

JOINT ADMINISTRATIVE ORDER NO

Adoption of Processes for the Expedited Release of Refrigerated Containers and Dry Vans During the Period of Enhanced Community Quarantine

WHEREAS, the Inter-Agency Task Force (IATF) on Emerging Infectious Disease issued Resolution No. 16 (s. 2020) dated March 27, 2020 directing "all the corresponding importers, consignees, truckers, shipping lines and concerned government regulators to address the disruptions to the supply chain, and withdraw immediately all refrigerated containers as well as all Dry Vans, and for port operators to release the same expeditiously".

WHEREAS, the Executive Secretary, in his Memorandum dated March 18, 2020 directed all heads of Departments, agencies and offices and instrumentalities of the Government including GOCCs, among others, to adopt, coordinate and implement such other guidelines which the IATF may subsequently issue on the Coronavirus disease (COVID-19) situation without need of further approval from the Office of the President, consistent with the respective agencies' mandates, and relevant laws, rules, and

WHEREAS, Republic Act No. 11469, otherwise known as the "Bayanihan to Heal as One Act", granted the President powers and authorities necessary to carry out urgent measures to address the COVID-19 national health emergency.

WHEREAS, in the Executive Secretary's Memorandum dated March 28, 2020, on the implementation of temporary emergency measures under Republic Act No.

- 1. Secretary of Finance to facilitate in the most expeditious manner possible, the simplified release of imported critical or needed equipment or supplies; and
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 WHEREAS, in the Executive
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 11469, the President authorized the:

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 corr 2. Secretary of Trade and Industry, in coordination with the Secretaries of Health and Agriculture, to ensure the availability of essential goods, in particular food and medicine, by adopting measures as may reasonably be necessary to facilitate and/or minimize disruption to the supply chain, especially for basic commodities and services, to the maximum extent possible.

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WHEREAS, there is a need to issue clear and coherent inter-agency guidelines to resolve specific issues arising from restrictions imposed under the Enhanced Community Quarantine to prevent congestion at the ports which may unduly cause disruption in the supply chain and impede availability of basic necessities and essential goods.

NOW THEREFORE, pursuant to the above-mentioned and subject to the limitations of their mandates conferred by law, the Department of Finance (DOF), Department of Agriculture (DA), and Department of Trade and Industry (DTI), in coordination with Bureau of Customs (BOC) and Philippine Ports Authority (PPA). hereby promulgate the following guidelines through this Joint Administrative Order (JAO):

RULEI SCOPE

SECTION 1. This Order shall apply to reefer containers and dry vans:

- a. Chilled category that are more time-sensitive, such as but not limited to pharmaceuticals/medicines, fruits, vegetables, chilled meat or other foodstuffs;
- b. Frozen category, such as but not limited to, fish and meat; and
- c. Dry goods, including but not limited to Out of Gauge (OOG) cargoes, described as heavy equipment or project cargoes stored on flatbed chassis.

RULE II REDUCED PROCESSING TIMES

SEC. 1. To effect the immediate withdrawal of reefers and dry vans currently at the ports based on the list attached as Annex A, the following agencies shall facilitate the processing and approval of necessary permits and licenses for release of these containers immediately or not later than three (3) working days from the issuance of this Order:

- a. Bureau of Animal Industry (BAI)
- b. Bureau of Fisheries and Aquatic Resources (BFAR)
- c. Bureau of Plant Industry (BPI)
- d. National Meat Inspection Service (NMIS)
- e. Food and Drug Administration (FDA)



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RULE III ABANDONMENT FOR NON-WITHDRAWAL OF REEFERS

SEC. 1. Importers/ consignees are directed to effect the immediate withdrawal of reefer containers, or otherwise face abandonment proceedings.

