

**MALACAÑANG**  
Manila

**BY THE PRESIDENT OF THE PHILIPPINES**

**ADMINISTRATIVE ORDER NO. 243**

**CREATING A SYSTEM FOR THE BULK AND BREAK BULK CARGO  
CLEARANCE ENHANCEMENT PROGRAM OF THE BUREAU OF  
CUSTOMS**

**WHEREAS**, an advance clearance system for bulk and break bulk cargoes is required in accordance with the objectives of the World Customs Organization International Convention on the Simplification and Harmonization of Customs Procedures otherwise known as the Revised Kyoto Convention;

**WHEREAS**, to facilitate the assessment of bulk and break bulk cargoes, the capability of the Bureau of Customs in cargo surveying should be enhanced by harnessing available technical support, if possible at no cost to the government;

**WHEREAS**, there is a need to obtain and secure critical information required for the proper inspection, classification and valuation of bulk and break bulk cargoes using measure compliant with customs international best practices and global trade standards;

**WHEREAS**, the responsibility, accountability and liability of accredited surveying companies/surveyors should be defined under the accreditation program;

**WHEREAS**, revenue collection should be protected and maximized by ensuring the correct assessment of duties and taxes on bulk and break bulk cargoes

**WHEREAS**, Section 31, Chapter 10, Title III, Book III of Executive Order Number 292, otherwise known as the Administrative Code of 1987 expressly grants the President the continuing authority to reorganize the executive branch of the government;

**NOW THEREFORE I, GLORIA M. ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1 - CREATION OF COMMITTEE FOR ACCREDITATION OF CARGO SUVERYING COMPANIES (CACSC)** – A committed is hereby created hereinafter known as the Committee for Accreditation of Cargo Surveying Companies (CACSC) to be composed of the following:

1. Authorized representative from the Office of the President;
2. Authorized representative of the Secretary of Finance;
3. Deputy Commissioner of Customs authorized by the Commissioner; and
4. Two authorized representative (s) of duly recognized industry associations.



**SECTION 2 – FUNCTION** – The CACSC shall have the function of overseeing the Deputy Commissioner authorized by the Commissioner to undertake the following:

- A. To grant, approve, defer or deny the application for accreditation of Cargo Surveying Companies/Surveyors or the renewal of the same;
- B. To monitor and regularly review the performance of accredited Cargo Surveying Companies/Surveyors;
- C. To recommend suspension or revocation of accreditations to the Commissioner of Customs;
- D. To perform such other functions relative to the implementation of this Administrative Order;
- E. To consult with the Ports Transparency Alliance created pursuant to Letter of Instructions No. 5 of the President of the Philippines dated 12 March 2008 to the Department of Finance and the Bureau of Customs (BOC).

**SECTION 3 – REQUIRED VOTING** – No application for accreditation shall be approved or disapproved without the consent of a majority of members of the CACSC present in a meeting duly called for such a purpose.

**SECTION 4 – PERIOD TO APPROVE APPLICATION** – The CACSC shall approve or disapprove all applications for accreditation within fifteen (15) days from receipt of said application with complete supporting documents in accordance with the requirements for accreditation.

**SECTION 5 – DOCUMENTARY REQUIREMENTS** – The following documentary requirements for accreditation of surveying companies shall be submitted before any application for accreditation shall be processed:

- a. Certified Copy of Articles of Incorporation and Certificate of Registration;
- b. Local Business Permit;
- c. Certified list of not less than twenty (20) regular clients-importers and exporters for the last three (3) years immediately preceding the application;
- d. Certified Copy of the Audited Financial Statements submitted to the Securities and Exchange Commission, Bureau of Internal Revenue (BIR) or equivalent Office for the immediately preceding year;
- e. Certified Copy of the updated list of corporate officers and surveyors;
- f. Certified Copy of the BIR Certificate of Registration;
- g. Authenticated Copies of the Membership Certificate issued by the International Federation of Inspection Agencies;
- h. Certification under oath by a responsible official of the company that it has not been blacklisted or its services terminated by any Government or international entity on the grounds of poor performance and/or irregularity in dealings in any country three (3) years immediately preceding the application;
- i. Such other documents as may be required by the Commissioner of Customs and the CACSC.

