



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

[DATE]

CUSTOMS ADMINISTRATIVE ORDER (CAO)
NO. _____

**SUBJECT: CUSTOMS CLEARANCE OF ACCOMPANIED AND
UNACCOMPANIED BAGGAGE OF TRAVELERS AND CREW.**

INTRODUCTION. This CAO implements Section 437, Chapter 4, Title IV; Section 800 (f) and (g), Chapter 1, Title VIII and other related provisions of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA).

Section 1. Scope. This CAO shall cover the clearance procedures for all traveler and crew and their baggage whether accompanied or unaccompanied.

Section 2. Objectives

- 2.1.** To prescribe customs formalities in the clearance of accompanied and unaccompanied baggage of travelers and crew at all ports of entry and exit including those deposited at the Interline Baggage Room (IBR) and those held at the Customs In-Bond Baggage Room (CBR).
- 2.2.** To provide a simplified clearance procedure for certain types of travelers.
- 2.3.** To adopt clear and transparent customs rules, regulations, policies and procedures, consistent with international standards and customs best practices.¹

Section 3. Definition of Terms. For purposes of this CAO, the following terms are defined accordingly.

- 3.1. Accompanied Baggage** – Baggage, whether checked-in or hand-carried, brought by travelers when leaving or arriving in the country, traveling in the same means of transport as the travelers.
- 3.2. Availment** – The determination by the Bureau or by the qualified senders that the Balikbayan Boxes brought in or sent are counted as first, second

¹ cf. CMTA, Title I, Chapter 2, Section 101 (b).

or third within a calendar year and thus entitled to duty and tax exemption pursuant to Section 800 (g), Chapter 1, Title VIII, CMTA. Any amount in excess of the allowable non-dutiable and non-taxable value shall be subject to the applicable duties and taxes.

Shipment that is above the de minimis threshold shall be automatically considered as one avilment. De minimis importation shall not be included in the counting of avilment; provided that the Qualified Filipinos While Abroad can only send to one ultimate consignee in one consolidated shipment.

3.3. Baggage – Such articles, effects and other personal property of traveler as are necessary or appropriate for wear; use comfort or convenience in connection with the trip and such other items as can be conveniently carried including Balikbayan boxes with the traveler on such trip and are accepted by the Carrier for carriage. Unless otherwise specified, it includes both checked and unchecked baggage of the traveler.²

3.4. Balikbayan Box – A corrugated box or other container or receptacle up to a maximum volume of three (3.00) gross cubic meters without regard as to the shape of the container or receptacle.

For purposes of duty and tax exemption, the Balikbayan Box should contain only personal and household effects that shall neither be in commercial quantities nor intended for barter, sale or for hire sent by Qualified Filipinos While Abroad often shipped by freight forwarders specializing in Balikbayan Boxes by sea or air.

3.5. Calendar Year - The period from January 1 to December 31 of the same year.³

3.6. Certificate of Identification (CI)– A document secured upon departure and issued by the District Collector or authorized customs officer identifying goods to be exported and subsequently brought back by the Returning Resident or OFW.⁴

3.7. Crew – A person assigned by an operator to render duty on an aircraft or vessel during a flight or voyage duty period.⁵

² *cf.* International Air Transport Association (IATA), General Conditions of Carriage (Passenger and Baggage), Article 1

³ CMTA, Title VIII, Chapter 1, Sec. 800 (g), par.2

⁴ *cf.* CMO 7-72 F-(a) 1&2.