SEC. 2. FOR CARGOES AT THE TERMINAL

- a. All refrigerated containers must be pulled out of the terminal within seven (7) days, except for Chilled cargoes which are given five (5) days from the issuance of this Order. Appropriate penalties shall be imposed by the Philippine Ports Authority to ensure that consignees/importers withdraw the cargo within the window provided under this JAO, provided however, that reefers that are unclaimed after 3 days from the set deadline shall be declared abandoned.
- b. Cargoes beyond thirty (30) days from date of discharge are required to be withdrawn within five (5) days from issuance of this JAO. Otherwise, they shall be considered abandoned subject to immediate disposition in a manner to be determined by the Secretary of Finance.
- c. Terminal operators are directed to cause the pullout of the reefers out of the customs yard for relocation to another facility where the appropriate government authority can make a proper determination as to whether goods inside are still viable. Transfer cost shall be on the account of the box owner/shipping line. If the shipment is found to be unfit for human consumption and condemned by the BOC, shipping lines shall defray the cost of condemnation to be carried out by the condemnation contractor accredited by the BOC.
- d. Disposal contractors awarded by the BOC, which fail to satisfactorily complete the pullout of the containers from the facility within five (5) days from the issuance of this Order, shall pay the BOC liquidated damages, as provided in the conditions of the contract. The BOC, may impose the administrative penalty of suspension for one (1) year from participating in the competitive bidding process.

- SEC. 3. FOR ARRIVING CARGOES

 a. Reefer containers scheduled Reefer containers scheduled to arrive after the issuance of the JAO must be withdrawn within ten (10) days from discharge. Otherwise, they shall be declared abandoned.
 - b. The BOC shall give priority processing to arriving cargoes, particularly food, medicine, medical and basic necessities. The BOC may direct shipping lines to

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retain reefers on board the vessels and/or be sent back to the transshipment port.

RULE IV CUSTOMS CLEARANCE UNDER COVID-19

SEC. 1. WITH LODGMENT

- a. Lodgment of and online filing of goods declaration by importers/consignees shall be two (2) days from the date of discharge. The BOC shall issue the Final Assessment on the goods thereby declared no later than twenty-four (24) hours from the date of online filing of the goods declaration.
- b. Importers/consignees shall make payment of duties, taxes and other charges within <u>twenty-four (24) hours from date of issuance</u> of the Final Assessment by the BOC, with preference for online payments. Importers/consignees shall have <u>three (3) days</u> within which to claim the goods from the date of payment, failing which, the same shall be declared abandoned and disposed of by BOC in accordance with law.
- c. Shipping lines are ordered to release all Delivery Orders (DO) within twenty-four (24) hours upon payment by the consignee of all shipping charges. In case the shipping line fails to release the DO within the prescribed time as provided under this JAO, the shipping line shall waive demurrage charges for each day of delay.
- d. In the case of reefers or refrigerated containers, lodgment and online filing of goods declaration by importers/consignees shall be prior to arrival of the vessel or within forty-eight (48) hours from the date of discharge. The BOC shall issue the Final Assessment on the goods thereby declared no later than twenty-four (24) hours from date of online filing of the goods declaration. Importers/consignees shall make payment of duties, taxes and other charges within twenty-four (24) hours from date of issuance of the Final <u>Assessment</u> by the BOC, with preference for online Importers/consignees shall have twenty-four (24) hours within which to claim the goods from date of payment, failing which, such goods shall be declared abandoned.
- e. BOC will accept filing of provisional goods declaration pursuant to Sections 403 and 426 of Republic Act No. 10863 (Customs Modernization and Tariff Act [CMTA]), as implemented by Customs Memorandum Order (CMO) 07-2020.

