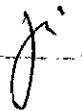


'14 DEC -3 P4:53

SENATE  
S. No. 2486

RECEIVED BY: 

---

*Prepared jointly by the Committees on Trade, Commerce and Entrepreneurship; Public Services; and Ways and Means with Senators Trillanes IV, Ejercito-Estrada, Poe and Aquino IV as authors thereof:*

---

**AN ACT**  
**EXEMPTING THE CARRIAGE OF CONTAINER VANS FROM THE PROVISIONS OF SECTION 1009 OF PRESIDENTIAL DECREE NO. 1464, OTHERWISE KNOWN AS THE TARIFF AND CUSTOMS CODE OF 1978, AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1       **SECTION 1. Declaration of Policy.** – It is the policy of the State to:

- 2           a. To assist importers and exporters in enhancing their competitiveness in the light  
3           of intensifying international trade; and  
4           b. To lower the cost of shipping containerized export cargoes from Philippine ports  
5           to international ports and containerized import cargoes from international ports.  
6

7       **SECTION 2. Definition of Terms.** – For the purposes of this bill, these terms are defined  
8 as follows:

- 9           a. “*Container Van*” shall refer to a standardized reusable steel box used for the  
10           safe, efficient and secure storage and movement of materials and products  
11           within an intermodal freight transport system where the cargo carried in the  
12           container van can be moved from one mode of transport to another without  
13           having to unload or reload the contents of such container van;  
14           b. “*Domestic port*” shall refer to any Philippine seaport;  
15           c. “*Domestic cargo*” shall refer to goods, articles, commodities or merchandise  
16           which are intended to be shipped from one domestic port to another domestic  
17           port, even if, in the carriage of such cargo, there may be an intervening foreign  
18           port;  
19           d. “*Export cargo*” shall refer to goods, articles, commodities or merchandise carried  
20           in container vans of foreign vessels and duly declared by the Bureau of Customs

1 at the port of origin as cargoes for shipment to a port outside the jurisdiction of  
2 the Philippines;

3 e. *“Foreign cargo”* shall refer to import or export cargo carried in a container van of  
4 a foreign vessel;

5 f. *“Foreign container van”* shall refer to container van whether empty or loaded  
6 with import or export cargo which belongs to a foreign vessel;

7 g. *“Foreign port”* shall refer to any seaport outside the jurisdiction of the  
8 Philippines;

9 h. *“Foreign vessel”* shall refer to a ship registered or documented in a flag registry  
10 other than that of a Philippines;

11 i. *“Import cargo”* shall refer to goods, articles, commodities or merchandise of  
12 foreign origin carried in a container van of a foreign vessel which are intended to  
13 be cleared by the Bureau of Customs for delivery to the port of final destination  
14 within the jurisdiction of the Philippines; and

15 j. *“Transshipment”* refers to the transfer of cargo from one vessel or conveyance  
16 to another vessel for further transit to complete the voyage and carry the cargo  
17 to its final destination.

18 **SECTION 3. *Scope.*** – This Act shall apply exclusively to foreign container vans and to  
19 import and export articles or cargoes carried in such foreign container van by a foreign vessel.

20 **SECTION 4. *Carriage of a foreign container van or foreign cargo by a foreign vessel.*** –

21 This Act shall allow the following circumstances:

22  
23 a. A foreign container van carrying foreign cargo arriving from a foreign port on a  
24 foreign vessel, such foreign vessel, after being cleared at its port of entry, shall  
25 be allowed to carry the foreign container van to its domestic port of final  
26 destination;

27 b. A foreign container van carrying foreign cargo arriving from a foreign port on a  
28 foreign vessel may be carried by another foreign vessel calling at the same port  
29 of entry to the domestic port of final destination of such foreign cargo;

30 c. A foreign container van carrying foreign cargo intended for export may be  
31 carried on a foreign vessel from its domestic port of origin through another  
32 Philippine port to its foreign port of final destination;

33 d. A foreign container van carrying foreign cargo intended for export may be  
34 transshipped in any foreign vessel from its domestic port of origin through a

1 domestic transshipment port and transferred at such domestic transshipment  
2 port to another foreign vessel which shall carry it to its foreign port of final  
3 destination;

4 e. An empty foreign container van going to or coming from any domestic port or  
5 going to or coming from a foreign port; and

6 f. An empty foreign container van being transshipped between two Philippine  
7 domestic ports.

