



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

CUSTOMS ADMINISTRATIVE ORDER (CAO)

NO. 1-2017

SUBJECT: CUSTOMS CLEARANCE OF ACCOMPANIED AND UNACCOMPANIED BAGGAGE OF TRAVELERS AND CREW.

INTRODUCTION. This CAO implements Sections 215, 216, 221 and 223 Chapter 3, Title II; Section 437, Chapter 4, Title IV; Section 800 (f), (g) and (h), Chapter 1, Title VIII; Sections 1400, 1404 and 1409, Chapter 1, Title XIV and other related provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA).

Section 1. Scope. This CAO shall cover the clearance procedures for all Travelers and Crew and their Baggage whether Accompanied or Unaccompanied.

Section 2. Objectives.

- 2.1. To prescribe Customs formalities in the clearance of Accompanied and Unaccompanied Baggage of Travelers and Crew at all ports of entry and exit including those deposited at the Interline Baggage Room (IBR) and those held at the Customs In-Bond Baggage Room (CBR);
- 2.2. To provide a simplified clearance procedure for different types of Travelers;
- 2.3. To adopt clear and transparent customs rules, regulations, policies and procedures, consistent with international standards and customs best practices;¹ and
- 2.4. To strengthen border protection against anti-social goods.

¹ cf. CMTA, Title I, Chapter 2, Section 101 (b).

Section 3. Definition of Terms. For purposes of this CAO, the following terms are defined as follows:

- 3.1. Accompanied Baggage** – refers to Baggage, whether checked-in or hand-carried, brought by Travelers and Crew when leaving or arriving in the country, traveling in the same means of transport as the Travelers and Crew.
- 3.2. Airport Terminal** – refers to a building at an airport where passengers transfer between ground transportation and the facilities that allow them to board and disembark from an aircraft. Within the same, passengers purchase tickets, transfer their luggage, and go through security.²
- 3.3. Availment** – refers to the determination by the Bureau of Customs (Bureau) or by the Traveler that the Balikbayan Boxes brought in or sent are counted as first, second or third within a calendar year and thus entitled to duty and tax exemption pursuant to Section 800 (g), Chapter 1, Title VIII, CMTA. Any amount in excess of the allowable non-dutiable and non-taxable value shall be subject to the applicable duties and taxes.

Shipment that is above the *De Minimis* threshold shall be automatically considered as one Availment. *De Minimis* importation shall not be included in the counting of Availment; provided that the Qualified Filipinos While Abroad can only send in to one ultimate consignee in one consolidated shipment.³

- 3.4. Baggage** – refers to articles, effects and other personal property of Traveler as are necessary or appropriate for wear; use comfort or convenience in connection with the trip and such other items as can be conveniently carried including Balikbayan Boxes with the Traveler on such trip and are accepted by the carrier for carriage. Unless otherwise specified, it includes both checked-in and hand-carried Baggage of the Traveler.⁴
- 3.5. Balikbayan Box** – refers to a corrugated box or other container or receptacle up to a maximum volume of two hundred thousand (200,000) gross cubic centimeters without regard as to the shape of the container or receptacle.

² Le Parisien, Airport Terminal, <http://dictionnaire.sensagent.leparisien.fr/AIRPORT%20TERMINAL/en-en/>

³ CAO 05-2016, Section 3.1

⁴ cf. International Air Transport Association (IATA), General Conditions of Carriage (Passenger and Baggage), Article 1

For purposes of duty and tax exemption, the Balikbayan Box should contain only Personal and Household Effects that shall neither be in commercial quantities nor intended for barter, sale or for hire brought in by Qualified Filipinos While Abroad often shipped by consolidators specializing in Balikbayan Boxes by sea or air.⁵

