



CUSTOMS MEMORANDUM ORDER (CMO)

NO. 09-2021

SUBJECT: GUIDELINES IN THE IMPLEMENTATION OF CUSTOMS ADMINISTRATIVE ORDER (CAO) NO. 05-2020 ON CUSTOMS CLEARANCE PROCEDURES ON EXPRESS SHIPMENTS

Section 1. Objectives.

- 1.1. To provide guidelines in the accreditation of Air Express Cargo Operators (AECO);
- 1.2. To provide guidelines in the clearance of express shipments carried as cargo under a Master Air Waybill (MAWB) consigned to AECO consistent with World Customs Organization (WCO) Immediate Release Guidelines and Article 7.8 of the World Trade Organization (WTO) Agreement on Trade Facilitation;
- 1.3. To ensure the uniform application of all rules and regulations in the transport, documentation and clearance of express shipments;
- 1.4. To implement risk-based control procedures through a systematic methodology and application of various techniques and tools such that low risk shipments may benefit greater facilitation as opposed to shipments that require higher levels of control; and
- 1.5. To define the duties and responsibilities of personnel in the performance of clearance formalities of express shipments.

Section 2. Definition of Terms. For purposes of this Order, the following terms are defined accordingly:

- 2.1. **Air Express Cargo Operator (AECO)** — shall refer to a company which provides and arranges fast and rapid transport and delivery of express shipments, by order and in the interest of shippers or consignors, either as a direct common carrier or an indirect air carrier, and as such issues its own air waybill to shippers or consignors of shipments under its solicitation.¹
- 2.2. **Air Waybill (AWB)** — shall refer to a transport document for airfreight used by airlines and international freight forwarders which specifies the holder or consignee of the bill who has the

¹ CAO No. 05-2020, Section 3.2.

right to claim delivery of the goods when they arrive at the port of destination. It is a contract of carriage that includes carrier conditions, such as limits of liability and claims procedures. In addition, it contains transport instructions to airlines and carriers, a description of goods, and applicable transportation charges.² AWBs are categorized as follows:

2.2.1. Master Air Waybill (MAWB) — shall refer to an air waybill issued by an air carrier to an international air freight forwarder or consolidator.³

2.2.2. House Air Waybill (HAWB) — shall refer to an air waybill covering a single, individual shipment or consignment issued by the freight forwarder or consolidator to a consignor or sender containing the names and addresses, respectively, of both the consignor or sender and the consignee or receiver and the detailed, specific description of good shipped by air.⁴

2.3. Bureau — shall refer to the Bureau of Customs.

2.4. Cargo Manifest — shall refer to the detailed list of cargo (freight) on board a vessel or aircraft giving the commercial particulars of the goods, such as transport document numbers, consignors, consignees, marks and numbers, number and kind of packages, weight, descriptions, quantities of the goods and destination.⁵

Cargo Manifest includes the following:

2.4.1. Inward Foreign Cargo Manifest (IFCM) — shall refer to the Cargo Manifest of all shipments destined and intended to be unloaded at a port entry in the Philippines for consumption, admission, or warehousing.⁶ In electronic format, it is also known as e-IFCM.

2.4.2. Consolidated Inward Foreign Cargo Manifest (CIFCM) — shall refer to 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 or aircraft.⁷ In electronic format, it is also known as **e-CIFCM**.

² Customs Modernization and Tariff Act (CMTA), Title I, Chapter 2, Section 102 (d).

³ CAO No. 5-2020, Section 3.11.

⁴ CAO No. 5-2020, Section 3.10.

⁵ cf. WCO Glossary of International Terms.

⁶ cf. <http://www.farrow.com/article-what-is-emanifest>

⁷ cf. CAO No. 01-2016.

2.4.3. Outward Foreign Cargo Manifest (OFCM) — shall refer to the list of House Airway Bills and/or Master Airway Bills which contain information about a transshipment cargo departing on a flight.⁸ In electronic format, it is also known as **e-OFCM**.

2.4.4. Transshipment Foreign Cargo Manifest (TFCM) — shall refer to Cargo Manifest of all shipments intended to be temporarily unloaded at a port entry in the Philippines subject to re-exportation to its destination to countries other than the Philippines.⁹ In electronic format, it is also known as **e-TFCM**.

2.5. Clearance — shall refer to the completion of customs and other government formalities necessary to allow goods to enter for importation or exportation.¹⁰ The following are the customs clearance procedures:

2.5.1. Admission — shall refer to the act of bringing imported Goods directly or through Transit into a Free Zone;¹¹

2.5.2. Consumption — shall refer to goods entered for domestic or local use;¹²

2.5.3. Transit — shall refer to the customs procedure under which goods, in its original form, are transported under customs control from one customs office to another, or to a free zone;¹³

2.5.4. Transshipment — shall refer to the customs procedure under which goods are transferred under customs control from the importing means of transport to the exporting means of transport within the area of one customs office, which is the office of both importation and exportation.¹⁴ For purposes of this Order, it also includes transit of transshipment goods from port of entry to another port of entry as exit point for outright exportation;¹⁵ or

⁸ WCO Glossary of Customs International Terms.

⁹ cf. <http://www.farrow.com/article-what-is-emanifest>

¹⁰ CMTA, Title I, Chapter 2, Section 102.

¹¹ CMTA, Title I, Chapter 2, Section 102 (c); CAO No. 11-2019, Section 3.1.

¹² CAO No. 09-2020, Section 3.29.

¹³ CMTA, Title I, Chapter 2, Section 102 (rr); CAO No. 15-2019, Section 3.8.

¹⁴ CMTA, Title I, Chapter 2, Section 102 (ss); CAO No. 12-2019, Section 3.18.

¹⁵ cf. CMTA, Title VI, Chapter 1, Section 600 (a).

Goods subject to transshipment may cover the following movement or processes:

- a. Transfer** — shall refer to the transit of transshipment goods under customs control from one port of entry to another port of entry for onward shipment to a destination outside of the Philippines.
- b. Transhold** — shall refer to the arrival and departure of shipments in the same port of entry on the same transporting vessel or aircraft without unloading or sortation.
- c. Transload** — shall refer to the process of transferring a shipment from one mode of transportation to another within the same port of entry.
- d. Transsort** — shall refer to the unloading, sortation, and reloading of goods, in one continuous process within the same port of entry.