8  
9 **SECTION 5. *Authority of the Commissioner of Customs.*** – The Commissioner of  
10 Customs, upon such reasonable conditions as he may impose, may do the following acts:

11 a. Clear any foreign vessel for any domestic port and authorize the conveyance  
12 therein of a foreign container van containing foreign cargo bought from abroad  
13 upon such foreign vessel;

14 b. Allow a foreign vessel to take a foreign container van containing import or export  
15 articles or cargo at any Philippine port and convey the same upon such foreign  
16 vessel to a foreign port;

17 c. Authorize the transshipment of such foreign cargo intended for export through  
18 another Philippine port of its conveyance by another foreign vessel to the cargo's  
19 foreign port of final destination;

20 d. Impose penalties to foreign ship operators violating this Act; and

21 e. Take measures to address illegal activities, including smuggling.

22  
23 Provided, that the Commissioner of Customs may delegate the powers vested in him under this  
24 Act to any or such subordinate officials with the rank equivalent to a division chief or higher  
25 subject to such limitations and restrictions as may be imposed under the rules and regulations  
26 to be promulgated by the Secretary of Finance, upon recommendation of the Commissioner.

27 **SECTION 6. *Application of the Carriage of Goods by Sea Act.*** – Carriage conducted in  
28 accordance with this law shall be governed by Commonwealth Act No. 65, otherwise known as  
29 the Carriage of Goods by Sea Act with respect to the liability of the carrier for the loss of, or  
30 damage to, goods carried.

31 **SECTION 7. *Carriage by foreign vessels not a public service, foreign vessels not***  
32 ***common carriers.*** – Foreign vessels engaging in carriage conducted in accordance with this law  
33 shall not be considered common carriers as provided in Republic Act No. 386, otherwise known  
34 as the Civil Code; neither shall such foreign vessels be considered as offering a public service

1 and thus shall fall outside the coverage of Republic Act No. 9295, otherwise known as the  
2 Domestic Shipping Development Act.

3       **SECTION 8. *Prohibitions.*** – Foreign ship operators shall submit their cargo manifest to  
4 the Philippine Ports Authority to ensure that no domestic cargoes are carried by the foreign  
5 ship. No foreign vessel shall be allowed to carry any domestic cargo or domestic container van,  
6 whether loaded or empty, even if such domestic container van may contain foreign cargo.

7  
8       **Section 9. *Penalties.*** The Bureau of Customs, upon due notice, hearing and  
9 determination of the existence of any breach or violation of the provisions of this Act or any  
10 rules and regulations issued pursuant to thereto, shall have the power and authority to impose  
11 penalty on any foreign ship operator in an amount to be determined in the implementing rules  
12 and regulations.

13  
14       **SECTION 10. *Implementing Rules and Regulations.*** – Within sixty (60) days from the  
15 approval of this Act, the Department of Finance, the Bureau of Customs and the Philippine  
16 Ports Authority, shall promulgate such rules and regulations necessary for the effective  
17 implementation of this Act.

18  
19       **SECTION 11. *Separability Clause.*** – If any provision of this Act is subsequently declared  
20 invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain  
21 in full force and effect.

22  
23       **SECTION 12. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations, and  
24 other issuances, or parts thereof, inconsistent with the provisions of this Act are hereby  
25 repealed or modified accordingly.

26       **SECTION 13. *Effectivity Clause.*** – This Act shall take fifteen (15) days after its publication  
27 in the *Official Gazette* or in a newspaper of general circulation

28       Approved,