- 3.6. Calendar Year** – refers to the period from January 1 to December 31 of the same year.⁶
- 3.7. Certificate of Identification (CI)** – refers to a document secured upon departure and issued by the District Collector or any authorized Customs Officer identifying goods to be exported and subsequently brought back by the Returning Resident or OFW.⁷
- 3.8. Crew** – refers to person/s assigned by an operator to render duty on an aircraft or vessel during a flight or voyage duty period.⁸
- 3.9. Commercial Quantity** – refers to the quantity for a given kind or class of articles which are in excess of what is compatible with and commensurate to the person's normal requirements for personal use.⁹
- 3.10. Customs Baggage Declaration Form** – refers to a form prescribed by the Bureau giving information or particulars required by Customs and any other government agency.
- 3.11. Customs Baggage Declaration Rider** – refers to a sheet, in addition to the Customs Baggage Declaration Form that is used by a Traveler or Crew with Accompanied and/or Unaccompanied Baggage containing goods in Commercial Quantity and in excess of the *De Minimis* value.
- 3.12. Customs In-Bond Baggage Room (CBR)** – refers to the place where Baggage retained or held by Customs are temporarily stored while awaiting their final disposition.
- 3.13. De Minimis Value** – refers to the value of goods for which no duty or tax is collected.¹⁰

⁵ cf. CAO 05-2016, Section 3.2

⁶ CMTA, Title VIII, Chapter 1, Sec. 800 (g), par.2

⁷ cf. CMO 7-72 F-(a) 1&2.

⁸ International Civil Aviation Organization (ICAO), Annex 9

⁹ Department of Finance (DOF) Department Order (DO) 57-2011, 2 (b).

¹⁰ cf. CAO No. 02-2016, Section 3.2

- 3.14. Diplomatic Status** – refers to a reciprocal privilege of the exemption from the local laws granted by one State to the diplomats of another.¹¹
- 3.15. Household Effects** – shall refer to furniture, dishes, linens, libraries, and similar household furnishing for personal use.¹²
- 3.16. Interline Baggage** – refers to Baggage received, handled and placed at the Interline Baggage Room (IBR) such as but not limited to: (a) Mistagged baggage; (b) Erroneously off-loaded baggage; (c) Advanced or delayed baggage; (d) Left behind or unclaimed baggage; and (e) Transit baggage for foreign destinations.¹³
- 3.17. Interline Baggage Room (IBR)** – refers to a bonded facility under the jurisdictional control of the Bureau of Customs for the temporary storage of Baggage enumerated under Section 3.16 of this CAO.
- 3.18. In-Bond Baggage** – refers to Baggage received, handled and placed at the CBR due to any of the following: insufficient funds for payment of duties, taxes and other charges assessed; lack of presentation of the required permit/clearance from the government agency concerned; or violates the Customs rules and regulations and other related laws.¹⁴
- 3.19. Non-Resident Filipinos** – shall refer to those Filipinos who have established permanent residency abroad but have retained Filipino citizenship, whether or not they have availed of the benefits under Republic Act No. 9225 or the Citizenship Retention and Re-acquisition Act of 2003.¹⁵
- 3.20. Overseas Filipino Worker (OFW)** – refers to a holder of a valid passport issued by the Department of Foreign Affairs (DFA) and certified by Department of Labor and Employment (DOLE) or Philippine Overseas Employment Administration (POEA) for overseas employment purposes. This covers all Filipinos working in a foreign country under employment contracts, regardless of their professions, skills or employment status in a foreign country.¹⁶ For purposes of this CAO, the term OFW includes Filipinos working abroad under job contracts who do not require a certification from the DOLE or the POEA.

¹¹ Business Dictionary, Diplomatic Immunity, <http://www.businessdictionary.com/definition/diplomatic-immunity.html>

¹² cf. U.S. Customs Border Protection (CBP) Info Center.

¹³ Customs Memorandum Order (CMO) No. 54-91, II. A. 1.1 a.

¹⁴ cf. CMO No. 54-91, II. A. 1.2. a

¹⁵ CAO 05-2016, Section 3.19

¹⁶ cf. CMTA, Title VIII, Chapter 1, Sec. 800 (g), par.2.



3.21. Personal Effects – shall refer to commodities whether new or used, for personal use or consumption and not for commercial purposes, such as wearing apparel, personal adornments, electronic gadgets, toiletries, or similar items, including privately-owned items normally worn or carried by the person such as but not limited to clothing, jewelry and bag.¹⁷

3.22. Prohibited Importation and Exportation – the importation and exportation of the following goods 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 alloys;
- 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 and exportation are explicitly prohibited by law or rules and regulations issued by the competent authority.¹⁸

3.23. Property Irregularity Report (PIR) – refers to a report issued by the airline representative to the passenger for the delayed Baggage.

