

[ **PSC, November 27, 1992** ]

**REVISED RULES AND REGULATIONS  
ACCREDITATION/REGISTRATION OF FREIGHT FORWARDERS,  
NVOCC, CARGO CONSOLIDATORS AND BREAKBULK AGENTS**

Pursuant to Section 4(c) of Executive Order No. 514, the following rules are hereby promulgated governing the accreditation/registration of freight forwarders, non-vessel operating common carriers, cargo consolidators, and breakbulk agents.

*SECTION 1.* It shall be the policy of the state to facilitate and assist the development and growth of Philippine trade and the national economy by enhancing the legitimate interests of Philippine shippers.

For this purpose, the Department of Trade and Industry (DTI) through the Philippine Shippers' Bureau (PSB) shall be tasked to undertake the following measures:

- a. promote and professionalize the freight forwarding Industry through a system of registration and accreditation.
- b. establish an environment conducive to the growth of free competition in the freight forwarding industry in order to promote better services to exporters/shippers.

In the furtherance of these tasks, the PSB as a lead agency shall coordinate the implementation of the Memorandum of Understanding (MOU) entered into with the Bureau of Customs (BOC), Maritime Industry Authority (MARINA) and the Civil Aeronautics Board (CAB).

*SECTION 2. Definition of Terms —*

- a. **Memorandum of Understanding** refers to the Memorandum of Understanding entered into among the Philippine Shippers' Bureau (SHIPPERCON), Bureau of Customs (BOC), Maritime Industry Authority (MARINA) and the Civil Aeronautics Board (CAB).
- b. **Registration** — An act whereby the applicant/enterprise is certified to have complied with the basic requirements of the industry and has shown its professional and financial competence in its operations and is therefore reliable and capable to service the export and import trades.
- c. **Certificate of Registration** — Document issued by SHIPPERCON certifying to the registration of an entity for the purpose of transacting business with all the parties to this Memorandum of Understanding.
- d. **Committee** — A registration and monitoring committee composed of a

representative each from MARINA, BOC, CAB and SHIPPERCON to be assisted by the Secretariat whose members shall be appointed by the Shippercon Director.

e. **Freight Forwarder** — A cargo intermediary enterprise which directly or indirectly procures the transport of goods on behalf of its customer by booking ship space, negotiating freight rates, preparing documents, advancing freight payments, providing trucking and warehousing and related undertakings, without himself assuming the role of a carrier.

f. **Non-Vessel Operating Common Carrier (NVOCC)** — A transport enterprise which publishes its own freight tariff, issues its own bills of lading and assumes all responsibilities of a common carrier without operating its own vessels.

g. **Cargo Consolidator** — A company or person who undertakes group age of the small (LCL) shipments for single or various consignors/consignees by procuring vessel/container space from carriers and issuing its own bills of lading or its equivalent.

h. **Shipper** — Exporter/importer; cargo owner, freight forwarder, cargo consolidator.

i. **Breakbulk/Consolidation Agent** — The Philippine agent representative of a freight forwarder/consolidator named in a master bill of lading as shipper/consignee of a consolidated shipment.

j. **Philippine Shippers' Bureau (SHIPPERCON)** — Party signatory to the Memorandum of Understanding which shall act as the implementing agency.

k. **PISFA — Philippine International Seafreight Forwarders' Association** — The national association of seafreight forwarders recognized by the Department of Trade and Industry (DTI) and the Philippine Shippers' Bureau. It is a member of the Federation of International Freight Forwarders' Associations (FIATA) based in Zurich, Switzerland.

l. **Minimum Paid-Up Capital** — The amount of capital required for each category of registration/accreditation and classification of the firms in the industry as prescribed in (par. 1.b) of *Section 3* herein. The paid-up capital of the applicant firm (corporation or single proprietorship shall be defined as *unimpaired, i.e.,* the net equity shall be equal or greater than the prescribed minimum paid-up capital in each category, and the amount shall not be impaired by either the operating losses or the long-term liabilities and or other operating aspects affecting the net equity of the firm upon application for registration.

m. **Cargo Insurance Coverage/Policy** — The appropriate type of insurance required for registration/accreditation for each category/classification of the firms in the industry shall be either the Merchandise in Transit (Floater) or the Through Transport Club Insurance.

The Merchandise in Transit (MIT) Floater Insurance shall cover Truck Risks Plus Robbery and Hijacking (Standard Coverage) plus losses and damages due to loading and unloading, and losses and damages whilst the vehicle is on stop overnight at an allowed territory.

The Through Transport (TT) Club Insurance is the standard comprehensive cargo liability insurance for freight forwarders and transport operators covering destinations between the Philippines and worldwide.

The amount of insurance coverage/policy shall be the amount prescribed in (par. 2) of Section 3 herein which applies to both corporation and single proprietorship.

*SECTION 3. Requirements for the Issuance of Certificate of Registration —*

a. All freight forwarders, non-vessel operating common carriers (NVOCCs), cargo consolidators including breakbulk agents who are actually engaged in cargo forwarding business shall apply for registration with the SHIPPERCON upon the effectivity of the Memorandum of Understanding, and shall apply for a renewal of their registration in accordance with *Sections 1 to 5*, Rule IV of this Rule. Every applicant for registration whether or not a member of PISFA shall submit a written application to SHIPPERCON together with the following requirements:

**I. For Corporations and Partnerships** — a. List of company officers/directors and their residential addresses.

The chief operating officer or the operations manager of the company should have at least two (2) years experience in shipping, freight forwarding and/or related activities subject to the evaluation of the accreditation committee.

b. Audited Financial Statement (Income Statement Balance Sheet with supporting schedules), which must show a minimum paid-in capital as certified to by the Securities and Exchange Commission (SEC) according to the nature of business operation as follows:

**Nature of Transport  
Paid-in  
Operation Capital**

1. Non-Vessel Operating Common Carrier (NVOCC)	P500,000.00
2. Cargo Consolidator	400,000.00
3. Freight Forwarder	300,000.00
4. Breakbulk Agent	250,000.00

c. List of agents/offices abroad and a copy of their existing contract or agency agreement.

d. Company profile which shall include the following:

1. Certificate of SEC incorporation;
2. Articles of Incorporation and by-laws;
3. Bio-data/personal data sheet of Directors and principal officers;
4. Inventory of transport equipment, or contracts with trucking company/ies; and