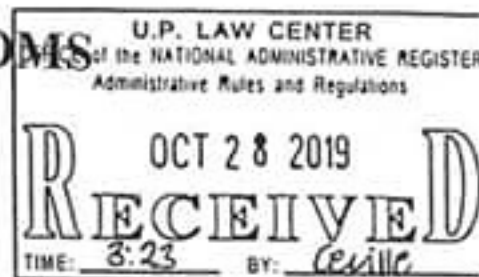




Republic of the Philippines  
Department of Finance  
**BUREAU OF CUSTOMS**  
1099 Manila

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**CUSTOMS MEMORANDUM ORDER (CMO)**  
No. 48-2019

**SUBJECT: IMPLEMENTATION OF CARGO TARGETING SYSTEM IN PHILIPPINE CUSTOMS**

**Introduction.** This Order prescribes the operational guidelines for the submission of advance cargo declaration, inward foreign manifest and consolidated cargo manifest (CCM) by the foreign carriers (sea vessels and aircrafts) and their authorized agents to the Bureau's Cargo Targeting System (CTS).

**Section 1. Scope.** This Order shall apply to all Airlines, Shipping Lines/Ship Agents, Non-Vessel Operating Common Carriers (NVOCCs), Freight Forwarders/Cargo Consolidators/Co-loaders whose cargoes are destined to the Philippines, including transshipment cargoes.

**Section 2. Objectives.**

- 2.1. To ensure that the cargo manifest and CCM are submitted in the prescribed form, with all the information required to be provided in the Goods Declaration, at the prescribed time and to the designated customs officials and offices;
- 2.2. To enhance the capability of the Bureau of Customs to collect information, assess risks and target high-risk consignments moving through the supply chain;
- 2.3. To increase the Bureau's supply chain visibility and security, promoting fair and effective revenue collection, reducing levels of illicit trade, allowing better allocation of resources, and increasing benefits for engaging in greater government-industry partnerships; and
- 2.4. To enable the Bureau to expedite the release of legitimate cargo upon its arrival in the Philippines.

**Section 3. Definition of Terms.** For the purposes of this Order, the following terms are defined accordingly:

- 3.1. **Airway Bill (AWB)** — shall refer to a transport document for airfreight used by airlines and international freight forwarders which

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specify the holder or consignee of the bill who has the 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 the goods, and applicable transportation charges.<sup>1</sup>

- 3.2. Authorized Agent** — shall refer to a person who represents a shipping company, airline, NVOCC, freight forwarder, cargo consolidator, deconsolidator, shipper, consignee, accredited cargo surveying company who by written authority has been designated to transact with the Bureau.
- 3.3. Bill of Lading (B/L)** — shall refer to a transport document issued by carriers and international freight forwarders or non-vessel operating common carrier for water-borne freight. It is a contract of carriage between the carrier and the shipper which defines the liabilities of each party. The holder or consignee of the bill has the right to claim delivery of the goods 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 shipping lines and carriers, a description of the goods, and applicable transportation charges.<sup>2</sup>
- 3.4. Cargo Consolidator** — shall refer to a juridical entity which procures transport of goods by sea or air and issues house bill of lading or house airway bill to consignors of shipments under its solicitation, to whom it directly assumes the abilities and responsibilities of a carrier for the transportation of such goods from the point of receipt to the point of destination of such goods, and ships the shipments together in its name consigned to its Deconsolidation Agent in the Philippines.<sup>3</sup>
- 3.5. 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, descriptions, quantities of the goods and destination. This also refers to both Inward and Outward Foreign Manifests.<sup>4</sup>

<sup>1</sup> CMTA, Title I, Chapter 2, Section 102(d).

<sup>2</sup> CMTA, Title I, Chapter 2, Section 102(h).

<sup>3</sup> cf. CAO No. 01-2016 on "Advance Cargo Declaration, Inward Foreign Manifest and Consolidated Cargo Manifest Rule".

<sup>4</sup> cf. WCO Glossary of International Terms.