3.24. Qualified Filipinos While Abroad – a collective term used to refer to Non-Resident Filipinos defined in Section 3.19, OFWs defined in Section 3.20, and Resident Filipinos under Section 3.26 of this CAO.

3.25. Regulated Importation and Exportation – goods which are subject to regulation shall be imported only after securing the necessary goods

¹⁷ Merriam Webster Dictionary

¹⁸ CMTA, Title I, Chapter 3, Section 118

declaration, clearances, licenses, and any other requirements, prior to importation. 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.¹⁹

3.26. Resident Filipinos – shall refer to Resident Filipino citizens who temporarily stay abroad which may include holders of student visa, holders of investors' visa, holders of tourist visa and similar visas which allow them to establish temporary stay abroad.

3.27. Restricted Importation and Exportation – except when authorized by law or regulation, the importation and exportation of the following restricted goods are prohibited:

- 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. Any other goods whose importation are restricted;²⁰
- g. 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);
- h. Toxic and Hazardous goods under Republic Act No. 6969 or the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990."

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

¹⁹ cf. CMTA, Title I, Chapter 3, Section 117.

²⁰ cf. CMTA, Title I, Chapter 3, Section 119.



- 3.28. Returning Resident** – refers to a Filipino national who has stayed abroad for a period of at least six (6) months and returning to the Philippines.²¹ For purposes of Availment of the privilege, it shall be understood that "Returning Resident" includes the Returning Resident's spouse and dependent children.
- 3.29. Special Permit to Load (SPL)** – refers to a permit issued by an authorized Customs Officer assigned at the departure area, to a Traveler with an Accompanied Baggage containing goods in Commercial Quantity.
- 3.30. Transit** – refers to 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.
- 3.31. Temporary Exportation** – refers to customs procedure under which goods which are in free circulation in a Customs territory may be temporarily exported for personal use (e.g. jewelry, watches, cameras or other identifiable items), processing or repair abroad and then re-imported with total or partial exemption from import duties, taxes and other charges.²²
- 3.32. Traveler** – refers to any person who temporarily enters the territory of a country in which he or she does not normally reside ("non-resident") or who leaves that territory; and any person who leaves the territory of a country in which he or she normally resides ("departing resident") or who returns to that territory ("Returning Resident").²³
- 3.33. Unaccompanied Baggage** – refers to checked-in Baggage arriving or leaving before or after the traveler to whom it belongs due to delay, misrouting, or other causes.²⁴
- 3.34. Unclaimed Baggage Report (UBR)** – refers to a report submitted by the respective airline representative to the Interline Baggage Room Operator and the Customs after flight operations.

Section 4. General Provisions.

- 4.1.** All arriving Travelers and Crew shall accomplish a Customs Baggage Declaration Form (CBDF) to be prescribed by the Bureau which will be

²¹ cf. CMTA, Title VII, Chapter 1, Section 800 (f) par.2.

²² cf. United Nations, 2004, International Merchandise Trade Statistics: Compilers Manual, New York, Annex B,

²³ CMTA, Title I, Chapter 2, Section 102 (tt)

²⁴ Revised Kyoto Convention (RKC), Specific Annex J, Standard 12

submitted to the assigned Customs Officer at the Customs arrival area for clearance. In addition to the CDBF, the following additional documents must also be presented during the clearance process:

