

ADMINISTRATIVE ORDER NO. 243-A

AMENDING ADMINISTRATIVE ORDER NO. 243 ENTITLED "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 for the proper examination, classification, and valuation of bulk and break bulk cargoes using measures compliant with customs international best practices and global trade standards;

WHEREAS, revenue collection should be protected and maximized by ensuring the determination of the correct weight, quantity, quality and description of bulk and break cargoes and the correct assessment of duties thereon;

WHEREAS, there is a need to define the responsibility, accountability, and liability of surveying companies/surveyors accredited under the accreditation program herein;

WHEREAS, the State adopts and implements a policy of full public disclosure of all its transaction involving public interest;

WHEREAS, under Section 31(2), Chapter 10, Title III of Executive Order No. 292, otherwise known as the Administrative Code of 1987, the President is granted the authority to reorganize the executive branch of the government;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, hereby order:

SECTION 1. DEFINITION OF TERMS – For purposes of this Administrative Order, the following terms as used herein shall be defined as follows:



- a. **COMMITTEE FOR ACCREDITATION OF CARGO SURVEYING COMPANIES (CACSC)** – A Committee tasked and authorized to grant and approve the accreditation of cargo surveying companies/surveyors and periodically review the performance thereof.
- b. **CARGO SURVEYING COMPANIES** – A reputable company with an international office network in the countries exporting to the Philippines and the ports of origin and engaged in the business of cargo surveying of shipments.
- c. **ACCREDITED CARGO SURVEYING COMPANY** – A surveying company possessing a duly approved accreditation issued by the CACSC.
- d. **BULK CARGO** – Cargoes in a mass of one commodity not packaged, bundled, bottled, or otherwise packed; cargoes (dry or liquid) loaded (shoveled, 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.
- e. **BREAK BULK CARGO** – Non-containerized general cargo stored in boxes, bales, pallets, or other individual units to be loaded onto or discharged from vessels; 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.
- f. **BULK/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.

SECTION 2. COVERAGE – This order shall cover all bulk and break cargo bound to the Philippines and loaded unto carrying vessels.

SECTION 3. CREATION OF COMMITTEE FOR ACCREDITATION OF CARGO SURVEYING COMPANIES (CACSC). An accreditation committee directly under the supervision and control of the Office of the President is hereby created, hereinafter known as the Committee for Accreditation of Cargo Surveying Companies or CACSC, to be composed of the following

- a. Presidential Adviser on Revenue Enhancement, as the authorized representative from the Office of the President;
- b. Authorized representative of the Secretary of Finance;



- c. Deputy Commissioner of Customs authorized by the Commissioner of Customs;
- d. Two (2) authorized representatives from the Department of Trade and Industry; and
- e. Two (2) authorized representative(s) of duly recognized industry associations as non-voting members.

The Presidential Adviser on Revenue Enhancement shall be the Chairman of the Committee.

SECTION 4. POWERS AND FUNCTIONS OF THE CACSC – The CACSC shall have the following powers and functions:

- a. To grant, approve, defer or deny the application for accreditation of Cargo Surveying Companies/Surveyors and/or allow the renewal of the same upon expiration.
- b. To enlist the assistance of any department, bureau, office or agency of the government in carrying out its functions.
- c. To regularly review the performance of the duties and obligations of accredited surveying companies/ surveyors in compliance with laws, rules and regulations.
- d. To perform such other function relative to its creation and in accordance with the provisions of this order.

SECTION 5. CACSC SECRETARIAT – The CACSC shall be assisted and supported by the CACSC Secretariat which shall receive and process all applications for accreditation and renewal of accreditation of surveying companies/surveyors for consideration and approval by the Committee. In addition, the Secretariat shall keep a record of all documents pertaining to the CACSC and accredited surveying companies.

SECTION 6. QUALIFICATIONS FOR ACCREDITATION – Applications for accreditation must have the following basic qualifications:

- a. Minimum track record of five (5) continuous years in International Bulk and Break Bulk Cargo Surveying.
- b. Membership of good and reputable standing in the International Federation of Inspections Agencies (IFIA) or any other similar organization generally recognized and accepted in international commerce.