2.5.5. Warehousing — shall refer to the customs procedure under which goods are entered and stored under security in an accredited Customs Bonded Warehouse (CBW).¹⁶

2.6. De Minimis Value — shall refer to the value of goods for which no duty or tax is collected.¹⁷

2.7. Express Shipments — shall refer to consolidated air shipments of goods which are time-sensitive in character, usually under a door-to-door service arrangement with on-time delivery commitment, which are shipped under a MAWB consigned to an AECO.¹⁸

2.8. Free Zones — shall refer to special economic zones registered with the Philippine Economic Zone Authority (PEZA) under Republic Act No. 7916, as amended, duly chartered or legislated special economic zones and freeports such as Clark Freeport Zone, Clark Special Economic Zone, Clark Green City; Poro Point Freeport Zone; John Hay Special Economic Zone and Subic Bay Freeport Zone under Republic Act No. 7227, as amended by Republic Act No. 9400; the Aurora Pacific Economic Zone and Freeport Authority under Republic Act No. 9490, as amended by

¹⁶ cf. Revised Kyoto Convention, Specific Annex D, Chapter 1, E1/F1; CAO No. 13-2019.

¹⁷ CAO No. 02-2016, Section 3.2.

¹⁸ cf. CAO No. 5-2020, Section 3.6

Republic Act 10083; the Cagayan Special Economic Zone and Freeport under Republic Act No. 7922; the Zamboanga City Special Economic Zone Authority under Republic Act No. 7903; the Freeport Area of Bataan under Republic Act No. 9728; and such other freeports as established or may be created by law.¹⁹

2.9. High-Value Shipments — shall refer to goods of a commercial nature with FOB or FCA value of Fifty Thousand Pesos (Php50,000.00) or over.²⁰

2.10. International Commercial Terms (Incoterms) — shall refer to a set of internationally recognized rules which define the responsibility of sellers and buyers. It specifies who is responsible for paying for and managing the shipment, insurance, documentation, customs clearance, and other logistical activities.²¹ The following are two (2) of the commonly used Incoterms, among others:

a. Free Carrier (FCA) — shall refer to an international commercial term which means that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The parties of this type of sale should specify clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.²²

b. Free On-Board (FOB) — shall refer to an international commercial term which means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from the moment onwards.²³

2.11. Low-Value, Dutiable Shipments — shall refer to goods of a commercial nature with FOB or FCA value of more than ten thousand pesos (Php10,000.00) but less than fifty thousand pesos (Php50,000.00).²⁴

¹⁹ CMTA, Title I, Chapter 2, Section 102 (w).

²⁰ cf. CMTA, Title IV, Chapter 1, Section 402

²¹ US Department of Commerce International Trade Administration (trade.gov/know-your-incoterms)

²² International Commercial Terms 2010

²³ International Commercial Terms 2010

²⁴ CMTA, Title IV, Chapter 1, Section 402.

- 2.12. Low-Value, Non-Dutiable** — shall refer to the value of goods with an FOB or FCA value of ten thousand pesos (Php10,000.00) or below for which no duty or tax is collected.²⁵
- 2.13. Package** — shall refer to a closed receptacle (i.e. box, carton or envelope) or covering in which the contents of a consignment is packed, ready for shipment or transport.²⁶
- 2.14. Prohibited Goods** — shall refer to the following goods, the importation and exportation of which are prohibited:
- a.** Written or printed goods in any form containing any matter advocating or inciting treason, rebellion, insurrection, sedition against the government of the Philippines, or forcible resistance to any law of the Philippines, or written or printed goods containing any threat to take the life of, or inflict bodily harm upon any person in the Philippines;
 - b.** Goods, instruments, drugs and substances designed, intended or adapted for producing unlawful abortion, or any printed matter which advertises, describes or gives direct or indirect information where, how or by whom unlawful abortion is committed;
 - c.** Written or printed goods, negatives or cinematographic films, photographs, engravings, lithographs, objects, paintings, drawings or other representation of an obscene or immoral character;
 - d.** Any goods manufactured in whole or in part of gold, silver or other precious metals or alloys and the stamp, brand or mark does not indicate the actual fineness of quality of the metals or alloy;
 - e.** Any adulterated or misbranded food or goods for human consumption or any adulterated or misbranded drug in violation of relevant laws and regulations;
 - f.** Infringing goods as defined under the Intellectual Property Code and related laws; and
 - g.** All other goods or parts thereof which importation are explicitly prohibited by law or rules and regulations issued by the competent authority.²⁷

²⁵ CMTA, Title IV, Chapter 3, Section 423.

²⁶ CMO No. 46-98 Section 3.1.4

²⁷ cf. CMTA, Title I, Chapter 3, Section 118.

2.15. Regulated Goods — shall refer to goods, the importation and exportation of which are subject to regulation and shall only be allowed after securing the necessary clearances, licenses, and any other requirements, prior to importation or exportation. In case of importation, submission of requirements after arrival of the goods but prior to release from customs custody shall be allowed but only in cases provided for by governing laws or regulations.²⁸

2.16. Restricted Goods — shall refer to the following goods, the importation and exportation of which are prohibited, except when authorized by law or regulation:

- a. Dynamite, gunpowder, ammunitions and other explosives, firearms and weapons of war, or parts thereof;
- b. Roulette wheels, gambling outfits, loaded dice, marked cards, machines, apparatus or mechanical devices used in gambling or the distribution of money, cigars, cigarettes or other goods when such distribution is dependent on chance, including jackpot and pinball machines or similar contrivances, or parts thereof;
- c. Lottery and sweepstakes tickets, except advertisements thereof and lists of drawings therein;
- d. Marijuana, opium, poppies, coca leaves, heroin or other narcotics or synthetic drugs which are or may hereafter be declared habit forming by the President of the Philippines, or any compound, manufactured salt, derivative, or preparation thereof, except when imported by the government of the Philippines or any person duly authorized by the Dangerous Drugs Board, for medicinal purposes;
- e. Opium pipes or parts thereof, of whatever material;
- f. Weapons of Mass Destruction and goods included in the National Strategic Goods List (NSGL) as provided under Republic Act No. 10697 or the Strategic Trade Management Act (STMA);
- g. Toxic and hazardous goods under Republic Act No. 6969 or the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990"; and

²⁸ cf. CMTA, Title I, Chapter 3, Section 117.

h. Any other goods whose importation and exportation are restricted.²⁹

The restriction to import or export the above stated goods shall include the restriction on their transit.

2.17. Transfer Note — shall refer to a document that accompanies the transfer of transshipment cargoes to a Customs Facilities and Warehouse (CFW) and serves as proof of delivery or receipt of the articles at its intended destination duly acknowledged on its face by the Collector of Customs or his duly authorized representative. It is also commonly referred to as a "Boat Note".

Section 3. Customs Control over Express Shipments. Nothing in this Order shall affect the right of a Bureau to examine, detain, seize, confiscate or refuse entry of goods, or to carry out post-clearance audits, including the use of risk management systems. Further, nothing in this Order shall prevent the Bureau from requiring, as a condition for release, the submission of additional information and the fulfilment of additional regulatory requirements.³⁰

TITLE I. ADMINISTRATIVE PROVISIONS

Section 4. Accreditation of AECO. The AECO shall be accredited with the Bureau before it can avail of the privileges for handling Air Express Shipments.