⁵ International Civil Aviation Organization (ICAO), Annex 9

- 3.8. Commercial Quantity** – The quantity for a given kind or class of articles which are in excess of what is compatible with and commensurate to the person's normal requirements for personal use.⁶ For a single sender with multiple ultimate consignees, commercial quantity of a given class shall be determined based on the total quantity thereof sent by the sender to all the consignees.
- 3.9. Customs In-Bond Baggage Room (CBR)** – Where baggage retained or held by customs are temporarily stored while awaiting their final disposition.
- 3.10. De Minimis Value** – The value of goods for which no duty or tax is collected.⁷
- 3.11. Filipino Residents of the Philippines** – Filipino citizens who are residents of the Philippines who temporarily stay abroad which may include holders of a student visa, holders of investors' visa and similar visas which allow them to establish legal temporary stay abroad.
- 3.12. Household Effects** – Furniture, dishes, linens, libraries, and similar household furnishing for personal use.⁸
- 3.13. Interline Baggage** – Baggage received, handled and placed at the Interline Baggage Room (IBR) such as but not limited to: (a) Mistagged baggage; (b) Erroneously off-loaded baggage; (c) Advanced or delayed baggage; (d) Left behind or unclaimed baggage; and (e) Transit baggage for foreign destinations.⁹
- 3.14. Interline Baggage Room** – A bonded facility under the jurisdictional control of the Bureau of Customs for the temporary storage of baggage enumerated under 3.10 above.
- 3.15. In-Bond Baggage** – baggage received, handled and placed at the Customs Baggage Room (CBR) due to any of the following: insufficient funds for payment of duties, taxes and other charges assessed; awaits presentation of the required permit/clearance from the government agency concerned; or violates the Customs rules and regulations and other related laws.¹⁰

⁶ DOF DO 57-2011, 2 (b).

⁷ *cf.* CAO No. 02-2016, Section 3.2

⁸ *cf.* U.S. Customs Border Protection (CBP) Info Center.

⁹ Customs Memorandum Order (CMO) No. 54-91, II. A. 1.1 a.

¹⁰ *cf.* CMO No. 54-91, II. A. 1.2. a

3.16. Other Filipinos – Filipinos who have availed of the benefits under the Republic Act No. 9225 or the Citizenship Retention and Re-acquisition Act of 2003 or those who have established permanent residency abroad but have retained Filipino citizenship. This includes Filipinos working abroad under job contracts not certified by Department of Labor and Employment (DOLE) or the Philippine Overseas Employment Administration (POEA).

3.17. Overseas Filipino Worker (OFW) – A holder of a valid passport issued by the Department of Foreign Affairs (DFA) and certified by DOLE or POEA for overseas employment purposes. This covers all Filipinos working in a foreign country under employment contracts, regardless of their professions, skills or employment status in a foreign country.¹¹ For purposes of this CAO, the term OFW includes Filipinos working abroad under job contracts who do not require a certification from the Department of Labor and Employment (DOLE) or the Philippine Overseas Employment Administration (POEA).

3.18. Personal Effects – Commodities whether new or used, for personal use or consumption and not for commercial purposes, such as wearing apparel, personal adornments, electronic gadgets, toiletries, or similar items.

3.19. Prohibited Importation and Exportation – The importation and exportation of the following goods are prohibited:

- a. Written or printed goods in any form containing any matter advocating or inciting treason, rebellion, insurrection, sedition against the government of the Philippines, or forcible resistance to any law of the Philippines, or written or printed goods containing any threat to take the life of, or inflict bodily harm upon any person in the Philippines;
- b. Goods, instruments, drugs and substances designed, intended or adapted for producing unlawful abortion, or any printed matter which advertises, describes or gives direct or indirect information where, how or by whom unlawful abortion is committed;
- c. Written or printed goods, negatives or cinematographic films, photographs, engravings, lithographs, objects, paintings, drawings or other representation of an obscene or immoral character;
- d. Any goods manufactured in whole or in part of gold, silver or other precious metals or alloys and the stamp, brand or mark does not Indicate the actual fineness of quality of the metals or alloys;
- e. Any adulterated or misbranded food or goods for human consumption or any adulterated or misbranded drug in violation of relevant laws and regulations;

¹¹ cf. CMTA, Title VIII, Chapter 1, Sec. 800 (g), par.2.

- f. Infringing goods as defined under the Intellectual Property Code and related laws; and
- g. All other goods or parts thereof which importation and exportation are explicitly prohibited by law or rules and regulations issued by the competent authority.¹²

3.20. Qualified Filipinos While Abroad – A collective term used to refer to Non-Resident Filipinos defined in Section 3.19, OFWs defined in Section 3.20, and Resident Filipinos under Section 3.24 of this CAO.

