

[ **BOC CUSTOMS MEMORANDUM ORDER NO. 21-2003, September 26, 2003** ]

**SUPPLEMENTAL GUIDELINES IN THE DETERMINATION OF AIR FREIGHT CHARGES**

To establish the guidelines in the determination/application of air freight charges as a component of dutiable value for Customs purposes, the following are hereby prescribed:

**1. DEFINITION OF TERMS**

For the purpose of this Order, the following definitions are adopted:

**1.1 Air Freight Charges** - the fees charged by airline companies or air carriers for the transport of air shipments.

**1.2 Back-to-Back Airway Bill** - a Master Airway Bill (MAWB) with the corresponding House Airway Bill (HAWB).

**1.3 Break Bulk/Consolidated Agent** - the representative of a freight forwarder/consolidator named in the MAWB as consignee of a consolidated shipment.

**1.4 Consolidated Cargo Manifest** - a list of all the individual shipments/consignments that compose the consolidated shipment, usually attached as a rider to the inward foreign cargo manifest of the carrying aircraft.

**1.5 Consolidated Shipment** - refers to two (2) or more shipments, assembled and consolidated at the point of origin/exportation and shipped together by a freight forwarder/consolidator under one MAWB.

**1.6 Direct Airway Bill** - the document, covering a shipment, issued by the air carrier directly to the shipper/consignee.

**1.7 Freight Forwarder/Consolidator** - the person/entity who shipped the goods to the Philippines and issued the HAWB.

**1.8 House Airway Bill (HAWB)** - the document issued by the freight forwarder/consolidator to the individual consignee/importer.

**1.9 Master Airway Bill (MAWB)** - the shipping document issued by the air carrier to a consolidator/freight forwarder, covering a shipment, which could be consolidated or not.

**2. DETERMINATION OF AIR FREIGHT CHARGES**

The air freight charges to be applied in determining the dutiable value of an air shipment shall be the amount based on as follows: