

CLIENT ADVISORY

Expedited Release of Reefer Containers and Dry Vans

Q: What are the covered cargoes/goods of the expedited release of refrigerated containers and dry vans during the period of Enhanced Community Quarantine?

A: Joint Administrative Order No. 20-01 ("JAO No. 20-01") applies to the following reefer containers and dry vans:

- a. Chilled category that are more time-sensitive, such as but not limited to pharmaceuticals/medicines, fruits, vegetables, chilled meat or other foodstuffs;
- b. Frozen category, such as but not limited to, fish and meat; and
- c. Dry goods, including but not limited to Out of Gauge ("OOG") cargoes, described as heavy equipment or project cargoes stored on flatbed chassis.

Q: What are the window periods given to market players to pull out the covered shipments/cargoes/goods from the terminal?

A: For cargoes already located at the terminal:

Type of shipment	Window Period Given
All refrigerated containers	Within seven (7) days from the issuance of JAO No. 20-01
Chilled Cargoes	Within five (5) days from the issuance of JAO No. 20-01
Cargoes beyond the thirty (30) days from date of discharge	Within five (5) days from the issuance of JAO No. 20-01

For refrigerated containers and chilled cargoes, the Philippine Ports Authority ("PPA") may impose appropriate penalties on those who fail to withdraw the cargoes within the window period given. However, unclaimed reefers after three (3) days from the set deadline shall be declared abandoned.

For cargoes beyond the thirty (30) days from date of discharge, failure to withdraw the cargoes within the window period given shall result to the automatic abandonment of the cargoes subject to immediate disposition in the manner determined by the Secretary of Finance.

For cargoes arriving at the terminal:

Type of shipment	Window Period Given
Reefer Containers scheduled to arrive after the issuance of JAO No. 20-01	Within ten (10) days from discharge. Otherwise, they shall be declared abandoned.

Q: What are the duties of the terminal operators?

A: Under JAO NO. 20-01, terminal operators are directed to cause the pullout of the reefers out of the customs yard for relocation to another facility where the appropriate government authority can make a proper determination as to whether the goods inside are still viable. Transfer cost shall be on the account of the box owner/shipping line. If the shipment is found to be unfit for human consumption and condemned by the Bureau of Customs (“BOC”), shipping lines shall defray the cost of condemnation to be carried out by the condemnation contractor accredited by the BOC.

Q: What are the duties imposed on Disposal Contractors?

A: Under JAO NO. 20-01, Disposal Contractors with awarded contracts from the BOC must pullout the containers from the facility within five (5) days from the issuance of the order. Otherwise, it is liable to pay the BOC liquidated damages as provided in their contract. Further, the BOC may impose an administrative penalty of suspension for one (1) year from participating in the competitive bidding process.

Customs Clearance Procedures

Q: What are the lodgment procedures prescribed under JAO No. 20-01?

A: All relevant government agencies and market players must follow the prescribed customs clearance procedures:

- a. Importers/consignees must comply with lodgment of and online filing of goods declaration in two (2) days from the date of discharge.
- b. The BOC shall issue the Final Assessment on the goods declared no later than twenty-four (24) hours from the date of online filing of the goods declaration.
- c. Importers/consignees shall make payment of duties, taxes, and other charges within twenty-four (24) hours from date of issuance of the Final Assessment by the BOC, with preference for online payments.
- d. Importers/consignees shall have three (3) days within which to claim the goods from the date of payment, failing which, the same shall be declared abandoned and disposed of by the BOC in accordance with law.
- e. Shipping lines are ordered to release all Delivery Orders (“DO”) within twenty-four (24) hours upon payment by the consignee of all shipping charges. In case the shipping lines fails to release the DO within the prescribed time provided in the Order, the shipping line shall waive demurrage charges for each day of delay.

Q: What are the lodgment procedures prescribed for reefers or refrigerated containers?

- A:** All relevant government agencies and market players must follow the prescribed customs clearance procedures in the case of reefers or refrigerated containers:
- a. Lodgment and online filing of goods declaration by importers/consignees shall be prior to the arrival of the vessel or within forty-eight (48) hours from the date of discharge.
 - b. The BOC shall issue the Final Assessment on the goods declared no later than twenty-four (24) hours from the date of online filing of the goods declaration.
 - c. Importers/consignees shall make payment of duties, taxes, and other charges within twenty-four (24) hours from date of issuance of the Final Assessment by the BOC, with preference for online payments.
 - d. Importers/consignees shall have twenty-four (24) hours within which to claim the goods from date of payment, failing which, such goods shall be declared abandoned.

Q: What will happen if there is no lodgment on the refrigerated containers?

- A:** All refrigerated containers where no goods declaration has been lodged and filed within seven (7) days from discharge of the last package from the vessel are declared abandoned under JAO No. 20-01. Further, a Decree of Abandonment for such cargoes will be issued pursuant to JAO No. 20-01. Such cargoes shall be subject to the institution of summary proceedings for its immediate disposition.