3.21. Regulated Importation and Exportation – Goods which are subject to regulation shall be imported only after securing the necessary goods declaration, clearances, licenses, and any other requirements, prior to importation. In case of importation, submission of requirements after arrival of the goods but prior to release from customs custody shall be allowed but only in cases provided for by governing laws or regulations.¹³

3.22. Restricted Importation and Exportation – Except when authorized by law or regulation, the importation of the following restricted goods are prohibited:

- a. Dynamite, gunpowder, ammunitions and other explosives, firearms and weapons of war, or parts thereof;
- b. Roulette wheels, gambling outfits, loaded dice, marked cards, machines, apparatus or mechanical devices used in gambling or the distribution of money, cigars, cigarettes or other goods when such distribution is dependent on chance, including jackpot and pinball machines or similar contrivances, or parts thereof;
- c. Lottery and sweepstakes tickets, except advertisements thereof and lists of drawings therein;
- d. Marijuana, opium, poppies, coca leaves, heroin or other narcotics or synthetic drugs which are or may hereafter be declared habit forming by the President of the Philippines, or any compound, manufactured salt, derivative, or preparation thereof, except when imported by the government of the Philippines or any person duly authorized by the Dangerous Drugs Board, for medicinal purposes;
- e. Opium pipes or parts thereof, of whatever material; and
- f. Any other goods whose importation are restricted.

The restriction to import the above stated goods shall include the restriction on their transit.¹⁴

¹² CMTA, Title I, Chapter 3, Section 118

¹³ *cf.* CMTA, Title I, Chapter 3, Section 117.

¹⁴ *cf.* CMTA, Title I, Chapter 3, Section 119.

- 3.23. Temporary Exportation**– Customs procedure under which goods which are in free circulation in a customs territory may be temporarily exported for personal use (e.g. jewelry, watches, cameras or other identifiable items), processing or repair abroad and then re-imported with total or partial exemption from import duties, taxes and other charges.¹⁵
- 3.24. Traveler** –Any person who temporarily enters the territory of a country in which he or she does not normally reside (“non-resident”) or who leaves that territory; and any person who leaves the territory of a country in which he or she normally resides (“departing resident”) or who returns to that territory (“returning resident”).¹⁶
- 3.25. Unaccompanied Baggage** – checked-in baggage arriving or leaving before or after the traveler to whom it belongs due to delay, misrouting, or other causes. ¹⁷

Section 4. General Provisions.

- 4.1.** All arriving travelers and crew shall accomplish a Customs Baggage Declaration Form provided by the operators of concerned airlines and vessels in a format to be prescribed by the Bureau which will be submitted to the assigned Customs Officer at the Customs Arrival Area for clearance. In addition to the Customs Baggage Declaration Form, the following additional documents must also be presented during the clearance process:
- 4.1.1.** Owner’s Pre-Departure Declaration Form or Certificate of Identification (CI) for goods previously exported;
 - 4.1.2.** A duly filled-out Foreign Currency Declaration for travelers carrying foreign currency in excess of \$10,000 or its equivalent in other foreign currency and other foreign currency denominated bearer monetary instruments;
 - 4.1.3.** Authorization duly issued by the Bangko Sentral ng Pilipinas (BSP) for travelers with more than Php50,000.00 in local currency; and
 - 4.1.4.** Necessary permits from the regulatory government agency in case of restricted and regulated goods in excess of the limits allowed by the agencies.

¹⁵ *cf.* United Nations, 2004, International Merchandise Trade Statistics: Compilers Manual, New York, Annex B,

¹⁶ CMTA, Title I, Chapter 2, Section 102 (tt)