- 4.1.1.** Owner's Pre-Departure Declaration Form or Certificate of Identification (CI) for goods previously exported;
 - 4.1.2.** A duly filled-out Foreign Currency Declaration for travelers carrying foreign currency in excess of US\$10,000 or its equivalent in other foreign currency and other foreign currency denominated bearer monetary instruments;
 - 4.1.3.** Authorization duly issued by the Bangko Sentral ng Pilipinas (BSP) for travelers with more than Php50,000.00 in local currency; and
 - 4.1.4.** Necessary permits from the regulatory government agency in case of restricted and regulated goods in excess of the limits allowed by the agencies.
- 4.2.** Foreign Travelers with Diplomatic Status, who are duly documented and acknowledged as such under the law, shall continue to avail of the privileges accorded to them by applicable conventions, laws, rules, and regulations as regards traveler and baggage clearance.²⁵
 - 4.3.** The Bureau shall adopt and implement an advanced information and traveler record system as a risk management tool in traveler processing.
 - 4.4.** The Bureau shall create different lanes to cater to different types of travelers which shall include but not be limited to the following:
 - a. OFWs, Returning Residents and Non-Resident Filipinos;
 - b. Foreign Travelers with Diplomatic Status;
 - c. Airline Crew members; and
 - d. Traveler with Accompanied and/or Unaccompanied Baggage containing goods in Commercial Quantity.
 - 4.5.** Baggage of arriving Travelers and Crew shall be subject to non-intrusive inspection. When necessary, scanned Baggage may be subject to physical inspection.
 - 4.6.** The Traveler, Crew or any Baggage may be subject to inspection based on derogatory information or reasoned and/or random selection. For this

²⁵ cf. CAO No. 02-2014, General Provisions (2.4)

purpose, the Bureau shall restrict the entry of unauthorized personnel into the customs arrival area, including the baggage carousel area.

4.7. Tobacco goods, liquors, wines, and spirits brought in as Accompanied Baggage even if within the *De Minimis* value, shall be subject to the provisions of the National Internal Revenue Code (NIRC), as amended, on excise tax. Whenever such goods are purchased at Philippine Duty-Free Stores upon arrival of travelers and within the allowable quantity limits, they shall no longer be assessed the duties and taxes due.

4.8. Dutiable goods in accompanied baggage brought in by Travelers through the airports which are intended for re-exportation²⁶ may be:

4.8.1. Allowed release upon posting of cash bond amounting to 100% of the assessed duties and taxes; or

4.8.2. Temporarily deposited for safekeeping in the deposit facility subject to the following conditions:

4.8.2.1. Re-exportation shall conform to the date of departure but which shall not exceed three (3) months from the date of the acceptance of the goods.

4.8.2.2. Full payment of Service and Storage Fees upon deposit of the goods in the following schedule:

Type	First 24 hours	Subsequent 24 hours
Loose	Php50.00	Php100.00
Cabin	Php100.00	Php200.00
Suitcase	Php200.00	Php400.00
Odd size	Php400.00	Php600.00

4.8.2.3. Rates of Service and Storage fees shall be subject to periodic review and may be increased or decreased upon the approval of the Commissioner.

4.8.2.4. Inventory of items to be reflected in the appropriate form to be signed by the traveler and authorized Customs Officer.

4.8.3. Failure to re-export the goods within the period agreed upon shall subject the cash bond or the goods to forfeiture.

²⁶ RKC, Specific Annex J, Chapter 1, Standard 31

4.8.4. The deposit facility may be under the ownership and control of the Bureau or outsourced from a third-party provider.

4.9. Baggage whether brought in or sent by Qualified Filipinos While Abroad with value of more than Php10,000.00 shall, at the option of the Filipino traveler, be governed by Section 800(g) of the CMTA insofar as the value of the Baggage and the frequency of Availment is concerned. For the Availment of the tax and duty exemption pursuant to said Section, a processing fee of Php250.00 (inclusive of the legal research fee of Php10.00) shall be collected. The Commissioner shall periodically review the processing fee and revise the same accordingly.

4.10. Departing Travelers with goods for export in commercial quantities shall accomplish and file with the Bureau a Special Permit to Load (SPL). For goods that will be returned, the Traveler shall accomplish a simplified Owner's Pre-Departure Declaration Form or CI for presentation upon his return to the Customs Officers assigned at the Arrival Area.

4.11. Customs Officers Authorized to Exercise Police Power. Subject to the limits of the authority granted by the Commissioner in exercising police authority, Customs Officers shall only exercise powers within customs premises. Port and airport authorities in all ports of entry shall provide authorized Customs Officers with unhampered access to all premises within their administrative jurisdiction.²⁷

For this purpose, the District Collector shall coordinate with the Port or Airport authorities as to the premises that should be under customs control and jurisdiction and only the District Collector shall be authorized to grant access to the said premises.