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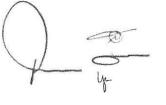
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- f. BOC shall relax the selectivity process for food, medicine, medical and other basic necessities, and shall adopt the Green Lane Process flow for importers/consignees, jointly identified by the DTI Bureau of Import Services (BIS) and the BOC, based on a set criteria, provided further that importers/consignees shall be subject to a post entry audit.
- g. In the case of dry vans, the BOC shall facilitate processing the same in accordance with the BOC's risk management and selectivity system.
- h. In accordance with Section 419 of the CMTA, and the Memorandum of Agreement (MOA) between BOC and the Chamber of Customs Brokers, Inc. (CCBI), and in order to facilitate cargo inspection, while minimizing people movement, CCBI shall make available representatives, in the absence of consignee/representative in the examination of 'red lane' shipments. CCBI representatives shall attest the examination report by the BOC duty Examiner at the Designated Examination Area.
- i. The Philippine Ports Authority (PPA) shall provide free storage for all goods cleared for release by the BOC for a maximum of five (5) days from date of discharge. After which, the PPA is directed to move the cargo to another designated location at the expense of the importer/consignee.
- j. For Out of Gauge (OOG) cargoes, described as heavy equipment or project cargoes stored on flatbed chassis, importers/consignees are directed to immediately withdraw OOGs within the free storage period of five (5) days from date of discharge. Otherwise, PPA is hereby directed to transfer the OOGs to a designated offsite location.

SEC. 2. WITHOUT LODGMENT

a. All refrigerated containers where no goods declaration has been lodged and filed within seven (7) days from discharge of the last package from the vessel are hereby declared as abandoned and a Decree of Abandonment for such cargoes is hereby issued. Such cargoes shall be subject to the institution of summary proceedings for its immediate disposition.

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RULE V ONLINE APPLICATIONS

SEC. 1. The BOC shall continue to implement a system allowing for the electronic lodgment and online filing of goods declaration, including online payment of duties and taxes, acceptance of electronic copies of import permits, clearances and other documents to expedite transaction processing.

The following streamlined procedures for the application for import permits or clearances shall be established:

- a. Importers should email the application for permit/clearance to the designated email addresses together with attached scanned documentary requirements (jpg or pdf format);
- b. The regulatory agency involved should acknowledge the email with a corresponding reference number, committed date of issuance of permit/clearance, if application is in order. In instances where the application is lacking critical documents, the receiving/contact person should inform the applicant immediately via email;
- In the acknowledgement email, the regulatory agency should identify the designated contact person, including his/her email address or Viber phone number, who can respond to queries or status follow-ups;
- d. The regulatory agency involved is urged to set-up a system in which the approving authority can signify approval thru electronic signature;
- e. Set-up a QR code system for easy verification of the permit/clearance issued;
- f. When the import permit/clearance is issued, a copy should be emailed to the applicant, copy furnished the BOC;
- g. The BOC shall:
 - i. designate an e-mail address where regulatory agencies can email a copy of import permits/clearances issued;
 - ii. if possible, add another mobile number to the import processing help desk and another contact person since one number and one person may not be enough to handle the expected surge in entry declarations;

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- iii. accept, for provisional goods declaration, if the permit/clearance has not yet been issued by the regulatory agency, a copy of the acknowledgment email from the regulatory agency as proof that the importer has filed an application for a permit/clearance and should be sufficient for Customs to process the shipment.
- iv. in lieu of hard copies, acceptance by Customs of electronic copies of the following shipping documents:
 - (a) Inward Foreign manifest and Outward foreign Manifest
 - (b) Special Permit to Load for Empty Container
 - (c) Loading Sequence
 - (d) Export Declaration
 - (e) Issuance of Customs Clearance on Vessels
 - (f) Soft copies of Endorsed B/Ls to Facilitate Import Customs Clearance

For Importers / Brokers:

- when following up with regulatory agencies, importers/brokers should email or send a Viber message to the designated contact person;
- cite the reference number in the acknowledgement email for easy tracing of the status of the application;
- when filing an entry declaration with BOC, and if the import permit/clearance has not been issued by the regulatory agency, attach the email from the regulatory agency acknowledging receipt of the application for import permit/clearance.

