Collector, also make the necessary amendments in the SAD as follows:

- Adjust the CIF value to cover the whole quantity and volume of the subject shipment.
- Indicate the amount of penalty/fine (Box 44), if necessary based on item No. 4.1.5.3.1.
- Reflect the actual findings in the Inspection Act, as to the actual quantity and volume of the subject shipment.

If discrepancy is more than 30%, there is presumption of fraud and issuance of Warrant and Seizure Detention (WSD) is proper.

4.1.5.3.3 The COO III shall indicate the actual findings in the IEIRD and in the Inspection Act of the SAD and COO V shall recommend the issuance of

the WSD subject to the approval/disapproval by the District Collector.

4.2 Short shipment known after filing of entry

4.2.1 Follow the procedures in Item No. 4.1.5.2.

5.0 **Sanctions**

Failure by the concerned parties to comply with the foregoing provisions shall subject erring parties to the imposition of appropriate sanctions, administrative, civil, and/or criminal, as warranted by the circumstances.

6.0 **Repealing Clause**

All Orders, Memoranda, Circulars or parts thereof, which are inconsistent with this Memorandum, are hereby deemed repealed and/or modified accordingly.

7.0 **Separability Clause**

If any part or provisions of this Order is declared invalid or illegal, the remaining portion shall remain valid and unaffected.

8.0 **Effectivity**

This Order shall take effect immediately but shall be implemented only in ports already implementing CMO 27-2009.


ANGELITO A. ALVAREZ
Commissioner

12/14/10



The District Collector
Thru : The Deputy Collector for Operations

Subject: Request for Amendment of IFM/BL covered by
Entry No. _____ under B/L No. _____

Sir,

This is to request for amendment of IFM/BL for the subject shipment. The data for correction and the reasons for the change are as follows:

Data for Correction	From	To	Reason

Thank you for your prompt action.

Very truly yours,

Name of Importer/Customs Broker