4.1. Compliance with Documentary and Systems Requirements.

4.1.1. Accreditation by the Bureau as an Importer. The Bureau shall change the current Nature of Accreditation from being Freight Forwarder to AECO. The change of nature shall be done by Accounts Management Office (AMO). If the current status of the AECO is active, AMO shall automatically change the nature. However, if the AECO is not active, AECO must comply with the requirements to be accredited.

4.1.2. Accreditation by the Bureau as a Customs Facility Warehouse (CFW) Operator. The Bureau shall require all AECO to be accredited as a CFW Operator. If AECO is operating a Customs Bonded Warehouse (CBW) under the old regime, the Bureau shall approve the conversion of accreditation from CBW to CFW.

²⁹ cf. CMTA, Title I, Chapter 3, Section 119; CAO 6-2016.

³⁰ WTO Agreement on Trade Facilitation, Article 7, par. 8.3.

The Bureau may allow the AECO to use an existing CBW facility where AECO may operate. Provided that AECO must present proof of existing contract with the CBW. Provided further that the existing CBW shall also convert to a CFW.

- 4.1.3. Accreditation as a Freight Forwarder with the Civil Aeronautics Board (CAB).** The Bureau shall require AECO to provide updated accreditation from the Civil Aeronautics Board. If AECO is not accredited, it cannot avail of a simplified clearance procedure until such time that the AECO shall have secured the CAB accreditation.
- 4.1.4. Proof of Membership to a Recognized Existing International Organization for Air Express Operators, e.g. Conference of Asia Pacific Express Carriers (CAPEC).** The Bureau shall require an affidavit of undertaking signed by the highest officer or authorized officer of AECO, duly supported with a Board Resolution, that the AECO is a member of an existing international organization.
- 4.1.5. Certification as an Operator of a Global or Regional Hub for Handling of Express Shipments.** The Bureau shall require an affidavit of undertaking signed by the highest officer or authorized officer of AECO, duly supported with a Board Resolution, that AECO has existing global and regional hubs in handling of Express Shipments.
- 4.1.6. Dedicated Air Carrier for their Use as an AECO.** The Bureau shall require an affidavit of undertaking signed by the highest officer or authorized officer of AECO, duly supported with a Board Resolution, that AECO has a dedicated air carrier for its use as an Air Express Operator. The Bureau also shall recognize other commercial flights being used by the AECO to augment their network to meet their time sensitive delivery commitments, subject to prior approval by the Commissioner of Customs.
- 4.1.7. Integrated End-to-End Tracking System.** The Bureau shall require an affidavit of undertaking signed by the highest officer or authorized officer of AECO, duly supported with a Board Resolution, that the AECO has an existing integrated end-to-end tracking system that provides real time update to its clients.

4.1.8. IT System Capable of Interfacing with the Bureau's Automated System. The Bureau shall require the AECO an IT system capable of interfacing with the Bureau's automated system provided that the AECO shall follow the requirements to be determined by Management Information System and Technology Group (MISTG).

4.2. Filing of Application for Accreditation.

4.2.1. The application shall be submitted both in hard copy and in electronic Portable Document Format (PDF) to the AMO through the Customer Care Center (CCC) of the port which has jurisdiction over the Customs Facility and Warehouse (CFW) owned and operated by the AECO.

4.2.2. The hard copies of the application and supporting documents must be placed in a long brown envelope properly labeled using size 16 Arial font with the following details, all in capital letters:

- a. SUBJECT: APPLICATION AS ACCREDITED AIR EXPRESS CARGO OPERATOR (AECO)
- b. FOR: THE ACCOUNT MANAGEMENT OFFICE (AMO)
- c. Date (ex. SEPTEMBER 18, 2020);
- d. Name of Applicant (ex. INTERNATIONAL LOCAL AIR EXPRESS INC);
- e. Applicant's Email address (ex. ilti@gmail.com);
- f. Authorized Representative (ex. JOSE DE LA CRUZ);
- g. Authorized Representative's email address (ex. jdlic@gmail.com);
- h. List of Documents submitted separated by Comma (ex. APPLICATION FORM, CERTIFICATE OF ACCREDIATION AS IMPORTER, CERTIFICATE OF ACCREDIATION AS CFW OPERATOR, CERTIFICATE OF ACCREDIATION AS FREIGHT FORWARDER, PROOF OF MEMBERSHIP TO A RECOGNIZED EXISTING INTERNATIONAL ORGANIZATION FOR AIR EXPRESS OPERATORS, CERTIFICATION AS AN OPERATOR OF A GLOBAL OR REGIONAL HUB FOR HANDLING OF EXPRESS SHIPMENTS, AFFIDAVIT OF COMPLIANCE WITH SECTIONS 12.6. TO 12.8. OF CAO 5-2020, ETC.); and
- i. TICKET NO. if scanned copy is submitted online

4.2.3. In case of electronic copies, the same may be submitted online or through Flash Drive (USB). Only PDF file type shall be accepted and each document should be

submitted as a separate file. The resolution of the electronic documents shall be at least 600dpi. The file name format shall be as follows:

- a. AECO.APPLICATION FORM
- b. AECO.CERTIFICATE OF ACCREDITATION AS IMPORTER
- c. AECO.CERTIFICATE OF ACCREDITATION AS CFW OPERATOR
- d. AECO.CERTIFICATE OF ACCREDITATION AS FREIGHT FORWARDER
- e. AECO.PROOF OF MEMBERSHIP TO A RECOGNIZED EXISTING INTERNATIONAL ORGANIZATION FOR AIR EXPRESS OPERATORS
- f. AECO.CERTIFICATION AS AN OPERATOR OF A GLOBAL OR REGIONAL HUB FOR HANDLING OF EXPRESS SHIPMENTS
- g. AECO. AFFIDAVIT OF COMPLIANCE WITH SECTIONS 12.6. TO 12.8. OF CAO 5-2020

The same template shall be applied in case there are other documents to be submitted.

- 4.3. Evaluation of Application.** The AMO shall act on the application within seven (7) working days from receipt of the application and the complete documentary requirements and after the conduct of inspection of its IT systems.

Section 5. Establishment of a Customs Office inside the AECO Facility.

- 5.1. Customs Office.** A customs office shall be established in all international airports where AECO have established offices or hubs.

The customs office shall be located within the facility of the AECO. The necessary office and IT equipment, office furniture, and other implements shall be provided by the AECO.

- 5.2. Personnel Complement at the Customs Office.** The District Collector shall ensure that the operations of AECO is fully complemented with the required number of personnel to complete the clearance process.

