

## MEMORANDUM CIRCULAR NO. 30

**TO : ALL PERSONS PROVIDING SERVICES AS NON VESSEL OPERATING COMMON CARRIERS AND / OR OCEAN FREIGHT FORWARDERS, AND ALL CONCERNED**

**SUBJECT : RULES GOVERNING NON-VESSEL-OPERATING COMMON CARRIERS AND OCEAN FREIGHT FORWARDERS**

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Pursuant to the pertinent provisions of Presidential decree No. 474, otherwise known as the charter of Maritime Industry Authority, the following rules are here by promulgated :

SECTION 1. No person, natural or juridical ,shall engage in the Philippines in the business of non-vessel operating common carrier or an ocean freight forwarder without a valid license for this Purpose from the Maritime Industry Authority.

SECTION 2. **Definition of terms.** –for purposes of this rules , the terms Below shall have the following meaning , unless the context indicates otherwise:

(1) “Authority” – Maritime Industry Authority created under Presidential decree No. 474

(2) “Non”-vessel-operating common carrier or NVOCC”-A Common carrier that does not operate the vessels by which the ocean transportation is provided , and is a shipper in its relationship with an ocean carrier .bur which issues bills of lading in name to shipper under its solicitation to whom it directly assumes the liabilities and Responsibilities of a common carrier

(3) “Ocean freight forwarders

A. Is any person which holds himself out to the general public:

- a) to procure transportation of property for compensation, and to assemble and consolidate shipment of such property;
- b) to under take break bulk and distributing operations with respect to such consolidated shipments ; and
- c) to perform ancillary service in connection with services mentioned in a) and b.

B. if a freight forwarder

- a) Is such his own transport document, and not merely as an agent ; or
- b. Under takes liability for the performance of the transport, e.g. by offering a fixed price without the obligation to give account to the customer for his actual cost , he will be come a non – vessel operating carrier as defined in paragraph (2), above ,of this section and shall be subjected to the applicable law relating to carriage of goods.

- (4) “Ocean common carrier – is a vessel- operating common carrier; but the term does not include one engaged in tramping
- (5) “shipper” – shall mean the owner or person for whose account the ocean transportation of cargo is provided .
- (6) “Consign “ – to whom delivery may be law fully made in accordance with the contract of carriage .

SEC. 3. Specific Requirements . – No license shall be issued by the Authority unless the applicant meets all the following requirements :

- (a) the applicant must be a Filipino citizen or corporation / partners at least 60% of the authorized capital of which is owned by Filipino citizens , except for joint ventures with foreign equity which are duly registered with the board of Investment
- (b) The applicant for license must have been registered by the Authority as a Maritime enterprise under Memorandum circular No. 9. S. 1976.
- (c) That in the case of non-vessel operating carrier , the applicant shall resent a certificate of insurance cover for its liability to cargoes , provided that, in lieu hereof , a performance bond in the amount of P150,000,00 secured from a surety company duly registered with the insurance commission , and acceptable to the Authority .

SEC. 4. Application for a license. – All applications shall be filed with the Authority in forms prescribed for this

Purpose. The applicant for a license shall submit one (1) copy each of the following documents in support of the applications

- (1) Resolution of the applicant board of director / letter of partners / proprietor authorizing the filling of the application.
- (2) The Article of Incorporation and by-laws or articles of partnership in Case of Partnership or registered Business name and style of the proprietor in case of proprietorship.
- (3) List of Directors and of the principal officers showing at least a minimum of three (3) years experience in shipping together with the respective bio-data.

SEC. 5. . Exemption from license – A person whose primary business is The sale of merchandise for its own account without a license

SEC. 6.. Filling. Every application shall be filed with the authority after Payment of the corresponding filling fee . the name of the applicant and the filling date and hour of its application shall be entered in the application entry book in the order in which they are received

SEC. 7. Renewal of license. – The license issued pursuant here to shall be Renewed annually with the Authority upon satisfaction of all relevant Authority requirements for licensed enterprise; failure to renew the license on time shall subject the license to a surcharge equivalent to 25% of the filling fee for every month of

Delay or fraction thereof and shall cause the suspension of its operation . the deadline for renewal of license shall be reckoned from the date of its issuance.

SEC. 8. Cancellation of license. – The authority may after due notice and hearing , cancel the license to operate as a licensed – NVOCC or ocean –freight forwarder on the following grounds :

- (a) Failure to maintain the qualifications and requirements for licensing as Here in required ;
- (b) Will full or grossly negligent Violation of any of the general and Specific terms and conditions circular ;

- (C) Willful or grossly negligent violation of any law, order or regulation  
Pertinent to its operation as such.

SEC. 9. Operation Without License. - Any Person, natural or juridical, who in violation of section 1 hereof, shall engage in the business of a NVOCC or ocean freight forwarder, without a valid license for the purpose from the Authority shall be subjected to a fine of not more than five thousand pesos (P5,000.00); Provided, however that the addition to the imposition of such fine, the business establishment of any such person shall be subject to temporary closure, until and unless he shall have secured the required license. Any carrier, shipper or person who shall deal with, accommodate or transact business with a NVOCC or ocean freight forwarder who is not duly licensed by the Authority shall be subject to a fine of not more than three thousand pesos (P3,000.00).

SEC. 10. Enforcement. - for the effective enforcement of the provision of this circular, a Memorandum of the Maritime Industry Authority, the Bureau of Customs, Philippine Ports Authority, Philippine coast guard, and other relevant agencies.

Sec. 11. Effectivity. - these rules shall take effect fifteen (15) days after its publication in two (2) newspaper of general circulation in the Philippines.

Approved by the Maritime Industry Board in its meeting on August 23, 1984.  
Manila, Philippines.

VICTORINO A. BASCO  
Administrator

APPROVED:

JOSE P. DANS, JR.  
Minister of Transportation & Communications