

2017 - 04 - 013



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
1099 Manila

MASTER COPY

amy

31 March 2017

MEMORANDUM

**TO : THE CHIEF, ACCOUNT MANAGEMENT OFFICES (AMO)
ALL OTHERS CONCERNED**

**RE : Extension of Registration of Deconsolidators
in accordance with CMO No. 04-2017**

This has reference to the Memorandum dated 06 February 2017 regarding the registration of Deconsolidators in Accordance with CMO No. 04-2017, which gave all sea and air freight forwarders, engaged in the business of consolidated shipments of balikbayan boxes until 31 March 2017 to register with AMO and comply with CMO No. 04-2017.

Relative thereto, the Chief, AMO, is hereby directed to extend the deadline of the registration until 30 June 2017, to give the Deconsolidators ample time to comply with the requirements set out in CMO No. 04-2017.

Please be guided accordingly.


NICANOR E. FAELDON
Commissioner

 Bureau of Customs
NICANOR E. FAELDON
Commissioner
17-02775
APR 10 2017



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
1099 Manila

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RECEIVED
BUREAU OF CUSTOMS
COLLECTION MONITORING GROUP
LEGAL SERVICE
BY: _____
DATE: MAR 03 2017 ECHO
TIME: 3:31

06 February 2017

MEMORANDUM

**TO : THE CHIEF, ACCOUNT MANAGEMENT OFFICE (AMO)
ALL OTHERS CONCERNED**

**RE : Registration of Deconsolidators in accordance with
CMO No. 04-2017**

Relative to the above subject matter, the attached Application Forms (single proprietorship, partnership and corporation categories), as proposed by the Account Management Office (AMO), are hereby approved, including the list of corresponding documentary requirements as contained therein.

For this purpose, proper information dissemination on the implementation of CMO No. 04-2017 should be immediately undertaken.

As such, all sea and air freight forwarders, engaged in the business of consolidated shipments of balikbayan boxes, shall have until 31 March 2017 to register with AMO and comply with CMO No. 04-2017.

Please be guided accordingly.

[Signature]
NICANOR E. FAELDON
Commissioner



MAR 01 2017



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
1099 Manila

BUREAU OF CUSTOMS	
REVENUE COLLECTION MONITORING GROUP	
AMQ, LEGAL SERVICE	
RECEIVED	
BY:	L17A
DATE:	MAR 31 2017
TIME:	2:57

31 March 2017

Atty. Grace Malabed
Account Management Office
Revenue Collection Monitoring Group
This Bureau

Dear Atty. Malabed:

This refers to the attached letter dated 29 March 2017, received from the Door-to-Door Consolidators Association of the Philippines (DDCAP) regarding their request to Hold in Abeyance, through the issuance of a Status Quo Order for a Period of Sixty (60) days from March 31, 2017, the full implementation of CMO 04-2017 and the Memorandum dated 6 February 2017 from the Office of the Commissioner.

In lieu of holding in abeyance the implementation of the said CMO and Memorandum, the Balikbayan Box Drafting Team, this Bureau, would like to respectfully recommend to have the registration of the Deconsolidators extended until 30 June 2017. The extension will give them sufficient time to comply with the requirements stated in CMO 4-2017, particularly the submission of the copy of the Service Contract between the Deconsolidator and its Consolidator abroad.

Moreover, the Drafting Team would likewise want to recommend that for those Deconsolidators who will not be able to register by 30 June 2017, they can still register thereafter, however, pending such registration, they cannot transact business with the Bureau of Customs relative to Balikbayan Boxes.

Thank you.

Very truly yours,

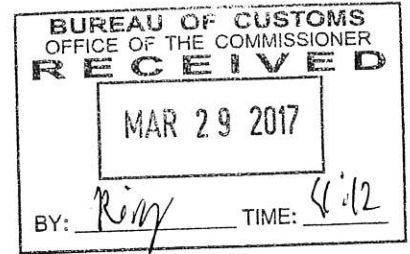
Athena Dans
P.P. **ATHENA DANS**
Drafting Team Chair

amy

**DOOR TO DOOR CONSOLIDATORS
ASSOCIATION OF THE PHILIPPINES**

Ground Floor, PUC Building
16th corner Boston Streets, Bureau of Customs
Gate 3, South Harbor, Port Area, City of Manila

March 29, 2017



HONORABLE NICANOR E. FAELDON
Commissioner
Bureau of Customs



Dear Commissioner Faeldon,

Greetings!

We write in behalf of the members of the **Door-to-Door Consolidators Association of the Philippines (DDCAP)** and the hundreds of thousands of our modern-day heroes, the Overseas Filipino Workers and their families.

We write in reference to the implementation of the Section 3 of CMO No. 04-2017 on the Registration of Deconsolidators relative to the implementation of CAO No. 05-2016 on consolidated shipment of duty and tax-free balikbayan boxes.

Specifically, we view with concern the **deadline** imposed by the Bureau of Customs insofar as it requires all sea-freight and air-freight forwarders to register with the Bureau of Customs' Account Management Office (AMO) and comply with CMO 04-2017 only until 31 March 2017, as indicated in the Memorandum dated February 6, 2017, signed by your good self on March 1, 2017 and released to the stakeholders on March 7, 2017.