All documents obtained abroad shall be duly notarized by the Philippine Consular office concerned before they are considered acceptable.



**SECTION 6 – EFFECTIVITY OF ACCREDITATION** – The accreditation of Surveying Companies/Surveyors shall be effective for three (3) consecutive years, unless sooner revoked for cause.

**SECTION 7 – RENEWAL OF ACCREDITATION** – Applications for renewal of accreditation shall be filed not earlier than ninety (90) calendar days but not later than thirty (30) days prior to the date of expiration of accreditation. A penalty determined by the Committee shall be imposed on applications filed beyond the prescribed period.

**SECTION 8 – SUSPENDED OR REVOKED ACCREDITATION** – No certificate of application for renewal for accreditation shall be accepted if the Certificate of Accreditation has been suspended or revoked for cause during the time it was subsisting, unless subsequently lifted by the Commissioner of Customs upon the favourable recommendation of the CACSC.

**SECTION 9 – CONFIDENTIALITY CLAUSE** – All accredited surveying companies shall provide a Service Level Undertaking and execute a Non-Disclosure Agreement in favour of and in such form as required by the BOC.

**SECTION 10 – VIOLATION/PENALTIES** – Any violation of the provisions of this Order shall cause the suspension or revocation of the accreditation of the surveying company after due process, without prejudice to the filing of appropriate administrative, civil or criminal charges against erring cargo surveying companies/surveyors thereafter.

**SECTION 11 – SANCTIONS FOR BOC PERSONNEL** – Any official or employee of the BOC found to have violated any of the provisions of this Order shall be immediately relieved and placed under administrative suspension after due process.

## **SECTION 12 – DEFINITION OF TERMS**

**12.1. Surveying Company** – A reputable company with an international office network in all countries supplying imported articles to the Philippines and engaged in the business of cargo surveying of shipments.

**12.2. Accredited Cargo Surveying Company** – A surveying company possessing a duly approved accreditation issued by the BOC.

**12.3. CACSC** – A committee created, tasked and authorized to oversee the granting and approval of accreditation of cargo surveying companies/surveyors and periodic review of the performance thereof.

**12.4. Bulk Cargo** – Cargoes in a mass of one commodity not packaged, bundled, bottled or otherwise packed; those cargoes (dry or liquid) which are loaded (shovelled, scooped, forked, mechanically conveyed or pumped) in volume directly into a vessel's hold or cargo that is unbound as loaded; without count in a loose unpackaged form.



12.5. **Break Bulk Cargo** – Non-containerized general cargo stored in boxes, pallets or other individual units to be loaded onto or discharged from vessels. Those cargoes loaded individually and described in terms of quantity and weight (e.g. steel coils, logs, sacks of rice), and not in shipping containers nor in bulk as with oil or grain.

12.6. **Break/Break Bulk Cargo Surveying** – The inspection, analysis and/or computation of bulk or break bulk cargo for the purpose of determining the correct dutiable weight, quantity, description of goods in tariff terms, and/or cargo make or quality.

12.7. **Customs Survey Inspectors (CSI)** – A team of BOC officers and personnel with special qualifications and technical training in cargo inspection and surveying and capable of rendering efficient and reliable survey or examination reports.

**SECTION 13 – SEPARABILITY** – If any portion or provisions of this Order shall be deemed invalid and unconstitutional for any reason, the remaining portions, insofar as they can stand on their own, shall be given full force and effect.

**SECTION 14 – EFFECTIVITY** – This Order shall take effect fifteen (15) days after its complete publication in a national newspaper of general circulation.

DONE in the City of Manila, this 13<sup>th</sup> day of October in the year of Our Lord, Two Thousand and Eight.

*Gloria M. Berayo*



By the President:

*Eduardo R. Ermita*

EDUARDO R. ERMITA  
Executive Secretary



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