4.12. Customs Officers who are authorized to exercise police authority may:

4.12.1. Seize any vessel, aircraft, cargo, goods, animal or any other movable property when the same is subject to forfeiture or when they are subject of a fine imposed under the CMTA.²⁸

4.12.2. Board, inspect, search and examine a vessel or aircraft and any container, trunk, package, box or envelope found on board, and physically search and examine any person thereon. In case of any probable violation of the CMTA, the goods, vessel, aircraft, or any part thereof may be seized.

²⁷ CMTA, Title II, Chapter 3, Section 215

²⁸ CMTA, Title II, Chapter 3, Section 216



Such power to search includes removal of any false bottom, partition, bulkhead, or any other obstruction for the purpose of uncovering any concealed dutiable or forfeitable goods. Any claim for damage caused to the goods, vessel or aircraft shall not give rise, unless there is gross negligence or abuse of authority in the exercise of the police power.²⁹

4.12.3. Open and examine any box, trunk, envelope, or other container for purposes of determining the presence of dutiable or prohibited goods. This authority includes the search of receptacles used for the transport of human remains and dead animals. Such authority likewise includes the power to stop, search, and examine any vehicle or carrier, person or animal suspected of holding or conveying dutiable or prohibited goods.³⁰

4.12.4. Upon reasonable cause, subject travelers arriving from foreign countries to search and/or detention. The dignity of the person under search and detention shall be respected at all times. Female inspectors may be employed for the examination and search of persons of their own sex.³¹

4.13. Dutiable goods that are not declared by any person arriving within the Philippines, if not imported contrary to law shall be seized and the traveler may obtain release of such goods, upon payment of a surcharge equivalent to thirty percent (30%) of the landed cost of such goods, in addition to all duties, taxes and other charges due. Nothing in this provision shall preclude the filing of criminal action against the offender.³²

4.14. The District Collector shall designate a time and place for the unloading of cargo upon arrival. The owner or operator of any vessel or aircraft from which cargo is discharged upon arrival in the Philippines at a time or place other than that designated by the District Collector, shall be fined not less One Hundred Thousand Pesos (Php100,000.00) but not more than Three Hundred Thousand Pesos (Php300,000.00); Provided, That no fine shall accrue upon satisfactory proof that the unloading was rendered necessary by stress of weather, accident or other necessity.³³

4.15. Without prejudice to the other provisions of the CMTA, imported goods are deemed abandoned once the assessed duties, taxes and other

²⁹ CMTA, Title II, Chapter 3, Section 222

³⁰ CMTA, Title II, Chapter 3, Section 222

³¹ CMTA, Title II, Chapter 3, Section 223

³² CMTA, Title XIV, Chapter 1, Section 1404

³³ CMTA, Title XIV, Chapter 1, Section 1409

charges have been paid and the owner, importer or consignee or interested party after due notice, fails to claim the goods within thirty (30) days from payment. For this purpose, the Interline Operator and/or the Baggage Assistance Division operator shall report the unclaimed goods to the District Collector for disposition pursuant to the provisions of the said Act.³⁴

- 4.16. Any misdeclaration as to quantity, quality, description, weight, or measurement of the goods, resulting to a discrepancy in duty and tax to be paid between what is legally determined upon assessment and what is declared, shall be subject to a surcharge equivalent to two hundred fifty percent (250%) of the duty and tax due. No surcharge shall be imposed when the discrepancy in duty is less than ten percent (10%).³⁵
- 4.17. Any undervaluation in goods declaration, shall be imposed a surcharge equivalent to two hundred fifty percent (250%) of the duty and tax due. No surcharge shall be imposed when the discrepancy in duty is less than ten percent (10%).³⁶

Section 5. Clearance Formalities for Baggage of Specific Arriving Travelers and Crew.