The AECO shall provide transport service to Customs personnel from the main office of the Port to the facility or office of the AECO to ensure safety of Customs personnel and prevent delay of delivery of service by the Customs personnel. However, in *lieu*

thereof, the AECO may provide transportation allowance to Customs personnel assigned at the Customs Office.

5.3. Working Hours. The operating hours shall be determined by the AECO and may be changed based on the volume, time of arrival and departure of the shipments and schedule of deliveries of cleared shipments to ultimate consignees. Overtime services will be provided by the Bureau as the need arises.

5.4. Overtime Pay.

5.4.1. The AECO shall pay the Bureau service fees for services rendered in accordance with Sections 1211, 1300 and 1508 of the CMTA.

5.4.2. The overtime pay shall be given to customs personnel who rendered more than eight (8) hours of a regular work day, on rest days and during holidays or non-working days.

5.4.3. The personnel rendering overtime services shall be entitled of overtime pay by the hour. The hourly rate is computed using this formula:

$$\text{Monthly Salary}/22\text{days}/8\text{hrs} = \text{Hourly rate}$$

5.4.4. The overtime pay shall be computed as follows:

- a.** Regular work day: Hourly rate plus 25% of the hourly rate; and
- b.** Rest day, holiday or non-working day: Hourly rate plus 50% of the hourly rate.

The monthly salary is based on the salary of the position being designated.

Section 6. Security Deposit. In case of Low-value, Dutiable and/or Taxable Express Shipments, the AECO shall deposit and maintain in AAB the amount of not less than Five Million Pesos (Php5,000,000.00) specifically to guaranty immediate payment by the bank upon demand by the Bureau.

The AECO shall increase the security deposit if the duties, taxes and other charges due on the shipments exceed Five Million Pesos (Php5,000,000.00). Otherwise the District Collector shall not allow the release of the shipments not covered by the security deposit.

In case of default on the part of the AECO to pay the assessed customs duties, taxes, and other charges due on shipments that were released under Section 16 of this Order, the Bureau shall deduct the security deposit the payment of the duties, taxes and other charges.

The security likewise covers mis-sorted or misrouted shipments being returned to the shipper. In case of failure to show proof of landing or evidence of re-exportation or that the said shipment was not re-exported within twenty-four (24) hours from arrival, the amount of duties and taxes which should have been collected shall be deducted from the security by way of penalty.

TITLE II. OPERATIONAL PROVISIONS

Section 7. Categories of Express Shipments. Express shipments shall be cleared based on the following category of the shipments:

- 7.1.** Correspondence and documents;
- 7.2.** De-Minimis or low value, non-dutiable shipments;
- 7.3.** Low value, dutiable and/or taxable shipments; and
- 7.4.** High value shipments.

CHAPTER 1. PRE-CLEARANCE

Section 8. Submission of Cargo Manifest.

8.1. Submission of e-IFCM. A true and complete copy of the IFCM shall be sent electronically by the AECO within the following cut-off period:

8.1.1. From Asia - at least one (1) hour before the arrival of the aircraft; and

8.1.2. From continents other than Asia – at least four (4) hours before arrival of the aircraft.

8.2. Submission of e-CIFCM. For the purpose of identifying the individual shipments consigned to the ultimate consignees, the electronic copy of the CIFCM shall also be submitted as a rider to the e-IFCM with the following information:

- a.** Flight Number;
- b.** MAWB Number;
- c.** HAWB Number;
- d.** Shipper Name;
- e.** Shipper Address;
- f.** Consignee Name;

- g.** Consignee Address;
- h.** Number of packages;
- i.** Description of goods;
- j.** Declared Value;
- k.** Gross Weight;
- l.** Registry Number;
- m.** Marks and numbers of cartons, drums, boxes, crates and other forms of protective packaging;
- n.** Kinds of packages (cartons, boxes, crates, drums, etc.);
- o.** Country of origin; and
- p.** Notify Party.

8.3. The cut-off time for the submission of the e-CIFCM are as follows:

8.3.1. If the e-IFCM is submitted within the prescribed period, the submission of the e-CIFCM shall be one (1) hour after the arrival of the aircraft.

8.3.2. If the e-IFCM is submitted late, the e-CIFCM shall be accepted without penalty provided that the submission in the customs systems shall not exceed twenty-four (24) hours after the e-CIFCM is registered with the Office of the Deputy Collector for Operations. This same privilege shall apply in case the e-IFCMs are not validated on time (e.g., due to system errors).

8.4. Submission of Supplemental IFCM. Cargoes not listed in the IFCM shall be duly covered by a supplemental manifest which shall be submitted within six (6) hours upon arrival of the aircraft.

8.5. Supplemental IFCM shall be submitted in hard copies and electronic form within the prescribed period mentioned above. Otherwise, the shipments subject of the supplemental IFCM shall be considered unmanifested and subject to seizure proceedings.

8.6. Unmanifested goods shall be subject to the penalties of the applicable Customs Order.

Section 9. Requirements for Pre-clearance of Express Shipments. Only Express Shipments that met the following requirements shall be pre-cleared:

9.1. Shipments that are manifested according to category and the CIFCM and IFCM as rider were transmitted through the system of the AECO at least two (2) hours before the departure of the aircraft from the country of origin;

9.2. Shipments that do not require import permit from concerned regulatory agency; or

- 9.3. Shipments that are not subject to Alert Order or with derogatory information.

CHAPTER 2. CLEARANCE PROCEDURES

Section 10. General Conditions for Release of Express Shipments.

- 10.1. All shipments shall undergo non-intrusive scanning prior to clearance.
- 10.2. In all cases, the rules and regulations for Regulated, Restricted and Prohibited Goods shall apply.
- 10.3. In case of technical or non-technical problems where manual processing of the shipment is conducted, the provisions under existing rules and regulations shall apply. During this period, pre-clearance and other measures to expedite the shipment shall be suspended.

The following are deemed technical problems:

- 10.3.1. Computer systems breakdown;
- 10.3.2. Power failure (which renders the computer system non-operational); or
- 10.3.3. The Payment System of the Philippine Clearing House/Authorized Agent Bank is offline.
- 10.4. The following are considered non-technical problems, insofar as applicable to air shipments:
- 10.4.1. The declared location of goods is incorrect, but the arrastre/transit shed facility confirmed ownership even if the goods is not in their facility;
- 10.4.2. The declared location of the goods is correct, but the arrastre/transit shed facility denied ownership and misrouted the goods; or
- 10.4.3. Release message not created/transmitted yet even if the importation is already tagged paid, with print-out Statement of Settlement of Duties and Taxes (SSDT) as proof of payment from BOC Assessment.

Section 11. Clearance Procedures Entered under Correspondence and Documents Process. The detailed CIFCM for all Correspondence and Documents shall serve as the goods declaration.