For Port Operators (c/o ICTSI/ATI):

Issue an electronic gate pass to importers/brokers which can be emailed to truckers to be presented upon entry/exit at the terminal;

For Shipping lines (c/o AISL)

- accept online applications;
- issue electronic copies of delivery orders (DO);
- iii. accept electronic copies of bank acknowledgement receipts as proof of payment; and
- iv. container release order (CRO) shall be electronically transmitted to the Port Operators.

SERTIFIED TRUE SEC. 2. Import regulatory agencies, such as but not limited to those mentioned in Rule II, shall accept, as far as practicable, the electronic or email filing of applications for permits and clearances and shall also email a copy of permits issued to importers, copy furnished the BOC.

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RULE VI PULLOUT/TRANSFER OF REFRIGERATED CONTAINERS

- **SEC. 1.** Overstaying reefers or refrigerated containers being stored or kept at the terminals, shall be moved immediately to a location to be jointly designated by the BOC and PPA.
- **SEC. 2.** All refrigerated containers where no goods declaration has been lodged and filed within seven (7) days from discharge of the last package from the vessel are hereby declared as abandoned and a Decree of Abandonment for such cargoes is hereby issued. Such cargoes shall be subject to the institution of summary proceedings for its immediate disposition.
- **SEC. 3.** In case of reefers transferred to alternative reefer sites for storage, all expenses that will be incurred in relation to the transfer, including, but not limited to, transportation, examination thereof before, during and after the transfer shall be borne by the Terminal Operator, without prejudice to the right of the Terminal Operator to collect from the cargo owner, importer or consignee, or from their respective agents or brokers the applicable costs, port and terminal fees and other charges.
- **SEC. 4.** Within twenty-four (24) hours after a decree of Abandonment or Forfeiture has been issued on refrigerated containers, specifically items intended for human or animal consumption, the BOC shall make the proper determination as to its disposition. The BOC shall immediately donate the contents that are fit for consumption to the OCD upon approval of the Secretary of Finance.
- **SEC. 5.** The empty containers shall be returned to the shipping line that owns it or its owner.

SEC. 6. Lease rental for alternative reefer sites shall be borne by the terminal operators, subject to collection of appropriate handling, forwarding, and storage charges from the beneficial cargo owner.

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RULE VII PUBLICATION OF REEFER LIST

SEC. 1. To inform the public of the need for the immediate withdrawal of their reefers, the BOC, DTI, DA, PPA, and terminal operators shall cause the publication of the list of reefer containers pending in the port, including the name of consignee, through government websites, and social media sites and in leading newspapers. The public shall be informed that non-withdrawal within seven (7) days shall result to abandonment.

RULE VIII OPERATING HOURS

- **SEC. 1.** Shipping lines are required to operate from 8 am to 5 pm and implement a system allowing for the electronic processing of shipping documents including those related to the payment of shipping charges and issuance of delivery orders.
- **SEC. 2.** Port operators and off-dock CY facilities, whether for laden and empty containers shall remain open twenty-four (24) hours and shall expedite the entry/exit of trucks with confirmed bookings to pick-up/deliver containers and, for this purpose, ensure the 24/7 operation of the Terminal Appointment Booking System;

RULE IX PENAL PROVISION

SEC. 1. Violation of any of the provisions of this JAO shall subject the concerned individual or entity to the penalties to be imposed by BOC, PPA, or concerned government agencies pursuant to their respective mandates.

RULE X IMPLEMENTING RULES

SEC. 1. The BOC, PPA, DTI, DA, and concerned agencies shall immediately issue their respective rules to further carry out and implement the provisions of this JAO.

RULE XI SEPARABILITY CLAUSE

SEC. 1. If any provision of the JAO is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

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RULE XII EFFECTIVITY

SEC. 1. This JAO shall take effect immediately upon publication in a newspaper of general circulation or the Official Gazette and shall remain in effect until the state of public health emergency is lifted, subject to changes as may be instructed/issued by the Office of the President.

The Office of the National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) copies of these rules.

Issued this 2nd of April 2020.

CARLOS G. DOMINGUEZ

Secretary of Finance

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