

**[ PPA MEMORANDUM CIRCULAR NO. 22-2004, July 12, 2004 ]**

**ASSESSMENT OF WHARFAGE ON EMPTY CONTAINERS OF SHIPPING LINES ENGAGED IN FOREIGN AND DOMESTIC TRADE**

In view of recent developments in international shipping practices, particularly in regard to mergers and acquisitions of shipping lines and the emergence of alliances resulting in co-ownership of container vessels and similar co-loading arrangements in the operation thereof, the following amendments to the existing guidelines on the treatment of empty containers are hereby prescribed for compliance by and guidance of all concerned:

**I. Statement of Policy**

Containers, in general, shall be treated as part of the ship's gear.

**II. Treatment of Foreign Empty Containers**

1. In general, containers owned by foreign shipping lines are allowed to enter the country by Customs' authorities conditionally, without payment of duties and taxes, for a limited period.

Foreign-owned containers once emptied, therefore, which exceed this period for conditional entry, shall be considered as an imported article subject to the payment by the shipping line or owner thereof of the corresponding duties and taxes. At this point, the subject container shall likewise be subject to the payment of Import Wharfage.

2. Foreign empty containers, shipped by and consigned to a foreign shipping line or manifested as having "No Commercial Value" and brought into the country for use in export shipments and shipped through the shipping line's own vessel or any other foreign vessel, shall not be subject to the payment of Import Wharfage.

3. Provided, further, that should the foreign empty container require transport to another Philippine port in order to load export cargo and shipped via domestic vessel (also referred to as transit or relay container), such foreign empty container, though considered as "cargo" shall not be subject to the payment of Domestic Wharfage.

4. Foreign emptied containers, resulting from the stripping of its contents, shall not be subject to the payment of Import Wharfage: Provided, further, that should the foreign emptied container require