- 11.1.** The document processor shall review the CIFCM to ensure that only correspondence and documents are included therein.
- 11.2.** If the CIFCM are all correspondence and documents, the document processor shall forward the same to the examiner for processing.
- 11.3.** Any non-correspondence and non-document or carrier media shall be segregated from Correspondence and Documents for a separate filing.
- 11.4.** The CIFCM which includes non-correspondence and non-document, or carrier media shall be returned to the AECO for amendment by the AECO.
- 11.5.** The customs examiner shall only proceed with the clearance upon receipt of the approved amendment of the CIFCM.
- 11.6.** The amendment shall be approved by the customs appraiser upon the recommendation by the customs examiner who witnessed the non-intrusive scanning of the sealed green courier bag containing Correspondence and Documents.
- 11.7.** If the result of the non-intrusive scanning is negative of suspicious object, the examiner shall open the sealed green courier bag in the presence of the representative of the AECO for physical count to ensure that the number stated in the CIFCM matches with the actual number in the green courier bag and that the consignees' names appearing in the detailed CIFCM match with the consignees' names written in the correspondence or documents. In lieu of manual matching, the AECO may provide the Bureau with a practical and automated system to tally items that are sorted and processed.
- 11.8.** If there is a suspicious object, the sealed green courier bag shall be opened, and the tagged Correspondence or Document shall be segregated for physical inspection by the examiner in the presence of the representative of the AECO.
- 11.9.** If the result of the physical examination is negative, the examiner shall proceed with the matching of the actual number in the green courier bag against the number reflected in the CIFCM and that the consignees' names appearing in the detailed CIFCM match with the consignees' names in the correspondence and documents. In lieu of manual matching, the AECO may provide the Bureau with a practical and automated system to tally items that are sorted and processed.

- 11.10.** Upon completion of the matching, the processing for the clearance and release, using the detailed CIFCM as the Goods Declaration shall be approved by the customs appraiser after the customs examiner has fully completed the assessment process.
- 11.11.** When the result of the physical examination is positive, the customs examiner shall segregate the particular Correspondence or Document and shall return the detailed CIFCM to the AECO for amendment through the document processor. However, the customs examiner shall allow the continuation of the processing and release of the cleared Correspondence or Document upon receipt of the application for amendment of the CIFCM.
- 11.12.** The amendment shall cover the splitting of the CIFCM as follows: one (1) CIFCM for cleared Correspondence or Document, and another CIFCM for segregated shipment/s. The Bureau shall process and approve the same within twenty-four (24) hours from receipt of the application.
- 11.13.** The examiner and the concerned representatives shall proceed with the applicable procedures, including further examination, inventory, and preparation of report or for issuance of WSD. If eventually the subject Correspondence or Document will be released by the Bureau, the AECO shall file the goods declaration using the individual Air Waybill thereof.
- 11.14.** Upon receipt of the amended detailed CIFCM from the AECO thru the document processor, the examiner shall proceed with the processing of the clearance and release of the shipments using the amended detailed CIFCM as the Goods Declaration.

Section 12. Clearance Procedures Entered under De-Minimis or Low-Value, Non-Dutiable Shipments. The detailed CIFCM for all De-Minimis shall serve as the Goods Declaration. However, Regulated Goods of De-Minimis value shall be declared separately per House Air Waybill.

- 12.1.** The AECO shall submit the detailed CIFCM of all De Minimis Shipments with FOB or FCA value of Ten Thousand Pesos or less, two (2) hours before the departure of the aircraft at the country of origin for pre-clearance.
- 12.2.** The document processor shall review the detailed CIFCM to ensure that all information required for each shipment to be indicated in the detailed CIFCM are complete. If the information is complete, the document processor shall forward the CIFCM to the examiner for review. If the information is not complete, the document processor shall inform the AECO for amendment.

- 12.3.** If the CIFCM does not include shipments with value of more than Php10,000.00 or non-regulated, the document processor shall forward the detailed CIFCM to the examiner for clearance.
- 12.4.** If the CIFCM includes shipments with value of more than Php10,000.00 or includes regulated goods, the document processor shall forward the detailed CIFCM to the AECO for amendment and shall inform the examiner of the same.
- 12.5.** Upon receipt of the detailed original or amended detailed CIFCM, the examiner shall check the detailed CIFCM against the packages to ensure that the information in the detailed CIFCM match with the information appearing in the package.
- 12.6.** Once verification is completed, the examiner shall request the BOC-XIP for the scanning of the shipments indicated in the detailed original/amended CIFCM.
- 12.7.** If the result of the scanning is negative of suspicious object, the processing for the clearance and release of the goods shall continue.
- 12.8.** If there is a suspicious object, the tagged shipment shall be segregated for physical inspection.
- 12.9.** If the result of the physical examination is negative, the examiner shall proceed with the matching of the actual number and details of the shipments indicated in the detailed CIFCM to ensure that details appearing the Goods Declaration match.
- 12.10.** When the result of the physical examination is positive, the customs examiner shall segregate the particular shipment and shall return the detailed CIFCM to the AECO for amendment through the document processor. However, the customs examiner shall allow the continuation of the processing and release of the cleared packages upon receipt of the application for amendment of the CIFCM.
- 12.11.** The amendment shall cover the splitting of the CIFCM as follows: one (1) CIFCM for cleared shipments, and another CIFCM for segregated shipment/s. The Bureau shall process and approve the same within twenty-four (24) hours from receipt of the application.
- 12.12.** The examiner and the concerned representatives shall proceed with the applicable procedures, including further examination, inventory, and preparation of report or for issuance of WSD. If eventually the subject package will be released by the Bureau,

the AECO shall file the goods declaration using the individual Air Waybill thereof.

Section 13. Clearance Procedures for Low Value, Dutiable and/or Taxable Express Shipments.

13.1. Pre-clearance for shipments entered under informal entry process shall be allowed provided e-CIFCM has been submitted by the AECO at least two (2) hours before the departure of the aircraft from the country of origin for purposes of processing information, calculating the amount of duties and taxes payable and for selecting shipments for documentary or physical examination or both.

13.1.1. Goods Declarations shall be lodged to the E2M by AECO through VASP by filling up the required information in the Single Administrative Document (SAD) form. The following fields in the SAD shall be filled up as follows:

- a. Model of Declaration (Box 1) = IES. Provided that in case of turned over documents to the ultimate consignee, the Model of Declaration shall be filed by the consignee as IE4.31 In such instance, the express shipment facility shall not apply;
- b. Customs Value (Box 22) = value must be above P10,000.00 but below P50,000.00;
- c. Financial and Banking Data (Box 28) payment options:
 - i. Project Abstract Secure Version System 5 (PASS5) = 01 (basic) or A1 (letter of credit);
 - ii. For pre-payment (Authorized only for AECO) = B0; or
 - iii. In cash through in-house bank or BOC cashier = B9
- d. Procedure Code (Box 37) = 4500 (Informal Entry Commercial Goods); and
- e. Extended Procedure Code (Box 37) = 000 unless availing of tax exemption, in which case, the applicable extended procedure code shall be entered.

