REVISED GUIDELINES ON PERMANENT TRANSFERS OF QUOTA

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1. A quota holder may be allowed to transfer permanently a part or all of its Quota (EQ) in a particular category.

2. The Transferor and Transferee must submit to GTEB a duly accomplished official application form for permanent transfer with the following documents:

> a. Affidavits of the President or any Officer duly authorized by the Board of the Transferor and Transferee, or in case of single proprietorship, the owner or his duly authorized representative, attesting to the following:
>
> a. 1 That the company has no pending case filed against it regarding overdue liquidation of raw materials or outstanding penalties in the Bureau of Customs;
>
> a.2 That the company has no pending case filed against it regarding outstanding tax liability with the BIR.
>
> a.3 That Transferor and Transferee shall hold all the members of the GTEB Board and the officers and employees of the GTEB Secretariat free and harmless from all claims that may arise as a result of the transfer.
>
> b. Certification by the Transferor's Corporate Secretary of a Board Resolution or in case of single proprietorship, the owner or his duly authorized representative, authorizing the permanent transfer of its quota to the transferee.
>
> c. Certification by the Transferee's Corporate Secretary of a Board Resolution or in case of single proprietorship, the owner or his duly authorized representative authorizing the acceptance of the quota to be permanently transferred by the transferor and that the transferee has an existing capacity to produce the goods.

3. If the quantity to be transferred (cumulatively within a twelve (12) month period) represents more than 50% of the firm's total quota holdings for critical categories, the firm shall be required to obtain a clearance from the DOLE or post the notice for permanent transfer in the company's general bulletin board and publish the notice, at least once, in a newspaper of general circulation.

4. The Transferee must have complied with the re-accreditation requirements, per GTEB Memo Order No. 00-01 dated 14 January 2000.

5. The Transferor and the Transferee must have: a) no pending administrative case with GTEB; b) none of its major stockholders or principal officers suffer disqualification from transacting business with the Board; and c) that the company has no outstanding penalty or unpaid assessment fee.

6. The Transferor in a category shall not be entitled to any growth rate during the year when the transfer was made.

7. The Transferee shall be allowed to surrender the transferred EQ within three (3) months from the date of transfer with full restoration rights on the surrendered quantity.

8. The local value added (LVA) of the Transferee's performance against the transferred quota must be at least 34% of the FOB value and must meet the Industry Average LVA of the category in absolute value; otherwise firm shall be subject to the payment of an amount equivalent to 10% of the LVA shortfall.

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9. EQ permanently transferred will be in the form of EQ from the date of transfer. However, the same shall be subject to the rules on EQ restoration as well: as conditions #7 and 8 before it can be restored as EQ in the following year.

10. The GTEB shall evaluate and act on the application for permanent transfer within thirty (30) days from the date of submission of the complete application requirements.

11. Assessment fee of P50/doz.

12. The date of the approval of the permanent transfer shall be deemed as the date of effectivity of the transfer.

Adopted: 23 March 2000

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