- 3.6. Carrier** — shall refer to the juridical entities responsible for the transport of goods such as airlines, shipping lines, international freight forwarders, cargo consolidators, non-vessel operating common carriers and other international transport operators.<sup>5</sup>
- 3.7. Co-loader** — shall refer to a consolidator who cannot fully fill up a container and utilizes the services of another consolidator (master loader) to assume the responsibility of transporting cargoes from named port/point of origin to named port/point of destination. Co-loader acts as the shipper in its relationship to the master loader. It could also refer to a shipping line using the services of another shipping line for the transport of the former's cargo from the port of origin to the port of destination.
- 3.8. Consolidated Cargo Manifest (CCM)** — 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 of entry in the Philippines, submitted as rider to the inward foreign manifest of the carrying vessel or aircraft.<sup>6</sup>
- 3.9. Cargo Targeting System (CTS)** — shall refer to a cargo manifest risk assessment solution developed by the World Customs Organization (WCO) to enable its Members to carry out international best practice on cargo risk assessment to manage risk and facilitate trade and thus implement key parts of the WCO's SAFE Framework of Standard to Secure and Facilitate Global Trade and the Revised Kyoto Convention.
- 3.10. Freight Forwarder** — shall refer to a local entity that acts as a cargo intermediary and facilitates transport of goods on behalf of its client without assuming the role of a carrier, which can also perform other forwarding services, such as booking cargo space, negotiating freight rates, preparing documents, advancing freight payments, providing packing/crating, trucking and warehousing, engaging as an agent/representative of a foreign non-vessel operating as a common carrier/cargo consolidator named in a master bill of lading as consignee of a consolidated shipment, and other related undertakings.<sup>7</sup>
- 3.11. House Bill of Lading (HBL)** — shall refer to a bill of lading covering a single, individual shipment or consignment issued by the international freight forwarder, NVOCC or a consolidator to the

<sup>5</sup> cf. CMTA, Title I, Chapter 2, Section 102(j).

<sup>6</sup> cf. CAO No. 01-2016.

<sup>7</sup> CMTA, Title I, Chapter 2, Section 102 (aa).

respective shippers containing the names and addresses, respectively, of both the consignor or sender and the consignee or receiver and the detailed, specific description of the goods shipped through sea.<sup>8</sup>

**3.12. International Maritime Organization (IMO) Number** — shall refer to a unique reference for ships, registered ship owners and management companies introduced to improve maritime safety and security and to reduce maritime fraud.

**3.13. International Freight Forwarder** — shall refer to persons responsible for the assembly and consolidation of shipments into a single lot, and assuming, in most cases, the full responsibility for the international transport of such shipment from point of receipt to the point of destination.<sup>9</sup>

**3.14. Master Bill of Lading (MBL)** — shall refer to an ocean bill of lading issued by ocean carrier to an international freight forwarder, Non-Vessel Operating Common Carrier (NVOCC) or a consolidator.<sup>10</sup>

**3.15. Non-Vessel Operating Common Carrier (NVOCC)** — shall refer to an entity, which does not own or operate a vessel, that provides a point-to-point service which may include several modes of transport of full container load and less container load (LCL) shipments and issues corresponding transport document.<sup>11</sup>

**3.16. Original Port of Loading**— shall refer to the port at which the cargo was loaded on the first mode of transport at the country of export.

**3.17. Place/Port of Discharge** – shall refer to the port where the goods shall be unloaded from the current vessel and dispatched to their respective consignees.

**3.18. Place of Receipt** – shall refer where goods are accepted for carriage.

**3.19. Port of Entry** — shall refer to the domestic port open to both domestic and international trade, including principal ports of entry and subports of entry. A principal port of entry is the chief port of entry of the Customs District where it is situated and is the permanent station of the District Collector of such port. Subports of entry are under the administrative jurisdiction of the District Collector

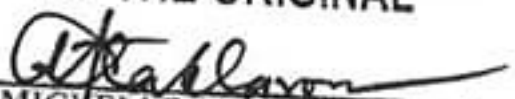
<sup>8</sup> cf. CAO No. 06-2016.

<sup>9</sup> CMTA, Title I, Chapter 2, Section 102 (bb).

<sup>10</sup> cf. CAO 6-2016.

<sup>11</sup> CAO 6-2019.

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of the principal port of entry of the Customs District. Port of entry as used in the CMTA shall include airport of entry.<sup>12</sup>

- 3.20. Port of Loading** – shall refer to the place where shipments are loaded and secured aboard a vessel. It may or may not be the same as Port of Origin.
- 3.21. Port of Origin** – shall refer to the place from where a shipment originated to begin its journey towards its destination.
- 3.22. Ship Agent** – shall refer to the local representative of the principal, providing local knowledge and expertise and ensuring that the principal's requirements are performed with utmost efficiency & dispatch; and accordingly, which possesses the capacity to be fully conversant with all the appropriate regulations and requirements relating to the port, area or sector in which it operates, to have a wide range of relevant contacts and be well-established to provide the level of service and support the principal needs.
- 3.23. Shipping Line** — shall refer to a juridical entity that transports cargoes aboard ships or vessels across oceans or seas.<sup>13</sup>
- 3.24. 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.<sup>14</sup>
- 3.25. Value Added Service Provider (VASP) or Accredited Information Processor (AIP)** – shall refer to those entities accredited by the Bureau to facilitate electronic transactions with the Customs ICT System.

#### **Section 4. Operational Provisions.**

##### **4.1. Advance submission of Cargo Manifest, and CCM to CTS.**

- 4.1.1.** Electronic submission of cargo manifest/CCM to CTS by the carrier shall be in XML format or in any other format as may be prescribed by the Bureau. The carrier shall utilize the Bureau's accredited VASP/AIP facility or any other facility as may be prescribed for the submission of the IFM/CCM to CTS and to the E2M system.