- 5.1. **OFWs, Resident Filipinos, Returning Residents and Non-Resident Filipinos.** OFWs, Resident Filipinos, Returning Residents and Non-Resident Filipinos shall undergo regular clearance formalities; provided that those availing of the privilege under Section 800 (f) and (g) under the CMTA shall undergo the clearance formalities provided under Section 6 hereof.
- 5.2. **Crew Members.** Baggage of Crew Members shall undergo mandatory physical examination.
- 5.3. **Resident Aliens and Other Foreign Travelers.** Other travelers not falling under Section 5.1 and 5.2 of this CAO shall undergo clearance procedures based on traveler profiling and risk management control measures.

³⁴ cf. CMTA, Title XI, Chapter 6, Section 1129 (d)

³⁵ cf. CMTA, Title XIV, Chapter 1, Section 1400

³⁶ cf. CMTA, Title XIV, Chapter 1, Section 1400

Section 6. Clearance Formalities For Those Availing of Section 800 (f) and (g) of the CMTA. OFWs, Resident Filipinos, Returning Residents and Non-Resident Filipinos availing of the privilege granted under Section 800 (f) and or (g) of the CMTA shall comply with the following:

- 6.1.** For Availment of Section 800 (f), the Returning Resident or OFW shall accomplish the Personal and Household Effects Declaration Form (PHED) which may be downloaded from the Bureau's website and filled out prior to arrival; or secured from the Customs Officer at the arrival area. The duly filled-out PHED Form shall be submitted to the Customs Officer manning the Customs counter in the arrival area. The PHED Form shall contain the following basic information:
- a. Complete name of the Traveler, date of birth, citizenship, passport number, address abroad and in the Philippines, contact number and e-mail address, if any;
 - b. Contents, quantity, unit value and total value of Baggage;
 - c. Packing List Information which shall contain an itemized listing of all goods in each box and their respective quantities and description;
 - d. Names of accompanying family members and their respective passport numbers;
 - e. Date of last departure from the Philippines; and
 - f. Estimated date of arrival of the Returning Resident or OFW in the Philippines.
- 6.2.** For Availment of Section 800 (g), the OFWs, Resident Filipinos, Returning Residents and Non-Resident Filipinos shall accomplish the Information Sheet which may be downloaded from the Bureau's website and filled-out prior to arrival or secured from the Customs Officer at the arrival area. The duly filled-out Information Sheet shall be submitted to the Customs Officer manning the Customs counter in the arrival area. The Information Sheet shall contain the following basic information:
- a. Complete name of the traveler, date of birth, citizenship, passport details, address abroad and in Philippines, contact number and e-mail address, if any;
 - b. Packing List Information which shall contain an itemized listing of all goods in each Balikbayan Box and their respective description, quantities, unit value and total value;
 - c. Number of Availments within the calendar year; and
 - d. Other essential information as may be required by the Bureau.



Section 7. Clearance Formalities for Commercial Goods. Traveler with Accompanied and/or Unaccompanied Baggage containing goods in Commercial Quantity and in excess of the *De Minimis* value shall be subject to the following customs formalities:

- 7.1. The Traveler, in addition to the Customs Baggage Declaration Form, shall fill-out a Customs Baggage Declaration Rider to be provided by the Customs Officer stationed at the Customs counter at the arrival area.
- 7.2. The Baggage shall be subject to 100% physical examination by the Customs Officer assigned to determine the duties, taxes and other charges due.
- 7.3. For Baggage to be entered conditionally-free under Section 800 of the CMTA or those requiring permits or clearances from other government regulatory agencies, release thereof shall not be allowed until the Tax Exemption Certificate (TEC) or requisite permit or clearance is presented.

Section 8. Customs Formalities for Traveler and Crew Not Passing Through Airport and Port Terminals.

