



Philippines Import Shipments Clearance Tips



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Air Waybill (AWB) preparation:

- Completely and accurately fill out all the necessary details (weight, number of packages, description, value, currency, shipper's & consignee's details and payer information).
- Make sure all the information on the AWB is consistent with the commercial invoice and other related shipping documents. Should any revisions be required, they must be provided prior to the package's arrival. A revised shipping profile after the package has arrived will still be subject to Customs approval and may encounter serious delays.
- Provide a specific description for each item.
Product number or serial number is not enough.
- The declared value must be correct and consistent with the commercial value. For shipments with multiple items, make sure that the total amount is correct. Please indicate the currency used. A revision to the declared value once a shipment reaches the destination gateway, regardless of whether the final value will be higher or lower, is subject to Customs approval.
- For handwritten AWBs, make sure each copy is clear and legible. For FedEx automation users, double check the number of pieces and value and make sure you don't have information from your last shipping record.
- Make sure the AWB has a reachable consignee contact, including extension number, mobile phone, and e-mail address, so the destination gateway personnel can easily contact the consignee to inform him/her about the shipment's arrival and advise of any necessary clearance paperwork.

- The postal code must be correct in order to avoid the shipment being missorted to another location.
- Fill in the correct payer information, including the FedEx account number, when applicable, for the freight charge and duty & taxes.

Invoice preparation:

- The invoice should include a detailed/specific description of the goods.

What is it made of?
What is it part of?
What is it used for?

- The value must be correct. If the shipment consists of more than one (1) item, the shipper needs to provide a value breakdown and ensure that the total amount tallied equals the total value.
- The declared value must be the transaction value – the price actually paid or payable – for the item or any other identical item in case the shipment has been provided free of charge or as a gift. Putting “No Commercial Value” (NCV) or an unreasonable value will lead to Customs asking the consignee or shipper to provide value evidence such as proof of payment, purchase order, or telegraphic transfer.
- The invoice should include the quantity, weight, unit price, currency, and country of origin (COO).
- If the payment for freight and insurance is included in the invoice, make sure to provide a separate proof of amount and value for freight and insurance.
- **Important note:** Once a shipment arrives at the destination gateway, and the Consolidated

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Cargo Manifest has been submitted to Customs, details can no longer be changed in the shipping documents, thus, the shipment will have to undergo an amendment process, which requires longer processing by Customs. It is possible the amendment request may be denied by Customs so it's very important to double check shipping details.

- In addition to longer clearance process, in accordance with Customs Administrative Order (CAO) 1-2020, an Importer may also be charged with a fine of
- Php 5,000.00 for every clerical error determined to have been committed.

- This is needed if Customs finds that the declared value is lower than the declared value of an identical or similar item.
- **Brochure or product literature**
- This is needed if Customs requires a more detailed description of the shipment.
- **MSDS (Material Safety Data Sheet)**
- This is needed if Customs requires the chemical composition of an item. MSDS with Chemical Abstract Service Registry Number is preferred.
- **Shipper's declaration**
- This is needed by Customs to check the dangerous content of an item.

Packing list:

If the shipper is sending multiple items, the shipper must provide a packing list. The packing list must accurately and clearly describe the goods, the quantity, the net weight and the gross weight for each carton, as well as a description of the packing method (i.e. how the goods were packaged, such as in boxes, crates, drums, etc.)

Customers should visit <http://customs.gov.ph/users-guide-to-the-bureau-of-customs-regulated-imports-list/> to get a copy of the **Bureau of Customs Regulated Imports List**, which contains an updated listing of shipments requiring a license or permit from government agencies as well as detailed information for acquiring the necessary permit.

Commodities subject to special requirements:

Some shipments require special clearance procedures or a special license and documentation - either at the origin or destination. Please contact your local FedEx Customer Service representative or responsible Sales Representative for more details before shipping.

Below are examples of common additional documentation required by Customs:

- **Proof of payment and purchase order**

Other tips:

Types of entry

- **Informal Entry** – Shipments with declared value not exceeding Php 49,999.00 and a weight equal to or lower than 99kgs.
- **Note:** Aircraft parts, regardless of value and weight are automatically subject to Formal entry.
- **Formal Entry** – Shipments with declared value of PHP50,000 and above or weighing 100kgs and above.

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- **Note:** For Formal entry, the Consignee must be an active, registered and accredited Importer with the Bureau of Customs (BOC) and the Bureau of Internal Revenue (BIR).
- **Exception:** A shipment consigned to an individual and for personal use, which has a value and weight that falls under formal entry, may submit a copy of their ID and a letter of Request to File Informal (RTFI) entry. This request is subject to Customs approval.
- **Note:** Importations shall, as far as practicable, be subject to a non-intrusive examination (e.g. x-ray or any other equivalent device) based on existing selectivity scheme used by BOC.

De minimis:

Shipments with declared value not exceeding Php 10,000.00 of which no duty and tax will be collected.

Note: Importations declared as 'without commercial value' or of 'no commercial value' or with specific amount but qualified by the phrase 'for customs purposes' or analogous phrase may exclude for immediate release.

Specific value of the goods must be declared, supported by available proof of payment: official receipt, purchase order, wire transfer or equivalent document. Otherwise, value of the shipment may be upgraded by Customs based on the National Value Verification System (NVVS).

Additional process:

- Examination of goods, when required by BOC under selectivity system.
- CNIU (Customs Narcotics Interdiction Unit) recommendation by customs examiner for further review if items are for human consumption and with

interaction to environment, chemical content or articles in liquid or powder form.