¹⁷ Revised Kyoto Convention (RKC), Specific Annex J, Standard 12

- 4.2.** Foreign Travelers with Diplomatic Status, who are duly documented and acknowledged as such under the law, shall continue to avail of the privileges accorded to them by applicable conventions, laws, rules, and regulations, as regards traveler and baggage clearance.¹⁸
- 4.3.** The Bureau shall adopt and implement an advanced information and traveler record system as a risk management tool in traveler processing.
- 4.4.** The Bureau shall create specific lanes to cater to certain types of travelers which shall include but not be limited to the following:
- a. OFWs, Balikbayans and Returning Residents;
 - b. Foreign Travelers with Diplomatic Status;
 - c. Airline crew members; and
 - d. Traveler with accompanied and/or unaccompanied baggage containing goods in commercial quantity.
- 4.5.** Baggage of arriving travelers including the crew shall be subject to x-ray inspection. The Bureau shall adopt risk management system in determining which baggage will be subjected to non-intrusive inspection.
- 4.6.** The traveler or crew and any accompanied baggage may be subject to physical inspection based on derogatory information or as a result of traveler profiling. For this purpose, the Bureau shall restrict the entry of unauthorized personnel into the customs arrival area, including the baggage carousel area.
- 4.7.** Tobacco goods, liquors, wines, and spirits brought in as accompanied baggage even if within the *De Minimis* value, shall be subject to the provisions of the National Internal Revenue Code (NIRC), as amended, on excise tax. Goods purchased at Philippine Duty-Free Stores upon arrival of travelers and within the allowable limits shall no longer be assessed the duties and taxes due.
- 4.8.** Dutiable goods in accompanied baggage brought by travelers through the airports which are intended for re-exportation¹⁹ may be temporarily deposited for safekeeping in the Customs In-Bond Baggage Room subject to the following conditions:

4.8.1. Re-exportation not later than 30 days from date of entry.

¹⁸ *cf.* CAO No. 02-2014, General Provisions (2.4)

¹⁹ RKC, Specific Annex J, Standard 31

4.8.2. Payment of Service and Storage Fees in the following schedule²⁰:

Type	First 24 hours	Subsequent 24 hours
Loose	Php50.00	Php100.00
Cabin	Php100.00	Php200.00
Suitcase	Php200.00	Php400.00
Odd size	Php400.00	Php600.00

4.8.3. Inventory of items to be reflected in the appropriate form to be signed by the traveler and authorized Customs officer.

- 4.9.** Baggage whether brought in or sent by Qualified Filipinos with value of more than Php10,000.00 shall, at the option of the Traveler, be governed by Section 800(g) of the CMTA insofar as the value of the baggage and the frequency of availment is concerned. For the availment of the tax and duty exemption pursuant to said Section, a processing fee of Php300.00 (inclusive of the legal research fee of Php10.00) shall be collected.
- 4.10.** Departing Travelers with goods for export in commercial quantities shall accomplish and file with the Bureau a Special Permit to Load (SPL). For goods that will be returned, the Traveler shall accomplish a simplified Owner's Pre-Departure Declaration Form or CI for presentation upon his return to the Customs Officers assigned at the Arrival Area.

Section 5. Clearance Formalities for Baggage of Specific Arriving Travelers and Crew.

- 5.1. OFWs, Filipino Residents of the Philippines, Returning Residents and Other Filipinos.** OFWs, Filipino Residents of the Philippines. Returning Residents and Other Filipinos shall undergo regular clearance formalities; provided that those availing of the privilege under Section 800 (f) and (g) under the CMTA shall undergo the clearance formalities provided under Section 6 hereof.
- 5.2. Foreign Travelers with Diplomatic Status.** Foreign travelers enjoying diplomatic status shall be exempt from submission of the Customs Baggage Declaration Form but subject to presentation of the Diplomatic Passport or other travel documents.
- 5.3. Crew Members.** Baggage of Crew Members shall undergo mandatory physical examination.

²⁰ CHANGI Airport Singapore, Baggage Storage, <http://www.changiairport.com/en/airport-xperience/attractions-and-services/baggage-storage.html>,

- 5.4. Resident Aliens and Other Foreign Travelers.** Other travelers not falling under 5.1 and 5.2 shall undergo clearance procedures based on traveler profiling and risk management control measures.

Section 6. Clearance Formalities For Those Availing of Section 800 (f) and (g) of the CMTA. OFWs, Filipino Residents of the Philippines, Returning Residents and Other Filipinos availing of the privilege granted under Section 800 (f) and/or (g) of the CMTA shall comply with the following:

