



S E N A T E

S. No. 2486

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PREPARED JOINTLY BY THE COMMITTEES ON TRADE,  
COMMERCE AND ENTREPRENEURSHIP; PUBLIC  
SERVICES; AND WAYS AND MEANS WITH SENATORS  
TRILLANES IV, EJERCITO-ESTRADA, POE, AQUINO IV  
AND VILLAR AS AUTHORS THEREOF

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AN ACT ALLOWING FOREIGN VESSELS TO  
TRANSPORT AND CO-LOAD FOREIGN CARGOES  
FOR DOMESTIC TRANSSHIPMENT AND FOR  
OTHER PURPOSES

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

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

3           (a) To assist importers and exporters in enhancing  
4 their competitiveness in the light of intensifying  
5 international trade; and

1           (b) To lower the cost of shipping containerized  
2 export cargoes from Philippine ports to international ports  
3 and containerized import cargoes from international ports.

4           SEC. 2. *Definition of Terms.* – For the purposes of  
5 this Act, these terms are defined as follows:

6           (a) “*Co-loading*” shall refer to agreements between  
7 two (2) or more international or domestic sea carriers,  
8 where by a sea carrier bound for a specific destination  
9 agrees to load, transport and unload the container van or  
10 cargo of another carrier bound for the same destination;

11           (b) “*Container Van*” shall refer to a standardized  
12 reusable steel box used for the safe, efficient and secure  
13 storage and movement of materials and products  
14 within an intermodal freight transport system where the  
15 cargo carried in the container van can be moved from one  
16 (1) mode of transport to another without having to unload  
17 or reload the contents of such container van;

18           (c) “*Domestic port*” shall refer to any Philippine  
19 seaport;

1           (d) *“Domestic cargo”* shall refer to goods, articles,  
2 commodities or merchandise which are intended to be  
3 shipped from one (1) domestic port to another domestic  
4 port, even if, in the carriage of such cargo, there may be  
5 an intervening foreign port;

6           (e) *“Export cargo”* shall refer to goods, articles,  
7 commodities or merchandise carried in container vans of  
8 foreign vessels and duly declared by the Bureau of  
9 Customs at the port of origin as cargoes for shipment to a  
10 port outside the jurisdiction of the Philippines;

11          (f) *“Foreign cargo”* shall refer to import or export  
12 cargo carried by a foreign vessel;

13          (g) *“Foreign container van”* shall refer to a  
14 container van, whether empty or loaded with foreign  
15 cargo, which belongs to a foreign vessel;

16          (h) *“Foreign port”* shall refer to any seaport  
17 outside the jurisdiction of the Philippines;

18          (i) *“Foreign vessel”* shall refer to a ship registered  
19 or documented in a flag registry other than that of the  
20 Philippines;

1           (j) “*Import cargo*” shall refer to goods, articles,  
2 commodities or merchandise of foreign origin carried in a  
3 container van of a foreign vessel which are intended to be  
4 cleared by the Bureau of Customs for delivery to the port of  
5 final destination within the jurisdiction of the Philippines;  
6 and

7           (k) “*Transshipment*” refers to the transfer of cargo  
8 from one (1) vessel or conveyance to another vessel for  
9 further transit to complete the voyage and carry the cargo  
10 to its final destination.

11           SEC. 3. *Scope.* – This Act shall apply exclusively to  
12 foreign vessels carrying foreign container vans.

13           SEC. 4. *Carriage of a Foreign Container Van or*  
14 *Foreign Cargo by a Foreign Vessel.* – A foreign vessel:

15           (a) Arriving from a foreign port, shall be allowed to  
16 carry a foreign container van or cargo to its domestic port  
17 of final destination, after being cleared at its port of entry;

18           (b) Arriving from a foreign port, shall be allowed to  
19 carry a foreign container van or cargo by another foreign

1 vessel calling at the same port of entry to the domestic port  
2 of final destination of such foreign cargo;

3 (c) Departing from a domestic port of origin  
4 through another Philippine port to its foreign port of final  
5 destination, shall be allowed to carry a foreign container  
6 van or cargo intended for export;

7 (d) Departing from a domestic port of origin, shall  
8 be allowed to carry a foreign container van or cargo by  
9 another foreign vessel through a domestic transshipment  
10 port and transferred at such domestic transshipment port  
11 to its foreign port of final destination;

12 For purposes of this Act, an empty foreign container  
13 van going to or coming from any domestic port, or going to  
14 or coming from a foreign port, and being transshipped  
15 between two (2) domestic ports shall be allowed.

16 *SEC. 5. Authority of the Commissioner of Customs. –*  
17 The Commissioner of Customs, upon such reasonable  
18 conditions as he may impose, may do the following acts:

19 (a) Clear any foreign vessel for any domestic port  
20 and authorize the conveyance therein of a foreign container

1 van containing foreign cargo bought from abroad upon  
2 such foreign vessel;

3 (b) Allow a foreign vessel to take a foreign container  
4 van containing import or export articles or cargo at any  
5 Philippine port and convey the same upon such foreign  
6 vessel to a foreign port;

7 (c) Authorize the transshipment of such foreign  
8 cargo intended for export through another Philippine port  
9 of its conveyance by another foreign vessel to the cargo's  
10 foreign port of final destination;

11 (d) Impose penalties to foreign ship operators  
12 violating this Act; and

13 (e) Take measures to address illegal activities,  
14 including smuggling.

15 *Provided*, That the Commissioner of Customs may  
16 delegate the powers vested in him under this Act to any or  
17 such subordinate officials with the rank equivalent to a  
18 division chief or higher subject to such limitations and  
19 restrictions as may be imposed under the rules and

1 regulations to be promulgated by the Secretary of Finance,  
2 upon recommendation of the Commissioner.

3           SEC. 6. *Application of the Carriage of Goods by Sea*  
4 *Act.* – Carriage conducted in accordance with this law shall  
5 be governed by Commonwealth Act No. 65, otherwise  
6 known as the “Carriage of Goods by Sea Act” with respect  
7 to the liability of the carrier for the loss of, or damage to,  
8 goods carried.

9           SEC. 7. *Carriage by Foreign Vessels Not a Public*  
10 *Service, Foreign Vessels Not Common Carriers.* – Foreign  
11 vessels engaging in carriage conducted in accordance with  
12 this law shall not be considered common carriers as  
13 provided in Republic Act No. 386, otherwise known as the  
14 “Civil Code of the Philippines”; neither shall such foreign  
15 vessels be considered as offering a public service and thus  
16 shall fall outside the coverage of Republic Act No. 9295,  
17 otherwise known as the “Domestic Shipping Development  
18 Act of 2004”.

19           SEC. 8. *Prohibitions.* – Foreign ship operators shall  
20 submit their cargo manifest to the Philippine Ports

1 Authority to ensure that no domestic cargoes are carried by  
2 the foreign ship. No foreign vessel shall be allowed to carry  
3 any domestic cargo or domestic container van, whether  
4 loaded or empty, even if such domestic container van may  
5 contain foreign cargo.

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

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

19           SEC. 11. *Separability Clause.* – If any provision of  
20 this Act is subsequently declared invalid or



1 unconstitutional, other provisions hereof which are not  
2 affected thereby shall remain in full force and effect.

3           SEC. 12. *Repealing Clause.* – Section 1009 of  
4 Presidential Decree No. 1464, otherwise known as the  
5 “Tariff and Customs Code of 1978” and all laws, decrees,  
6 orders, rules and regulations, and other issuances, or parts  
7 thereof, inconsistent with the provisions of this Act are  
8 hereby repealed or modified accordingly.

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

Approved,