



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

CUSTOMS MEMORANDUM ORDER

No. 35-97

NOV 07 1997

To : All Collectors of Customs
Service Chiefs, Division Chiefs,
Inspectors, Customs Brokers
& All Others Concerned

**Subject: Implementation of CAO 4-97 on the Requirement
For Pre-Shipment Inspection of Imports Bound for
Duty-Free Shops/Outlets in the Freeports and Special
Economic Zones**

I. Paragraph III.1 of CAO 4-97, implementing Executive Order 444 s. 1997, provides:

"1. All imported goods bound for duty free shops/outlets or trading warehouses catering to duty free shops/outlets in the Freeports and in the Special Economic Zones ("DFS Goods" from hereon) shall be subject to pre-shipment inspection (PSI) by the Societe Generale de Surveillance (SGS) in the country of exportation, except the following :

- 1.1 DFS goods with Letter of Credit (LC) opened prior to the effectivity of the Order.
- 1.2. DFS goods financed thru means other than by LC whose Bill of Lading or Airwaybill is dated prior to the effectivity of this Order."

For the orderly implementation of this Order, the Clean Report of Findings must be presented for shipments of firms covered by CAO 4-97 as follows:

- a. Shipments Covered by Letters of Credit – When the date of the L/C is on or after 10 November 1997.
- b. For Non – L/C Shipments – When the date of the Bill of Lading is on or after 10 November 1997.

II. Shipments of fresh, frozen and chilled foodstuff and fruits are exempted from the pre-shipment inspection requirement, in line with Joint Order No 1-91.

III. Shipments concerned arriving in the country without the requisite CRF shall be deemed to have been imported contrary to law and shall be proceeded against accordingly.

For strict compliance.

GUILLERMO L. FARAYNO, JR.
Commissioner of Customs