- 6.1.** For availment of Section 800 (f), the returning resident or OFW shall accomplish the Personal and Household Effects Declaration (PHED) Form which may be downloaded from the Bureau's website and filled out prior to arrival; or secured from the Customs Officer at the arrival area. The duly filled-up PHED Form shall be submitted to the Customs Officer manning the Customs counter in the arrival area. The PHED Form shall contain the following basic information:
- a. Complete name of the traveler, date of birth, citizenship, passport number, address abroad and in Philippines, contact number and e-mail address, if any;
 - b. Contents, quantity, unit value and total value of baggage;
 - c. Packing List Information which shall contain an itemized listing of all goods in each box and their respective quantities and description;
 - d. Names of accompanying family members and their respective passport numbers;
 - e. Date of last departure from the Philippines; and
 - f. Date of arrival in the Philippines.
- 6.2.** For availment of Section 800 (g), the OFW, Filipino Resident of the Philippines, Returning Resident and Other Filipinos shall accomplish the Personal Effects Declaration (PED) Form which may be downloaded from the Bureau's website and filled up prior to arrival; or secured from the Customs Officer at the arrival area. The duly filled-up PED Form shall be submitted to the Customs Officer manning the Customs counter in the arrival area. The PED Form shall contain the following basic information:
- a. Complete name of the traveler, date of birth, citizenship, passport details, address abroad and in Philippines, contact number and e-mail address, if any;
 - b. Packing List Information which shall contain an itemized listing of all goods in each Balikbayan box and their respective description, quantities, unit value and total value;
 - c. Number of Availments within the calendar year; and

d. Other essential information as may be required by the Bureau.

Section 7. Clearance Formalities for Commercial Goods. Traveler with accompanied and/or unaccompanied baggage containing goods in commercial quantity and in excess of the *De Minimis* value shall be subject to the following customs formalities:

- 7.1.** The traveler, in addition to the Baggage Declaration Form, shall fill-out a Baggage Declaration Rider to be provided by the Customs Officer stationed at the Customs counter at the arrival area.
- 7.2.** The baggage shall be subjected to 100% physical examination by the Customs Officer assigned to determine the duties, taxes and other charges due.
- 7.3.** For baggage to be entered conditionally-free under Section 800 of the CMTA or those requiring permits or clearances from other government regulatory agencies, release thereof shall not be allowed until the Tax Exemption Certificate (TEC) or requisite permit or clearance is presented.

Section 8. Treatment of Interline Baggage.

- 8.1.** Baggage received, handled and placed at the IBR shall be covered by an Unclaimed Baggage Report (UBR) to be issued by the airline company, who shall furnish a copy thereof to the interline operator and the Bureau.
- 8.2.** Interline baggage shall be subject to non-intrusive inspection before storage.
- 8.3.** All claimed interline baggage for entry into the Philippines shall be subjected to 100% physical examination by the Customs Officer in the presence of the traveler or authorized representative to determine the duties, taxes and other charges due thereon.
- 8.4.** All interline baggage which remain unclaimed after thirty (30) days from arrival shall be subjected to abandonment proceedings.

Section 9. Penal Provision. Violations of this CAO committed by any person, officer or employee shall be penalized in accordance with Title XIV of the CMTA and other applicable penal provisions.

Section 10. Periodic Review. Unless otherwise provided, this CAO shall be reviewed every three (3) years and be amended and revised, if necessary.

Section 11. Repealing Clause. This CAO specifically amends or repeals previously issued CAOs and CMOs which are inconsistent with the provisions here stated.

Section 12. Separability Clause. If any part of this CAO is declared unconstitutional or contrary to existing laws, the other parts not so declared shall remain in full force and effect.

Section 13. Effectivity. This CAO shall take effect after fifteen (15) days from publication at the Official Gazette or a newspaper of general circulation.

The Office of National Administrative Register (ONAR) of the UP Law center shall be provided three (3) certified copies of this CAO.

NICANOR E. FAELDON

Commissioner

Approved:

CARLOS G. DOMINGUEZ III

Secretary

Informational Section. As the title denotes this section only provides information and does not give rise to any substantive or formal rights or obligations.

1. History. This CAO amends all the previous issuances of the Bureau of Customs relating to clearance of traveler and passenger baggage processing.