³¹ CMO 06-2020: Automated clearance Procedure for commercial Goods Under the Informal Entry Process.

13.1.2. E2M will validate and register the Goods Declaration, and apply appropriate risk management selectivity thereon.

13.1.3. Upon receipt of the hard copy, the examiner and appraiser shall check if there are findings or discrepancies on the Goods Declaration. The examiner and the appraiser is only given a period of six (6) hours from lodgement to review the Goods Declaration.

13.1.4. If the examiner has no negative findings and the appraiser approves the declaration, the same shall be automatically assessed by the system after lapse of six (6) hours from lodgement. The appraiser may also immediately reroute selected Green status to assessed status.

13.1.5. If there is a negative finding, the examiner shall update the SAD and enter his/her findings in the Inspection Act in the E2M. Based on the findings of the examiner, the appraiser shall re-route the selectivity color to:

- a. Yellow, if additional permits, licenses or clearances from other regulatory agencies are required; or
- b. Red, if physical examination will be conducted.

The same procedure shall apply if, upon review of the documents by the appraiser, there is a need to re-route the selectivity color to Yellow or Red.

13.1.6. The appraiser returns the Goods Declaration with attachment to the examiner with his/her findings/comments.

13.1.7. If the Goods Declaration is re-routed to Yellow, the examiner shall require the AECO to submit the required permits, licenses or clearances. Upon compliance, the examiner shall update the Inspection Act and shall forward the documents to the appraiser for rerouting of the Goods Declaration to Green for further processing.

If the declarant fails to submit the required documents, the examiner shall recommend for the issuance of Warrant of Seizure and Detention (WSD).

13.1.8. If the Goods Declaration is re-routed to Red, the examiner shall notify the AECO to segregate the particular bag or receptacle containing the re-routed

shipment and ensure that the same can be easily retrieved for the physical examination.

The result of the non-intrusive inspection shall be used to facilitate the conduct of physical examination.

If the actual value of the goods is higher than the declared value, the examiner shall update the SAD and shall forward the documents to the appraiser for rerouting of the Goods Declaration to Green for further processing without prejudice to the application of Section 1400 of the CMTA.

If no prohibited item has been found during the physical examination, the examiner shall update the Inspection Act and shall forward the documents to the appraiser for rerouting of the Goods Declaration to Green for further processing.

If the goods are restricted or regulated, the AECO shall be required to submit the required license, permits or clearances. Otherwise, the same shall be recommended for the issuance of a WSD.

If prohibited items are found during the physical examination, it shall be recommended for the issuance of a WSD.

13.2. Procedure upon Arrival of the Goods.

13.2.1. The Warehouseman shall ensure that all shipments under this category shall be placed in a separate area to avoid co-mingling with shipments of different categories, unless the AECO shall have put in place a system for easy location and retrieval of packages in the warehouse.

13.2.2. During the conduct of non-intrusive inspection, the following procedure shall apply in case of suspected shipment:

- a. If no Goods Declaration has been filed, the XIP Officer shall notify the AECO to segregate the particular bag or receptacle containing the held shipment and ensure that the same can be easily retrieved for the physical examination.

The XIP officer shall also inform the office of the Special Deputy Collector or equivalent office of the

need to conduct physical examination of the particular shipment.

- b. If Goods Declaration has been filed, the goods shall be segregated and the XIP officer shall immediately hold the processing of the SAD by clicking the **HOLD** button module of the E2M. The **HOLD** button can be used regardless of the Goods Declaration's status. The XIP personnel shall mandatorily input the remarks in the 'Examination Findings' tab which serves as the basis for holding the shipment for physical examination.

However, in cases where the physical examination arose from other enforcement action, the assigned customs examiner shall be responsible in clicking the **HOLD** button module of the E2M to hold the processing of the SAD. The examiner shall input the remarks in the 'Examination Findings' tab.

The XIP personnel/assigned customs examiner, as the case may be, shall notify the AECO to segregate the particular bag or receptacle containing the held shipment and ensure that the same can be easily retrieved for the physical examination.

The result of the non-intrusive inspection shall be used to facilitate the conduct of physical examination.

If no suspected item was found, the appraiser must click the LIFT button in the SAD module of the E2M to allow the continuous processing of the shipment, regardless of whether the physical examination was conducted within or beyond six (6) hours from lodgement.

If the examination was conducted within six (6) hours from lodgement and no suspected item was found, the examiner may update the SAD and shall forward the documents to the appraiser for rerouting of the Goods Declaration to Green for further processing and payment.

If the actual value of the goods is higher than the declared value, the examiner shall update the SAD and shall forward the documents to the appraiser for further processing.

If payment has been made but the physical examination finds that the actual value is higher than the declared value, the appraiser shall perform post entry modification of the SAD for additional payment of duties and taxes.

Payment of additional duties and taxes shall be without prejudice to the application of Section 1400 of the CMTA.

If restricted or regulated goods are found, the AECO shall be required to submit the required license, permits or clearances. Otherwise, the same shall be recommended for the issuance of a WSD.

If prohibited items are found during the physical examination, it shall be recommended for the issuance of a WSD.

Section 14. Clearance Procedures for High Value Shipments. High value shipments shall be processed under the regular customs cargo clearance procedures.

CHAPTER 3. PAYMENT AND RELEASE FOR LOW VALUE, DUTIABLE AND/OR TAXABLE EXPRESS SHIPMENTS

Section 15. Once the payment has been confirmed, the Bureau shall electronically transmit the release instruction message to the respective Customs facilities/ Customs Warehouses for the release of the goods to the proper party.

Section 16. Release Prior to Payment. Low-Value, Dutiable and/or Taxable Express Shipments with value of less than Php50,000.00 may be released prior to the payment of the assessed customs duty, tax and other charges subject to the posting by the AECO of a bank guaranty which shall act as the security deposit as provided under Section 6 of this Order and provided further that the following are present:

- 16.1.** The informal entry for Express Shipments sought to be released shall have been duly filed and processed;
- 16.2.** The documentary and/or physical examination of the cargo, if necessary, has been completed, and the duties, taxes and other charges due on the consignment have been properly determined by the Bureau;
- 16.3.** Only such number of shipments with aggregate assessed duties, taxes and other charges not exceeding the amount guaranteed by an Accredited Agent Bank (AAB) shall be allowed to be released;

- 16.4.** The shipments sought to be released is not subject to any alert or hold order issued by the authorized Alerting Unit of the Bureau; and
- 16.5.** The AECO shall submit to the District Collector a notarized written commitment executed by an AAB, guaranteeing to pay the Bureau upon demand whatever customs duties, taxes and other charges assessed on any import not paid by the AECO.