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- c. International office networking countries which export to the Philippines as shown in the updated company profile and organizational structure.
- d. Must possess and maintain the basic tools and implements needed in bulk and break bulk cargo surveying, and must have the competence and capability to conduct qualitative analysis of cargo using its own laboratories or laboratories generally used for such purpose in country of origin.
- e. Must be capable of receiving and transmitting electronic instructions from authorized ship agents, importers or responsible customs officials.
- f. Must be able to issue reports and certificates in such forms acceptable to the CACSC.
- g. Must not have been blacklisted or its services terminated by any government or international entity in the immediately preceding three (3) years, on the grounds of poor performance and/or irregularity in dealings, unless proven otherwise by competent and verifiable evidence as considered by the CACSC.
- h. Must be able to submit a comprehensive building program for the Bureau of Customs officials and other government officials who will be directly involved in the implementation of this program.

SECTION 7. DOCUMENTARY REQUIREMENTS – The following documentary requirements shall be submitted before any application for accreditation shall be processed:

- a. Certified copies of Articles of Incorporation or 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 its Audited Financial Statements submitted to the Securities and Exchange Commission, Bureau of Internal Revenue or equivalent office for the immediately preceding year;
- e. Certified copy of the updated list of its 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 (IFIA);
- h. Certification under oath by a responsible official of the company that it has not been blacklisted or its services terminated by any government of international entity on the grounds of poor performance and/or irregularity in dealings in any country three (3) years immediately preceding the application;
- i. Certification under oath by a responsible official of the company that it has no pending administrative, civil or criminal case in any court or venue in the Philippines, and
- j. Such other documents as may be required by the CACSC.

All documents obtained abroad shall be duly notarized by the Philippine Consular Office concerned before they shall be acceptable to the CACSC.

SECTION 8. PERIOD TO APPROVE APPLICATION – the CACSC shall approve or disapprove all applications for accreditation within thirty (30) days from receipt of said application within complete supporting documents in accordance with the requirements for accreditation.

SECTION 9. REQUIRED VOTING – No application for accreditation shall be approved or disapproved without the consent of a majority of the members present in a valid meeting duly called for such purpose by the Chairman of the Committee.

A meeting is valid when at least three (3) members of the committee are present.

SECTION 10. EFFECTIVITY OF ACCREDITATION – The accreditation of surveying companies/surveyors shall be effective for a period of three (3) consecutive years, unless sooner revoked for a cause.

SECTION 11. RENEWAL OF ACCREDITATION – Applications for renewal of accreditation shall be filed not earlier than ninety (90) calendar days but not later than thirty (30) calendar days prior to the date of expiration of accreditation. A penalty as determined by the Committee shall be imposed on applications filed beyond the prescribed period.

SECTION 12. Non-Renewal of Suspended or Revoked Accreditations- No application for renewal of accreditation shall be accepted if the Certificate of Accreditation has been suspended or revoked unless subsequently lifted by the CACSC.

SECTION 13. VIOLATION/PENALTIES – Any violation of any of the provisions of this Order or its implementing rules and regulations shall be grounds for



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the initiation of appropriate actions against the surveying company, without prejudice to the filing of appropriate administrative, civil or criminal charges against erring cargo surveying companies/surveyors.

SECTION 14. ACCESS TO INFORMATION – The CACSC shall have the authority to request and secure information, documents, correspondence and materials necessary in the performance of its oversight functions. Information of propriety nature obtained by an accredited surveying company in the performance of surveying or any other activity incidental thereto shall be provided the CACSC upon request.

SECTION 15. SEPARABILITY CLAUSE – If any provision of part hereof is held invalid or unconstitutional, the remainder of the order or the provision not otherwise affected shall remain valid and subsisting.

SECTION 16. REPEALING CLAUSE – All other orders, issuances, rules and regulations or parts thereof which are inconsistent with this Administrative Order are hereby repealed or modified accordingly.

SECTION 17. EFFECTIVITY – This order shall take effect fifteen (15) day after its complete publication in a national newspaper of general circulation.

DONE in the City of Manila, this *10th* day of *September*, in the year of Our Lord, Two Thousand and Nine.

Gloria M. Arroyo



By the President:

Eduardo R. Ermita

EDUARDO R. ERMITA
Executive Secretary



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