2. Related Policies.

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| • Republic Act 10863 | An Act Modernizing the Customs and Tariff Administration. Otherwise known as Customs Modernization and Tariff Act (CMTA) |
| • Customs Administrative Order No.02-2016 | Imported Goods with De Minimis Value not Subject to Duties and Taxes |
| • Customs Administrative Order No. 02-2014 | Simplified Procedures for Clearance of Baggage of Passengers and Crew of International Airlines Arriving in International Airports of Entry |
| • Customs Administrative Order No, 03-2013 | Simplified Procedure for the Submission of Baggage Declaration For (B.C. form No. 117) |

- Customs Administration Order No. 07-2006 Revised Baggage Declaration Form (B.C. Form No. 117) Hereinafter Denominated as the New Customs Declaration Form
- Customs Administrative Order No. 02-90 Amendment to Customs Administrative Order No. 3-87
- Customs Memorandum Order No. 08-2014 Regulation for the Implementation Rules and Regulations of CAO 02-2014
- Customs Memorandum Order No. 20-2003 Transshipment of Baggage of Arriving International Flight Passengers with Connecting Domestic Flight
- Customs Memorandum Order No. 05-2001 Amendment to Customs Memorandum Order No. 54-91 on the Designation of the Interline Baggage Room (IBR) Operators at NAIA International Passenger Terminal I and II.
- Customs Memorandum Order No. 46-98 Expedited Clearance/Release Procedures and Guidelines on Express Consignments.
- Customs Memorandum Order No. 17-93 Security Procedures at NAIA Complex
- Customs Memorandum Order No. 54-91 Formally Establishing the Interline Section and the In-Bond Section Under the Baggage Assistance Division, NAIA and Supervision of the Operations of Interline and Customs Baggage Rooms
- Customs Memorandum Order No. 65-90 Consolidated Guidelines for Special Processing of Air Cargo at the Ninoy Aquino International Airport
- Customs Memorandum Order No. 32-90 Rules and Regulations Further Implementing Customs Administrative Order No. 5-89, Dated 19 May 1989, Covering Non-Commercial Inbound Consolidation Shipments from Filipinos Abroad.
- Customs Memorandum Circular No. 11-90 Rules and Regulations Implementing Republic Act No. 6768 Instituting a Balikbayan Program
- Customs Memorandum Circular No. 41-90 Note Verbal from the Foreign Affairs Department
- Customs Memorandum Circular No. 24-98 Designing PSI CBW No. 31 as Extended Arrival Area for Handling, Processing and Clearing of Accompanied and Unaccompanied Baggage of Commercial Quantity
- NAIA Customs Memorandum Order No. 18-97 Standard Procedures in the Clearance of Passenger's Baggage at the Arrival Area International Passenger Terminal
- NAIA Customs Memorandum Order Activation of the SMILE and VIDEO SECURITY SYSTEMS

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| No. 02-97 | |
| • NAIA Customhouse Memorandum Order No. 14-94 | Establishment and Operation of On-Board – Courier (OBC) Clearances at U-Warehouse (CBW No. 12) |
| • NAIA Customs Memorandum Order No. 05-89 | Guidelines in the Use of Accomplishment of Held-Baggage Receipts (HBRs) and Treatment of Held Baggage. |
| • Memorandum dated 14 August 2009 | Random Search of Hand-Carried Bags and Luggages of Arriving Passengers |
| • Department of Finance, Department Order 57-2011 | Pursuant to Section 38 (I), Chapter 7, Book IV of Executive Order No. 292 or the Administrative Code of 1987, in relation to the Tariff and Customs Code of the Philippines (TCCP), as amended, the National Internal Revenue Code of 1997, other existing laws and international agreements, the following guidelines are hereby being issued to govern the clearance procedures for book importations. |

3. Webpage, Forms, Handbooks and other References.

- www.customs.gov.ph.
- http://www.dof.gov.ph/index.php/issuances/cmta_irr/
- <http://www.wcoomd.org/>
- <http://www.changiairport.com/en/airport-xperience/attractions-and-services/baggage-storage.html>,
- www.t4transportrect.de/
- <http://www.gov.ph/2011/12/12/department-order-no-57-2011/>
- Revised Kyoto Convention
- International Civil Aviation Organization
- United Nations, 2004, International Merchandise Trade Statistics: Compilers Manual, New York, Annex B,
- Glossary of Customs and Trade Terms
- Asia/Pacific Regional Workshop on Risk Based Passenger Selectivity
- WCO Asia/Pacific Regional Workshop on Risk Based Passenger Selectivity
- International Air Transport Association