

2009



**Philippine Shipper's Bureau (PSB)**  
**Memorandum Circular**  
No. 01 Series of 2005

**TO : ALL PSB-ACCREDITED NON-VESSEL OPERATING COMMON CARRIERS (NVOCCs), CARGO CONSOLIDATORS (CCs), INTERNATIONAL FREIGHT FORWARDERS (IFFs), AND BREAKBULK AGENTS (BBAs)**

**SUBJECT : STANDARD FREIGHT FORWARDING SERVICES, RATES & CHARGES FOR CONTAINERIZED IMPORT SHIPMENT**

Whereas, PSB Administrative Order No. 2, Series of 1996, declared policy of the Government to promote the interests of Philippine shippers and ensure adequate supply and quality of transportation that will support the flow of goods and services;

Whereas, it is imperative to continuously upgrade the quality of services of cargo intermediaries through which exporters and importers' goods are being channeled;

Whereas, standardized services, rates and charges will enhance competition and encourage improved quality of service among freight forwarders;

Whereas, there is a need to standardize the services, rates and charges in the freight forwarding industry in order to protect the interests of shippers and importers as well as to prevent indiscriminate charging system within the industry.

Now, therefore, the Bureau hereby prescribes the following standard nomenclature of freight forwarding services as well as the indicative rates and charges for the guidance of all its accredited NVOCC's, CC's, IFF's, and BBA's.

**I. Nomenclature of Freight Forwarding Services:**

1. **LCL Charge** - cost of transfer of loaded/ consolidated container from terminal to container freight station (CFS) performing container stripping service and payable by the consignee to the breakbulk agent or freight forwarder.
2. **Documentation** - cost for the preparation and processing of all necessary documents and all pre-arrival documentation, including postage, communication and arrival notices.
3. **Handling Fee** - cost of FCL shipment for surveying, tallying and claims handling, subject fee is not applicable to LCL shipments.
4. **Turn-Over Fee** - the standard breakbulk fee collected by freight forwarder for processing and releasing of delivery orders (DO).
5. **Bill of Lading (B/L) Fee** - charge for the processing and issuance of freight forwarder's transport document or House Bill of Lading (B/L).
6. **Collect Fee** - assessment on "Freight-Collect" importation which the principal requires its agent to collect from the consignee, including entitlements due agent for handling collections and recovery of bank charges and other remittance expenses.

7. **Currency Adjustment Factor (CAF)** - a surcharge applicable to "Freight-Collect" importation paid in Philippine Peso due to the exchange rate fluctuation between the Philippine Peso and the U.S. Dollar.
8. **Value Added Tax (VAT)** - a consumption tax levied at each stage of production and based on the value added to the product or service as prescribed by the Philippine government.
9. **THC Charge** - reimbursement of cargo intermediaries for charges imposed by international shipping lines against the party who should pay the freight.

**Note 1:** As the LCL charge is payable by the consignee to the Breakbulk Agents (BBAs) / Cargo Consolidators (CCs), the latter must ensure that no separate charging shall be imposed by another entity for the same service.

**Note 2:** Collect Fee and Currency Adjustment Factor (CAF) surcharge shall be subject to periodic review.

**Note 3:** Applicability of THC is subject to change upon resolution on the matter.

## II. Freight Forwarding Rates for Containerized Import Shipment (Less-Container-Load & Full-Container-Load):

Item of Services	Rates	
	LCL	FCL
1. LCL Charge	Php600/CBM	N.A.
2. Documentation	Php 600/ BL	Php 600/BL
3. Handling Fee	N.A.	Php 600/BL
4. Turn-Over Fee	Php 600/ BL	Php 600/BL
5. Bill of Lading (B/L) Fee	US\$ 20/ BL	US\$ 20/ BL
6. Collect Fee	5% of Freight- Collect amount	5% of Freight- Collect amount
7. Currency Adjustment Factor (CAF)	3% of Freight- Collect amount	3% of Freight- Collect amount
8. Value Added Tax (VAT)*	10% or as prescribed by law	10% or as prescribed by law
9. THC Charge	Php300/CBM	At cost

\* "VATable" charges cover items 1,2,3,&4.

This memorandum circular shall be effective fifteen (15) days after publication in two (2) national newspapers of general circulation.

Dated this 30<sup>th</sup> day of May, 2005 at Makati City.

  
**ATTY. PEDRO VICENTE C. MENDOZA**  
 Director