While DDCAP and its members are desirous and eager to comply with the directive of the Bureau of Customs, it is respectfully manifested that the deadline imposed is not "doable" or "realistic" for the following reasons:

1. Section 3 and 3.2 of CMO No. 04-2017 enumerates the documents required to be submitted to the Account Management Office (AMO) such as, but not limited to the following:

"xxx xxx xxx

c. Copy of the Individual Service Contract between the Deconsolidator and the Consolidator/s with all the annexes. The duly executed Service Contract/s entered into by and between the Deconsolidator and the Consolidator/s shall contain the following undertakings or provisions, that:

- i. The required Information Sheet is properly accomplished;
- ii. The Consolidator shall advise the Sender of the following:
 - ii1. That no prohibited or restricted items, or regulated items in commercial quantities are included in the shipment;
 - ii2. No individual shipment shall exceed the limits as to value and frequency as fixed by law.
- iii. Should any consolidated shipments included or contain restricted, prohibited or regulated articles in commercial quantities, the Deconsolidator shall be held responsible therefor, and
- iv. The Deconsolidator shall ensure that their principals abroad are made fully aware of the need for Senders to provide information and documents as listed in Section 5.1.2 of CAO No. 5-2016, to enable the expeditious processing of the shipment and that the data will be used only for the sole purpose of sending the box and shall be covered by the Data Privacy Protection Law existing in the country of origin.

xxx xxx xxx."

It is respectfully stated that Deconsolidatorsⁱ, as defined, may have **multiple/several Consolidators**ⁱⁱ based or located in different countries worldwide. Thus, in practical terms, deconsolidators will have to execute and secure *individual* Service Contracts with all its Consolidators abroad in the form prescribed by the Bureau of Customs. The Service Contract/s, which is/are signed, executed or issued abroad, may have to comply with the formalities required by law, specifically that the same must bear a consular notarization or authentication for the same to be accorded legal effect in the Philippines, should the same be the required form of the BOC. It is thus the concern of the deconsolidators that the deadline given within which to comply with the registration requirement with AMO, which is **31 March 2017, is not sufficient**, more so in light of the fact that the Memorandum dated February 6, 2017 addressed to the Chief, Account Management Office (AMO) In Re; Registration of Deconsolidators in accordance with CMO No. 04-2017 was only released to the public last **March 7, 2017**.

- a. During the public hearing held yesterday, March 28, 2017, it appears that the BOC and the Department of Trade and Industry-Fair Trade Enforcement Bureau (DTI-FTEB) would need to review the existing guidelines insofar as it relates to the CPRS registration of sea freight forwarders. Specifically, there may be a need to revisit or review the amendment of the CPRS given that the BOC requires that deconsolidators would need to indicate "BB" in the Unique Reference Number (URN) of deconsolidators' CPRS engaged in consolidated Balikbayan shipment. It appears that the BOC will *disapprove* the application of new and/or renewal of the CPRS of deconsolidators if there is no "BB" indicated in the URN. However, it appears that the DTI-FETB is of the position that amending the registration to reflect the said requirement is not as "easy as it appears to be." While we hope that this confusion is more apparent than real, still, it is patently obvious that both the BOC and the DTI-FETB would need to coordinate with each on how this issue can and should be resolved. Otherwise, deconsolidators may be

faced with the scenario of having their registration in a state of limbo and hence, significantly affecting their operations.

- b. There was an opinion raised yesterday that the imposition of the March 31, 2017 deadline is "vague" and "overreaching" insofar as it relates to whether deconsolidators not registered by the said date will still be allowed to transact business with the Bureau of Customs. Moreover, the deadline for the registration of deconsolidators with the AMO as stated in the Memorandum dated February 6, 2017 failed to consider the registration requirement of *newly-formed* corporations or sole proprietorships who would want to register as a deconsolidator under CMO 04-2017 *after* the March 31, 2017 deadline. To deprive deconsolidators otherwise qualified to engage in the consolidation of shipments of balikbayan boxes by virtue solely of non-compliance with the March 31, 2017 deadline may not be warranted under the circumstances.

Given the foregoing, we respectfully request the Honorable Commissioner, in the interest of equity, to **HOLD IN ABEYANCE**, through the issuance of a **STATUS QUO ORDER FOR A PERIOD OF SIXTY (60) DAYS FROM MARCH 31, 2017**, the full implementation of CMO 04-2017 and the Memorandum dated 6 February, 2017 specifically on the (a) the mandatory registration of deconsolidators with the BOC-AMO on or before 31 March, 2017 and (b) requiring full compliance with the provisions of CMO 04-2017, pending a thorough and exhaustive review and resolution of the issues raised herein.

Lastly, DDCAP and our members *fully supports* the advocacies and initiatives of the Honorable Commissioner and the Bureau of Customs in increasing its revenue collection and the modernization of its services and facilities and more importantly, protecting the rights and interest of our kababayans abroad who send balikbayan boxes to their families and loved ones in the Philippines. As we all know, the strong voice of our OFWs led to the passage of Section 800 (g) of the CMTA.

As such, in behalf of the hundreds of thousands of Filipinos overseas and their families and the hard-working members of our industry, We thank you in advance for the favorable action on our request.

Thank you very much.

Very truly yours,

JOEL P. LONGARES

President

Door-To-Door Consolidators
Association of the Philippines, Inc.

Copy furnished:

Office of the Commissioner
Account Management Office (AMO)
Project Management Office (PMO)

ⁱ Deconsolidators refer to local freight forwarder or consolidator's agent that provides services to ungroup or deconsolidate shipments, orders, goods, etc. to facilitate distribution. (Section 3.8)

ⁱⁱ Consolidators refers to foreign-registered forwarding company acting as a Non-Vessel Operating Common Carrier (NVOCC) which procures transport of goods by sea or air and issues in its name house bill of lading or house airway bill to consignors of shipments under its solicitation, to whom it directly assumes the liabilities and responsibilities of a common carrier for the transportation of such goods from the point of receipt of destination of such goods, and ships the shipment together in its name under a master bill of lading/master airway bill consigned to its Deconsolidator at the port of destination in the Philippines. (Section 3.7)