CHAPTER 4. EXPORT CLEARANCE

Section 17. Export Clearance Procedure.

- 17.1.** All shipments intended for export, whether subject to duty or not, shall be covered with an Export Declaration electronically lodged by exporters or authorized representatives to the Bureau's automated system. All export declaration shall be filed after the export consignments have been exported subject however to the following:
 - 17.2.** All export manifests must be submitted to the Bureau within twenty-four (24) hours after the actual departure of the aircraft.
 - 17.2.1.** All clearances, licenses, or permits and other requirements in case of regulated or restricted goods are required prior to exportation.
 - 17.2.2.** Export goods from Free Zone Registered Enterprises shall however be subjected to the existing rules and regulations of the respective Free Zone Authority.
- 17.3. Documentary Requirements.** The duly signed Export Declaration must be submitted to the Export Division or equivalent office or unit by the exporter or authorized representative together with the following documents:
 - 17.3.1.** Proforma/Commercial Invoice;
 - 17.3.2.** Packing List; and
 - 17.3.3.** Documents, as may be required by rules and regulations, such as but not limited to:
 - a.** Certificate of Identification;
 - b.** Certificate of Inspection and Loading;
 - c.** Transfer Note; or
 - d.** Applicable permits or clearances

17.4. Stuffing. The AECO shall provide a designated examination area for export shipments.

17.5. Regulated Goods. Regulated goods may only be allowed exportation upon submission of clearance, permit and other requirements.

CHAPTER 5. EXCLUSIONS AND EXCEPTIONS

Section 18. Exclusion from Immediate Release. The following importations shall not be entitled to immediate release as Express Shipments:

18.1. Importations declared as "without commercial value", "of no commercial value" or with specific amount but qualified by the phrase "for customs purposes" or analogous phrases.

Hence, the sender, importer, consignee, AECO must declare the specific value of the goods supported by available invoice, receipt or equivalent document, if any, except for Correspondences and Documents classified under Category 1 of the WCO Guidelines for the Immediate Release of Consignments by Customs.

18.2. Goods subject to requirements or conditions imposed by the concerned regulatory agency unless for personal use and within the limits allowed by regulations.

Regulated Goods with De Minimis Value shall comply with the requirements of the concerned regulatory agencies. However, when the importations consist of Regulated Goods for personal use and in limited quantity as determined by the implementing regulatory agencies, the same may be processed and released by the Bureau.

18.3. Importations to be entered conditionally free, for warehousing, for transit and/or admission to free zone.

Section 19. Express Shipment Restrictions. The following shall not be considered as Express Shipments:

19.1. Prohibited and/or Restricted Goods under the Philippine laws;

19.2. Dangerous Goods and/or Hazardous substances such as explosives and other hazardous chemicals under RA No. 6969;

19.3. Valuable goods such as jewelry, works of art and the like;

19.4. Animals, fishes and fowls (live or frozen);

- 19.5. Foodstuff and highly perishable articles;
- 19.6. Human remains or cadavers;
- 19.7. Money (coins, cash, paper money and negotiable instruments equivalent to cash); and
- 19.8. Transshipment Goods, unless the goods are reexported within forty-eight (48) hours from arrival.

Section 20. Exceptional Circumstances and Situations. The following are deemed exceptional circumstances beyond the control of AECO:

- 20.1. Flight diversions due to inclement weather, natural calamities or fortuitous events and the aircraft can no longer proceed to its original destination.
- 20.2. Shut down of port operations due to inclement weather, natural calamities or fortuitous events and customs clearance procedure can no longer be conducted at the port of discharge.

To mitigate delay and ensure continuous processing of Express Shipments during exceptional circumstances and situations, the following options may be undertaken:

- 20.2.1. In case of flight diversions, the District Collector who has jurisdiction of the airport where the flight was diverted, shall allow the AECO the option to transfer the goods to the port of destination by air or land. The procedure under the existing regulations on E-TRACC shall be strictly enforced on transfers by land.

The AECO may also opt to request for cancellation of pre-lodged goods declaration at the port of destination and relodge the same at the port of discharge as long as transfer of goods by land is not possible. Clearance from the Assessment and Operations Coordinating Group (AOCG) for such cancellation shall no longer be required.

- 20.2.2. In case of shut down of operations at the port of destination, the District Collector shall allow the AECO to request for cancellation of pre-lodged goods declaration and transfer of the goods to another collection district, subject to existing regulations on E-TRACC on transfers by land.

CHAPTER 6. MISCELLANEOUS PROVISIONS

Section 21. Transshipment. Transfer from aircraft to the designated CFW and from the CFW to the aircraft for loading of all Express Shipments destined to countries other than the Philippines shall be subject of supervision by Customs officer, to include other safeguard measures to prevent diversion of goods to domestic market or commingling with other goods destined to the Philippines.

21.1. The following guidelines shall be implemented in the supervision of Express Shipments destined to other countries other than the Philippines:

21.1.1. The AECO shall prepare a separate TFCM for transshipment cargoes.

The hard copy of the TFCM shall be submitted upon arrival of the aircraft.

The e-TFCM shall be electronically submitted at within 24 hours upon the arrival of the aircraft.

21.1.2. All transshipment cargoes shall be subjected to customs underguarding from the aircraft to the CFW and vice versa.

21.1.3. Customs Officers shall not subject all transshipment cargoes for inspection or physical examination to facilitate cargo movement. However, the assigned customs officer shall have unhampered access to the area where the goods are sorted out in accordance with its final destination.

21.1.4. An Electronic Outward Foreign Cargo Manifest (e-OFCM) shall be submitted twenty-four (24) hours after incoming Transshipment Cargoes have been uplifted to their final destination outside the Philippines. Transshipment Cargoes not covered under the initial submission maybe included in a supplemental e-OFCM.

21.1.5. The AECOs shall maintain an electronic database for all TFCMs and OFCMs for three years for Customs' reference.

21.1.6. The details required for e-TFCM and e-OFCM for Transshipment Cargoes shall be as follows:

- a. Master Air Waybill (MAWB) No.
- b. House Air Waybill (HAWB) No. of the consignment

- c. Name of shipper and address
- d. Name of consignee and address
- e. Detailed description of commodity
- f. Shipment weight in kilograms
- g. Declared value of the goods

21.1.7. Shifting of Transshipment Cargo: (i) from the carrier to the designated Customs Facilities and Warehouses (CFW) and vice versa, (ii) Transfer, (iii) Transhold, (iv) Transload; and (v) Transsort shall be accompanied by the information required under the preceding paragraph in the timeframe provided in Section 21.1.4. and subject to continuous underguarding in case of actual physical movement of the goods.