Repaired and returned shipments:

For shipments previously exported from the Philippines for repair in another country and imported back to Philippines, the following additional requirements must be provided:

- Certificate of Identification (CI) and/or Certificate of Inspection and Loading (CIL) must be secured from Customs before the shipment's departure from the Philippines and must indicate that the shipment is for repair.
- Export declaration.

Return to sender shipments (RTS):

In accordance with **CMO 09-2021**, *Mis-sorted and Misrouted shipments* may be allowed to be released without payment of duties, taxes and other charges subject to the following conditions:

1. The Airway Bill (AWB) indicates that the Consignee's address is other than the Philippines;
2. The AWB indicates that the Consignee's address is the Philippines, but the labels or markings clearly show that the destination of the shipment is other than the Philippines and the assigned Warehouseman has verified the same;

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3. The District Collector is notified prior to the arrival of the shipment and lodgment of Goods Declaration that same is mis-sorted or misrouted;
4. The shipment is not of an alert order or derogatory information and the same is not regulated, restricted or prohibited upon conduct of non-intrusive inspection; and
5. The shipment shall be returned to the Shipper within 24 hours from the arrival of the shipments using a Special Permit to Load.

Abandonment:

Shipment is considered implied abandoned if:

- No Entry filed within 7 days
- Permits and/or Licenses for Regulated item/s are not complied with within 15 days from the time that Customs require it.
- Duties and Taxes is not paid within 15 days from date of posting of the Final Assessment Notice.
- Package is not claimed within 30 days upon settlement of Duties and Taxes.

Lifting of abandonment must be processed for a shipment if consignee still wants to claim the package after shipment is already tagged as abandoned.

A penalty of Php 10,540 shall be imposed for the lifting / claiming of impliedly abandoned goods, including docket fee and documentary stamp. This is in accordance to CAO 13-2020.

FTZ shipments:

PEZA (Philippine Economic Zone Authority) registered companies are companies within Free Trade Zones (FTZ) that enjoy Duty and Tax free importations but are

subject to local charges. This is with reference to the PH Republic Act RA 7916. Pursuant to the PH Republic Act RA 7916, the following requirements must be met for FTZ shipments:

- A specific description of the import items should be indicated on the invoice;
- An advanced copy of the shipping documents should be provided to Customs by consignees or shippers who want to file for advanced processing of an IP (Import Permit) lodgement;
- The consignee's company name should not be abbreviated on the documentation;
- The consignee's address should be the same as the registered address in the Value Added Service Provider (VASP);
- For Dangerous Goods (DG) shipments, the shipper must provide an MSDS with CAS number;
- The AWB value should tally with the invoice value;
- The Consignee has to nominate the FedEx broker (if for FedEx release) in their VASP;
- The specific description indicated in the commercial invoice must be the exact description in the consignee's List of Importable (LOI);
- The consignee must apply for an Import Permit (IP) on or before the shipment's arrival;
- Each year, the consignee has to secure a General Transportation Surety Bond (GTSB) and Cargo handover (CHO);

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- PEZA locators (customers duly registered with PEZA and located inside economic zones) will be required to post a GTSB with the Bonds division of the BOC to guarantee immediate and faithful delivery of the goods. (The exact bond amount may be calculated using a formula found in the Joint Memorandum Order (JMO) No.1-2015);
- Customers are advised to ensure compliance with the items in the Bureau of Customs and PEZA joint memorandum JMO 1-2015, which impacts all import shipments of companies under PEZA;
- Processing of all import FTZ shipments must be transacted via the E2M electronic processing system;
- Payment of any associated charges will be made by the FedEx broker through a prepaid account with the BOC; and,
- Customers must provide FedEx and the broker with authorization to:
 1. Act and sign official documents on their behalf related to their import shipments;
 2. Pay the required BOC/PEZA fees; and,
 3. Release and transfer goods from port of discharge to the economic zone.

Charges:

Duties and taxes

ALL imported articles coming into the Country are subject to payment of duties, taxes and other local charges, even though previously exported from the Philippines, unless otherwise exempted by other special

laws (Section 800 of Customs Modernization and Tariff: Conditionally Fee Importation)

Importation VAT

VAT shall be levied, assessed and collected on every imported good. The value added tax is equivalent to twelve per cent (12%) of the total landed cost.

Warehouse Processing Charges (WPC)

“Storage”: charged for shipments caged in FedEx facilities for more than 48 hours. Each shipment will incur a charge of PHP 245.00 for each day it remains in the FedEx facility beyond the initial 48-hour period. “Warehouse Handling”: a one-time, fixed charge for all non-document shipments or document shipments heavier than 10 kilograms, and processed at a FedEx facility. The charge is PHP 420.00 per eligible shipment.

Individual entry form fee

A fixed amount paid to Customs for the forms used by the broker to declare entry of the shipments.

Docs-turn over fee or break-bulk fee

Applicable only when a consignee opts to use a 3rd party broker instead of FedEx and the original paperwork is released to them for self-clearance.

Must-nots:

- Misclassification, Undervaluation or Misdeclaration (subject to penalty) in reference to Sec. 1400 of the Customs Modernization and Tariff Act.
- Importation of prohibited articles in reference to Section. 118 of the Customs Modernization and Tariff Act, which stipulates the Prohibited Importation and Regulated Articles that need clearance permits prior to arrival in Philippines.
- Clerical Errors in Goods Declaration. Customs may impose Php 5,000 for every clerical error in accordance to CAO 1-2020.

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