- 8.1. The District Collector shall require the operator or handler of an aircraft or vessel arriving in a designated area other than the airport or port terminal to provide the following data:
 - a. Name of owner or operator of aircraft or vessel, registration marks and nationality of aircraft or vessel, and flight or voyage number of identification;
 - b. Points of clearance and entry, and date of arrival;
 - c. Health and customs clearance at the last airport of departure;
 - d. Itinerary of aircraft or vessel, including information as to airport or port of origin and departure dates;
 - e. Names and nationality of Crew members;
 - f. Passengers manifest showing places of embarkation and destination;
 - g. Cargo manifest showing information as to airway bill or bill of lading number, the number of packages related to each airway bill or bill of lading number, nature of goods, destination, and gross weight, together with a copy of each airway bill or bill of lading number securely attached thereto;
 - h. Stores list;
 - i. Such other documents as may be required by the Bureau; and
 - j. Pick-up time of the Customs Officer by the Operator representative.
- 8.1.1. Area where physical inspection of Baggage shall be conducted.

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- 8.2. The Traveler and Crew shall not be permitted to board or leave the aircraft without the permission of the Customs Officer until clearance formalities, including physical inspection shall have been completed.
- 8.3. In case body search upon a person of a Traveler or Crew is required by the Customs Officer, the handler or operator shall provide an area for the conduct of said body search.

Section 9. Treatment of Transit Baggage.

- 9.1. All international Baggage ultimately destined to a domestic port shall be cleared at the first port of entry in the Philippines.

Section 10. Treatment of Interline Baggage.

- 10.1. Baggage received, handled and placed at the IBR shall be covered by an UBR to be issued by the airline company, who shall furnish a copy thereof to the interline operator and the Bureau.
- 10.2. Interline Baggage shall be subject to non-intrusive inspection before storage.
- 10.3. All claimed Interline Baggage for entry into the Philippines shall be subjected to 100% physical examination by the Customs Officer in the presence of the traveler or authorized representative to determine the duties, taxes and other charges due thereon.
- 10.4. All Interline Baggage, which remain unclaimed after thirty (30) days from arrival shall be subject to abandonment proceedings.
- 10.5. The Airline shall be required to furnish the Bureau a copy of a Property Irregularity Report (PIR) issued to the passenger for delayed Baggage.

Section 11. Treatment of In-Bond Baggage.

- 11.1. Baggage received, handled and placed at the CBR shall be covered by a Held Baggage Receipt (HBR), which is secured from the CBR, Baggage Assistance Division and to be issued by a Customs Officer.
- 11.2. In-Bond Baggage shall be subject to physical inspection before storage.
- 11.3. All In-Bond Baggage, which are prohibited in nature, shall be immediately turned over to the appropriate agencies.

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11.4. All In-Bond Baggage, which remain unclaimed after thirty (30) days from arrival shall be subject to abandonment proceedings.

Section 12. Penal Provision. Violations of this CAO committed by any person, officer or employee shall be penalized in accordance with Title XIV of the CMTA and other applicable penal provisions.


Section 13. Periodic Review. Unless otherwise provided, this CAO shall be reviewed every three (3) years and be amended and revised, if necessary.

Section 14. Repealing Clause. This CAO specifically amends or repeals CAO Nos. 02-2014, 03-2013, 07-2006, and 02-1990, CMO Nos. 08-2014, 20-2003, 32-1990 and NAIA CMO Nos. 18-1997, 02-1997, 05-1989 as well as other previous issuances which are inconsistent with the provisions hereof.

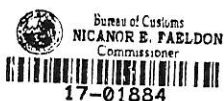
Section 15. Separability Clause. If any part of this CAO is declared unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.

Section 16. Effectivity. This CAO shall take effect after fifteen (15) days from publication at the Official Gazette or 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 CAO.



NICANOR E. FAELDON
Commissioner



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Approved:



CARLOS G. DOMINGUEZ III
Secretary



Informational Section. As the title denotes this section only provides information and does not give rise to any substantive or formal rights or obligations.

1. History. This CAO amends all the previous issuances of the Bureau of Customs relating to clearance of traveler and passenger baggage processing.