##### **4.2. Submission Time of Advance Cargo Manifest.**

<sup>12</sup> CMTA, Title I, Chapter 2, Section 102 (hh).

<sup>13</sup> cf. CAO No. 01-2016.

<sup>14</sup> CMTA, Title I, Chapter 2, Section 102 (rr).

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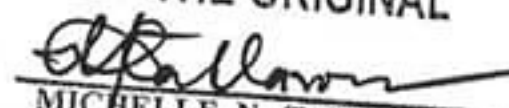
  
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- 4.2.1. Cargo manifest shall be electronically sent by sea freight carrier at least twenty-four (24) hours before the arrival of the carrier.
- 4.2.2. Air freight carrier shall submit cargo manifest at least one (1) hour before the arrival of the aircraft if the port of origin is in Asia. If the port of origin is other than Asia, cargo manifest shall be submitted at least four (4) hours before the arrival of the aircraft.
- 4.3. **Contents of Cargo Declaration, IFM and CCM.** The following mandatory information must appear in the IFM/CCM for each cargo listed therein:
  - 4.3.1. Port of Origin;
  - 4.3.2. Port of Receipt;
  - 4.3.3. Port of Loading;
  - 4.3.4. Port of Delivery or Port of Discharge;
  - 4.3.5. PH Customs registry number;
  - 4.3.6. Bill of Lading or Air Way Bill number;
  - 4.3.7. Type of Bill of Lading;
  - 4.3.8. Nature of Bill of Lading;
  - 4.3.9. Marks and numbers of cartons, drums, boxes, crates and other forms of protective covering;
  - 4.3.10. Container and seal number, for sea vessel if containerized and initials FCL, if full container load, and LCL, if less container load;
  - 4.3.11. Number of packages;
  - 4.3.12. Kinds of packages; (cartons, boxes, crates, drums, etc.);
  - 4.3.13. Specific Contents of description of cargo with HS Codes (6 digits);
  - 4.3.14. Name of Shipper;
  - 4.3.15. Address of Shipper
  - 4.3.16. Name of Consignee
  - 4.3.17. Address of Consignee;

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- 4.3.18.** Name of Notify Party;
  - 4.3.19.** Address of Notify Party
  - 4.3.20.** Gross Weight in Kilograms;
  - 4.3.21.** Measurement in cubic meters;
  - 4.3.22.** Carrier Name, for vessel/airline operator only;
  - 4.3.23.** Place of Registration, for vessel/airline operator only;
  - 4.3.24.** Nationality of the carrier, for vessel/airline operator only;
  - 4.3.25.** Registration Number, for vessel/airline operator only;
  - 4.3.26.** IMO Number or Tail Number, for vessel/airline operator only;  
and
  - 4.3.27.** Registration Date of the carrier, for vessel/airline operator only.
- 4.4. Submission of Updates**
- 4.4.1.** Submission of updates for the previously submitted advance cargo declaration, inward foreign manifest and consolidated cargo manifest can be done through the VASP.
  - 4.4.2. Cargo Description.** Cargo description in the Cargo Manifest shall be precise enough to enable the Bureau to identify the goods intended to be discharged in the port and take preemptive action if warranted. Generic descriptions stated in the Cargo Manifest of the carrying vessel such as FAK (Freight All Kinds), general cargo and/or similar terminologies shall not be allowed and shall be considered as failure to exhibit the required document. Only Master B/L or Master AWB are allowed to use cargo description as "Consolidated Balikbayan Box" (for freight forwarder handling balikbayan boxes only) or "Consolidated Cargo" (for freight forwarder handling non balikbayan boxes).
- 4.5. Monitoring of CTS.** The Deputy Commissioner, Intelligence Group shall monitor the compliance of this Order by the shipping lines, airlines, and forwarders.

**Section 5. Additional Rules and Regulations.** The Commissioner of Customs may issue additional rules and regulations for the effective implementation of this Order.

**Section 6. Repealing Clause.** All rules and regulations inconsistent with this Order are hereby deemed repealed, superseded or modified accordingly.

**Section 7. 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 8. Transitory Provision.** To give cargo carriers and other parties concerned sufficient time to comply with the new requirement, the fines provided for under Section 1412 of the CMTA shall not be imposed within six (6) months from the effectivity of this CMO.

**Section 9. Effectivity Clause.** This Order shall take effect fifteen (15) from publication at the Official Gazette or in a newspaper of national circulation.

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



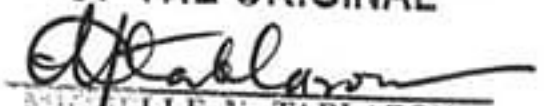
**REY LEONARDO B. GUERRERO**  
Commissioner of Customs

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