21.1.8. Subject to Section 21.1.9, Express Shipments intended for Transshipment must be exported within forty-eight (48) hours from the date of arrival. The BOC may allow an extension of such period for valid causes such as the following:

- a. Flood, storm, earthquake, lightning, or other natural disaster or calamity;
- b. Act of public enemy in war, whether international or civil;
- c. Act or omission of the shipper or owner of the goods or if the container is damaged or leaked;
- d. Legal order or act of competent public authority; and
- e. Other causes beyond the control of shipper or agent.

In case the AECO fails to export the same within forty-eight (48) hours from the date of arrival, the AECO can no longer avail of the longer timeframe to submit TFCM or OFCM provided for under Sections 21.1.1. and 21.1.4. The AECO shall be deemed to have failed to submit the electronic copy of the TCM on time as provided under Section 8.1. in relation to Section 5.1 of CAO No. 5-2020 and thus liable for fines under Section 1412 of the CMTA both as a carrier and as a consolidator. For purposes of imposing the penalty, the TCM shall be treated as IFCM.

21.1.9. For re-exportation of transshipment cargoes through sea, the AECO shall apply for a Permit to Transfer from the port that has jurisdiction over the CFW to the port

where the goods will be re-exported, subject to existing regulations on E-TRACC on transfers by land. Upon arrival at the port of destination, the AECO shall apply for a Special Permit to Load prior to loading into the carrying vessel.

For this purpose, the AECO is allowed to re-export the same within ninety-six (96) hours from arrival of the transshipment cargo at the original port of entry. Provided that failure to re-export the same shall be treated in the same manner as in Section 21.1.8. hereof.

21.1.10. For re-exportation of transshipment cargoes through air, the carrier shall secure a Special Permit to Load from the Deputy Collector for Operations of the Port, or authorized representative to allow the loading of cargoes to the aircraft. The request shall clearly indicate the registry number, flight number, date and estimated time of departure of the aircraft, including the reference number of the e-OFCM required in Section 21.1.6 in the timeframe indicated in Section 21.1.4.

21.1.11. The AECO shall institute a mechanism to ensure that transshipment cargoes are properly monitored and accounted for particularly for those which did not arrive or were not re-exported at the same time.

21.1.12. Goods for Transshipment with derogatory information shall be subjected to non-intrusive examination or physical examination, for verification, in the presence of representative from the AECO and concerned regulatory agency, provided that the examination shall be conducted at the CFW operated by the carrier. Should land transfer is required for such purpose, strict implementation of the existing regulations on E-TRACC shall be complied with at the expense of the carrier.

The Bureau shall not allow the transshipment of regulated or restricted goods unless necessary clearance, permits or licenses are secured from appropriate regulating agency in the country. Provided further, that transshipment of prohibited goods under the laws, rules and regulations including those covered under international conventions or agreements such as but not limited to nuclear materials, illegal drugs, and firearms and ammunition shall not be allowed, unauthorized transboundary movement of hazardous wastes covered under the Basel Convention implemented by Republic Act (RA) 6969, and the unauthorized transshipment of strategic goods covered

under RA No. 10697, otherwise known as the "Strategic Trade Management Act."

The customs clearance procedure for transshipment of goods which are not considered Express Shipments shall conform with the rules and regulations on Transshipment³² and its implementing guidelines, provided that, it must be exported within thirty (30) calendar days from the date of arrival.

Section 22. Abandoned Express Shipments. Procedure for the disposition of abandoned air Express Shipments shall be in accordance with CAO No. 3-2020 and its implementing guidelines. Provided that, the ACDD or equivalent unit of the port shall dispose of the goods not later than six (6) months from the issuance of a Decree of Abandonment.

Section 23. Treatment of Split Consignments. For shipments with low value but with the same shipper and the same consignee, but with aggregate value of Fifty Thousand Pesos (Php50,000.00) or more at the date of arrival of said shipments shall be treated as a single consignment and shall be filed under the formal entry process.

Section 24. Mis-sorted or Misrouted Shipments. The AECO shall provide for a secured area for mis-sorted or misrouted shipments.

24.1. Return to the Shipper. Mis-sorted or misrouted shipments may be allowed without payment of duties, taxes and other charges, subject to the following conditions:

24.1.1. The Air Waybill (AWB) indicates that the consignee's address is other than the Philippines;

24.1.2. The AWB /indicates that the consignee's address is the Philippines, but the labels or markings clearly show that the destination of the shipment is other than the Philippines and the assigned Warehouseman has verified the same;

24.1.3. The District Collector is notified prior to the arrival of the shipment and lodgment of Goods Declaration that same is mis-sorted or misrouted;

24.1.4. The shipment is not subject of an alert order or derogatory information and the same is not regulated, restricted or prohibited upon conduct of non-intrusive inspection; and

24.1.5. The shipment shall be returned to the shipper within 24 hours from the arrival of the shipments using a Special Permit to Load.

³² CAO No. 12-2019.

24.2. Submission of Report for Mis-sorted or Misrouted Shipments. The AECO shall also submit electronically a monthly summary of all mis-sorted or misrouted shipments to the Bureau with the following information:

- 24.2.1.** Arrival Date into the Philippines;
- 24.2.2.** Departure Date from the Philippines;
- 24.2.3.** Export AWB Number;
- 24.2.4.** Export Flight Number;
- 24.2.5.** Correct Destination; and
- 24.2.6.** Document showing proof of landing or other evidence of re-exportation.

For purposes of recording, the Bureau shall compute the duties and taxes that should have been collected from the shipment had it not been mis-sorted or misrouted.

Section 25. Transitory Provisions. Pending the establishment of a facility and implementation of an ICT-enabled system under Sections 7 and 9 of CAO No. 05-2020 respectively, the AECO shall implement an automated system to monitor the movement of shipments, with capability to receive and process e-IFCM, e-TFCM, e-CIFCM, and e-OFCM.

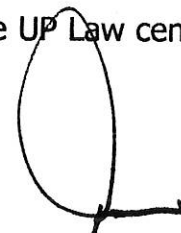
Pending the development and implementation of a new customs processing system, the Bureau through the MISTG shall allow, in the interim, the AECO to lodge and clear the Express Shipments using existing customs clearance procedure.

Section 26. Repealing Clause. All rules and regulations inconsistent with this Order are hereby deemed repealed, superseded or modified accordingly.

Section 27. Separability Clause. If any part of this Order is declared unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.

Section 28. Effectivity. This Order shall take effect immediately after publication in a newspaper of general circulation.

The Office of National Administrative Register (ONAR) of the UP Law center shall be provided three (3) certified copies of this Order.



REY LEONARDO B. GUERRERO
Commissioner