



Regulatory Alerts & Updates

Regulatory Alert: Reminder for Philippines CAO 01-2020 - Requirement to Declare Total Net Weight and Net Weight Per Line Item

June 1, 2022

Background

The Philippines Bureau of Customs (BOC) issued Customs Administrative Order (CAO) 01-2020 effective January 21, 2020, which detailed the imposition of fines and surcharges for clerical errors, misdeclaration, misclassification and undervaluation.

Customers should note the importance of Section 3.10 of the memorandum, which defines the instances where a shipment would be considered incorrectly declared:

Section 3.10 Misdeclaration – refers to an erroneous declaration as to quantity, quality, description, weight, or measurement of the goods resulting in deficiency of duty and tax and to avoid compliance with government regulations.

Customers must remember to comply with the CAO and provide the Total Net Weight and Net Weight per line item in the commercial invoice and/or packing list for all import shipments to the Philippines. This will ensure smooth clearance processing and prevent delays and shipment abandonment.

Frequently Asked Questions (FAQs)

Q1: What is CAO 01-2020?

A1: The Philippines Customs Administrative Order 01-2020 covers Fines and Surcharges for Clerical Errors, Misdeclaration, Misclassification and Undervaluation

Q2: What are the shipments covered by this CAO?

A2: This CAO is applicable to all import, export, warehousing, and admission shipments.

Q3: What should FedEx Express customers do to insure compliance with the CAO?

A3: Please ensure accurate and complete declaration of all your shipments tendered to FedEx Express in relation to the quantity, description, weight (Total Net Weight and Net Weight per item must be declared at all times) and value of your shipment.

Q4: Could there be any impact to the import clearance time?

A4: Clearance may be delayed if the declaration in the commercial invoice and packing list is incomplete and/or inaccurate.

Q5: What will happen if there are misdeclarations on these shipments?

A5: Penalties, surcharges, and even seizure of goods could be imposed in accordance to the provisions stipulated in the memo.

Q6: Why is this being distributed now when memo was issued in 2020?

A6: This reminder is being sent to FedEx customers to ensure that they remain compliant at all times.

Reference

Philippines Customs Administrative Order 01-2020

https://customs.gov.ph/wp-content/uploads/2020/03/CAO_01-2020-Fines_and_Surcharges_for_Clerical_Error.pdf