2. Related Policies.

- Republic Act 10863 An Act Modernizing the Customs and Tariff Administration. Otherwise known as Customs Modernization and Tariff Act (CMTA)
- Customs Administrative Order No.06-2016 Conditionally Tax and/or Duty-Exempt Importation of "Returning Residents' and Overseas Filipino Workers (OFWs)
- Customs Administrative Order No.05-2016 Consolidated Shipment of Duty and Tax-Free "Balikbayan Boxes"
- Customs Administrative Order No.02-2016 Imported Goods with De Minimis Value not Subject to Duties and Taxes
- Customs Administrative Order No. 02-2014 Simplified Procedures for Clearance of Baggage of Passengers and Crew of International Airlines Arriving in International Airports of Entry
- Customs Administrative Order No, 03-2013 Simplified Procedure for the Submission of Baggage Declaration For (B.C. form No. 117)
- Customs Administration Order No. 07-2006 Revised Baggage Declaration Form (B.C. Form No. 117) Hereinafter Denominated as the New Customs Declaration Form
- Customs Administrative Order No. 02-90 Amendment to Customs Administrative Order No. 3-87
- Customs Memorandum Order No. 08-2014 Regulation for the Implementation Rules and Regulations of CAO 02-2014
- Customs Memorandum Order No, 20-2003 Transshipment of Baggage of Arriving International Flight Passengers with Connecting Domestic Flight
- Customs Memorandum Order No. 05-2001 Amendment to Customs Memorandum Order No. 54-91 on the Designation of the Interline Baggage Room (IBR) Operators at NAIA International Passenger Terminal I and II.
- Customs Memorandum Circular No. 24-98 Designing PSI CBW No. 31 as Extended Arrival Area for Handling, Processing and Clearing of Accompanied and Unaccompanied Baggage of Commercial Quantity
- Customs Memorandum Order No. 17-93 Security Procedures at NAIA Complex
- Customs Memorandum Order No. 54-91 Formally Establishing the Interline Section and the In-Bond Section Under the Baggage

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- Customs Memorandum Order No. 65-90 Assistance Division, NAIA and Supervision of the Operations of Interline and Customs Baggage Rooms
- Customs Memorandum Circular No. 41-90 Consolidated Guidelines for Special Processing of Air Cargo at the Ninoy Aquino International Airport
- Customs Memorandum Order No. 32-90 Note Verbal from the Foreign Affairs Department
- Customs Memorandum Circular No. 11-90 Rules and Regulations Further Implementing Customs Administrative Order No. 5-89, Dated 19 May 1989, Covering Non-Commercial Inbound Consolidation Shipments from Filipinos Abroad.
- NAIA Customs Memorandum Order No. 18-97 Rules and Regulations Implementing Republic Act No. 6768 Instituting a Balikbayan Program Standard Procedures in the Clearance of Passenger's Baggage at the Arrival Area International Passenger Terminal
- NAIA Customs Memorandum Order No. 02-97 Activation of the SMILE and VIDEO SECURITY SYSTEMS
- NAIA Customs Memorandum Order No. 05-89 Guidelines in the Use of Accomplishment of Held-Baggage Receipts (HBRs) and Treatment of Held Baggage.
- Memorandum dated 14 August 2009 Random Search of Hand-Carried Bags and Luggages of Arriving Passengers
- Department of Finance, Department Order 57-2011 Pursuant to Section 38 (I), Chapter 7, Book IV of Executive Order No. 292 or the Administrative Code of 1987, in relation to the Tariff and Customs Code of the Philippines (TCCP), as amended, the National Internal Revenue Code of 1997, other existing laws and international agreements, the following guidelines are hereby being issued to govern the clearance procedures for book importations.

3. Webpage, Forms, Handbooks and other References.

- www.customs.gov.ph.
- <http://www.businessdictionary.com/definition/diplomatic-immunity.html>
- http://www.dof.gov.ph/index.php/issuances/cmta_irr/
- <http://dictionnaire.sensagent.leparisien.fr/AIRPORT%20TERMINAL/en-en/>
- <http://www.wcoomd.org/>
- <http://www.gov.ph/2011/12/12/department-order-no-57-2011/>

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- Revised Kyoto Convention
- International Civil Aviation Organization
- United Nations, 2004, International Merchandise Trade Statistics: Compilers Manual, New York, Annex B,
- Glossary of Customs and Trade Terms
- Asia/Pacific Regional Workshop on Risk Based Passenger Selectivity
- WCO Asia/Pacific Regional Workshop on Risk Based Passenger Selectivity
- International Air Transport Association