



1 December 2015

CUSTOMS MEMORANDUM ORDER

NO. 41-2015

SUBJECT: REVISED RATES TO BE CHARGED BY OFF-DOCK CONTAINER YARD/CONTAINER FREIGHT STATIONS (OCC) AND COMPLIANCE WITH CMO 32-2015

WHEREAS, the Bureau of Customs (BOC) have been receiving numerous written complaints of alleged overcharging by CY/CFS-OCZ Operators in violation of the provisions provided under CMO 24-2001;

WHEREAS, the promulgation of revised uniform rates based on public consultations with various stakeholders will help level the playing field among the operators;

WHEREAS, Section III-F of Customs Administrative Order No. 11-80 authorizes the Commissioner of Customs to promulgate uniform rates to be charged by CY/CFS-OCZ (referred to as OCC under CMO 32-2015);

NOW THEREFORE, the following rules and regulations governing uniform rates to be charged by the OCC for consolidated import cargo are hereby promulgated.

1. Objectives

To promulgate a revised and uniform rate system to be charged by OCC operators for consolidated import cargo as provided in CMO 32-2015.

2. Revised Charges

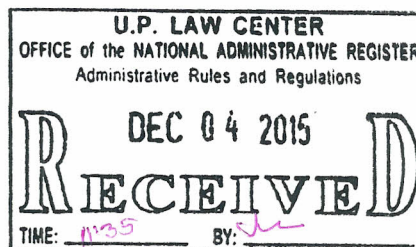
2.1 The following charges shall be collected by OCC operators for consolidated import cargo:

A. Regular Rates

Charges per Bill of Lading (BL)	
1. Documentation	P1,000 per BL
2. OLRS	P100 per BL

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Charges per Revenue Ton (RT)				
	1 RT or less	5 RT or less	15 RT or less	More than 15 RT
1. Storage (from date of stripping and storage in the warehouse)	P60/RT	P50/RT	P50/RT	P40/RT
2. Arrastre & Wharfage	P375/RT	same	Same	Same
3. Stripping & Cargo out handling	P1,500/RT	P1,250/RT	P1,000/RT	P800/RT
4. Transfer Fee / Trucking Fee	P500/RT	Same	same	Same

Sample Computation of Regular Charges

	1 RT	2 RT	10 RT	16 RT
Total Regular Charges	P3,535	P5,450	P20,350	P28,540

B. Special Rates (as applicable on a case-to-case basis)

1. Insurance charge (if there is general insurance or no waiver of cargo claims against OCC)	1/8 of 1% of FOB value, whichever is higher
2. Heavy Lift (over 3 revenue ton oversize single unit cargo)	Php2,640 per RT
3. Dangerous Cargo	100% surcharge on storage stripping and handling charges

Note: All charges shall be subject to VAT as provided under applicable BIR rules and regulations.

- 2.2 All OCC rates shall automatically be adjusted proportionately using as basis the rate of increase of the Arrastre and Wharfage promulgated by the Philippine Ports Authority (PPA). To illustrate, if the authorized rate increase on fees charge by arrastre operators is 7%, the rate increase will be as follows:

Sample Rate Increase Computation

Charge	Rate under this Order	Allowed Increase based on PPA increase
1. Storage	Php60 per RT	Php64.20
2. Arrastre & Wharfage	Php375 per RT	Php401.25
3. Stripping & Cargo out handling	Php1,500 per RT	Php1,605.00
4. Transfer Fee / Trucking Fee	Php500 per RT	Php535.00
5. Documentation	Php1,000 per BL	Php1,070.00
6. OLRs	Php100 per BL	Php107.00
8. Heavy Lift (over 3 revenue ton oversize single unit cargo)	Php2,640 per RT	Php2,824.80

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- 2.3 Dangerous Cargo shall refer to articles that pose risk to health, safety and property like explosives, flammable, gas, flammable solids and liquids, liable to spontaneous combustions, substances which, when in contact with water, emit flammable gases, oxidizers, organic peroxides, toxic and infectious substances, radioactive material, corrosives, and similar substances. Specifically, this shall refer to the articles listed in the Classification of Dangerous Goods by the Intergovernmental Maritime Consultative Organization (IMCO) or the appropriate government agency and/or the United Kingdom Carriage of Dangerous Goods in Ships (The Blue Book).
- 2.4 Insurance charge will apply only if cargo owner / consignee presents a general and continuing waiver of cargo claims against the warehouse operator making the warehouse operator a co-insured party in the marine insurance.

3. Measurement and Weight

- 3.1 Rates based on Revenue Ton (RT) shall be based on measurements/weights declared in the manifest/bill of lading unless a discrepancy in weight or measurement of more than 12% is officially reported to the Bureau of Customs by the OCC operator and wharfinger, in which case the actual measurement or weight shall be the basis for applying the approved rates.
- 3.2 A Revenue is a shipping term describing the measurement on which the shipment is freighted. 1 RT is equal to 1 ton or 1 cubic meter, whichever is higher. Cargo is rated as weight or measure and whichever produces the highest revenue will be considered the RT. Weights are based on metric tons (MT) and measures are based on cubic meters (CBM).

To illustrate, a shipment with a weight of 1.2MT and dimensions of 3.2 meters x 1.2 meters x 2.2 meters and a rate of P500/RT shall have the following computation:


$$1.2 \text{ MT} \times \text{P}500 = \text{P}600$$
$$3.2 \times 1.2 \times 2.2 = 8.448 \text{ CBM} \times \text{P}500 = \text{P}4,224$$

Since the CBM rate is higher, the charge applicable will be P4,224.

4. Penalties and Sanctions for Violations

- 4.1 The Association of Off-Dock CFS Operators of the Philippines (ACOP), any OCC operator, or any importer or its authorized customs representative or broker, may file a complaint supported by official receipt of payment which indicates a violation of this Order such as overcharging on the part of the OCC beyond the approved charges under this Order. The complaint shall be filed with the Deputy Collector for Operation of the concerned Collection District, pursuant to the procedures provided in CMO 32-2015, as applicable.

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- 4.2 In case of violation of this Order, the District Collector shall recommend to the Deputy Commissioner, AOCG, the following penalties:
- i. For the first offense, a penalty of three hundred thousand pesos (Php300,000.00) payable to the Bureau of Customs, and refund to the consignee of one hundred percent (100%) of the overcharge which shall be made within five(5) days after the rendition of the decision. Non-payment of the penalty and non-refund of the overcharge shall cause the suspension of transfer of containers to the erring OCC operator until full payment and refund has been made.
 - ii. For the second offense, the District Collector, in addition to the penalty imposed under the immediately preceding paragraph, shall recommend the immediate suspension of transfer of containers to the erring OCC operator for a period of six (6) months.
 - iii. For the third offense, in addition the penalties provided in paragraph (i) of this Section, the District Collector shall recommend the revocation of the permit to operate against the erring OCC operator.
- 4.3 The Office of the Commissioner shall be furnished a copy of the findings and the penalty imposed by the Deputy Commissioner, AOCG.


5. Repealing Clause

All customs Memorandum Orders, circulars, rules and regulations inconsistent with this Order are hereby deemed superseded and /or amended accordingly.

6. Effective Date

This Order shall take effect in January 1, 2016.

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