Within twenty-four (24) hours after the Decree of Abandonment or Forfeiture has been issued, the BOC shall make the proper determination as to the disposition of items specifically intended for human or animal consumption.

Q: Who will pay for the storage fees of the cargoes?

- A:** The PPA shall provide free storage for all goods cleared for release by the BOC for a maximum of five (5) days from the date of discharge. After which, the PPA is directed to move the cargo to another designated location at the expense of the importer/consignee.

For OOG cargoes, described as heavy equipment or project cargoes stored on flatbed chassis, importers/consignees are directed to immediately withdraw OOGs within the free storage period of five (5) days from date of discharge. Otherwise, PPA directed to transfer the OOGs to a designated offsite location.

Online applications

Q: What are the procedures that the relevant government agencies and market players should observe in the submission of online applications?

A: Under JAO No. 20-01, the following streamlined procedures for the application for import permits or clearances were established:

- a. Importers should email the application for permit/clearance to the designated email addresses together with attached scanned documentary requirements (jpg or pdf format).
- b. If the application is in order, the regulatory agency involved should acknowledge the email with a corresponding reference number, committed date of issuance of permit/clearance. Otherwise, the receiving/contact person should inform the applicant immediately via email of the lacking critical documents.
- c. In the acknowledgement email, the regulatory agency should identify the designated contact person, with email address and Viber phone number, who can respond to queries or status follow-ups. The regulatory agency is urged to set-up a system in which the approving authority can signify approval thru electronic signatures. It must set-up a QR code system for easy verification of the permit/clearance issued.
- d. When the import permit/clearance is issued, a copy should be emailed to the applicant and the BOC shall be copy furnished.

Q: How many days shall the processing and approval of necessary permits be?

A: Under JAO No. 20-01, the Bureau of Animal Industry, Bureau of Fisheries and Aquatic Resources, Bureau of Plant Industry, National Meat Inspection Service, and Food and Drug Administration must process and approve the necessary permits and licenses for the release of the containers immediately or not later than three (3) working days from the issuance of the Order.

Q: How should the importers/brokers follow up with the regulatory agencies?

A: The importers/brokers should email or send a Viber message to the designated contact person and cite the reference number in the acknowledgment email.

When filing an entry of declaration with the BOC, and if the import permit/clearance has not been issued by the regulatory agency, it must attach the email from the regulatory agency acknowledging receipt of the application for import permit/clearance.

Q: What is the duty of the Port Operators (c/o ICTSI/ATI)?

A: Port Operators must issue an electronic gate pass to importers/brokers which can be emailed to truckers to be presented upon entry/exit at the terminal.

Q: What are the duties of the Shipping lines (c/o AISL)?

A: Shipping lines must accept online applications, issue electronic copies of DO, accept electronic copies of bank acknowledgment receipts as proof of payment, and electronically transmit the container release order to the Port Operators.

Pullout/Transfer of Refrigerated Containers

Q: What will happen to overstaying reefers or refrigerated containers?

A: Overstaying reefers or refrigerated containers being stored or kept at the terminals shall be immediately moved to a location to be jointly designated by the BOC and PPA.

Q: Who will bear the expenses for the transfer of reefers to alternative reefer sites for storage?

A: The Terminal Operator shall bear all expenses that will be incurred in relation to the transfer, including but not limited to, transportation, examination thereof before, during, and after the transfer. This is without prejudice to the right of the Terminal Operator to collect from the cargo owner, importer or consignee, or from their respective agents or brokers the applicable costs, port, and terminal fees and other charges.

Q: Who will bear the lease rental for alternative reefer sites for storage?

A: The Terminal Operator shall bear the lease rental for alternative reefer sites, subject to collection of appropriate handling, forwarding, and storage charges from the beneficial cargo owner.

Q: How will the public know that the reefers must immediately be withdrawn?

A: The BOC, DTI, DA, PPA and terminal operators shall cause the publication of the list of reefer containers pending in the port, including the name of consignee, through government websites, social media websites, and leading newspapers. The public shall be informed that non-withdrawal within seven (7) days shall result to abandonment.

Other Relevant Matter

Q: What are the operating hours of the Shipping Lines, Port Operators and off-dock CY facilities during the ECQ?

A: Shipping lines are required to operate **from 8am to 5pm** and implement a system allowing for electronic processing of shipping documents including those related to the payment of shipping charges and issuance of delivery orders.

Port operators and off-dock CY facilities, whether for laden or empty containers shall remain open twenty-four (24) hours and shall expedite the entry/exit of trucks with confirmed bookings to pick-up/deliver containers and ensure the 24/7 operation of the Terminal Appointment Booking System.

Q: Until when are the said processes under JAO No. 20-01 effective?

A: The JAO No. 20-01 shall remain effective until the state of public health emergency is lifted, subject to changes as may be instructed or issued by the Office of the President.

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