

AMENDMENT TO LC AO-2K1-008-001 ON NFA SHIPPING CLEARANCE PRIOR TO LOADING OF RICE IN ANY WATER VESSEL INCREASING MINIMUM NUMBER OF BAGS SUBJECT THEREOF

NFA LETTER CIRCULAR NO. AO 2K2-01-001, January 21, 2002

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Pursuant to the powers granted to the National Food Authority under Presidential Decree No. 4 as amended, to devise and maintain a system for regularly obtaining information on current stock positions of rice, their prices and movements, this amendatory Letter Circular is hereby issued for the information and compliance of all concerned:

- All shippers of rice by means of water transport, whose volume is One Hundred Fifty (150) metric tons (i.e. 3,000 bags @ 50 kg net) and above, shall be required to apply to the nearest NFA office, for a NFA Shipping Clearance prior to loading. This covers rice of local and foreign origin. The application shall be accomplished in triplicate copies using the prescribed form stating among others the quantity, value, names of shipper and consignee.

For the purpose of this Circular, the term "water transport" shall mean and include, but not limited to vessel, boat, barge and other water crafts. Rice commodities could either be a full container load (FCL) and/or a less container load (LCL), which includes stocks loaded on trucks on board ferry boats.

- Both shipper and consignee should be duly licensed by NFA as wholesaler/transporter. In case the rice to be shipped are imported, the shipper/transporter should likewise be a licensed NFA importer and duly granted NFA Import Permit. If the shipper/transporter is not the direct importer and have just acquired/bought the commodities from another wholesaler or importer, he/she should possess documentary evidences such as Invoices issued by the seller/importer and the corresponding NFA licenses/permits of the same.

- Consignees of all rice shipments whether required a NFA Shipping Permit or not should be able to present for their protection. Sales Invoices and NFA licenses/import/shipping clearance when demanded by NFA investigators and/or other enforcement agencies. Absence of these documents or possession of spurious documents shall be a ground for seizure and detention and eventual forfeiture of stocks by the NFA in coordination with the Bureau of Customs and/or by other enforcement agencies in accordance with the procedures under the Constitution and the Tariff and Customs Code.

- To ensure adherence and compliance to quality, packaging and labeling standards under L/C No. AO-97-08-001 known as Phil. Grains Standards for Rice and Corn, all shippers are required to show samples of empty sacks (polypropylene or polyethylene bags/sacks) of rice to be shipped, before the NFA regional or provincial offices could issue the NFA Shipping Clearance.

- The NFA Shipping Permit which will be valid only for a period of fifteen (15) calendar days from date of issue, shall be given on a per shipment/transaction basis in four (4) copies. It shall be signed by the NFA Administrator or his duly authorized representatives before the rice shall be allowed to be loaded on the vessel, barge, boat, and

other water crafts. A shipper/transporter who shall ship out rice in succession (in a row), may secure the Clearance in advance provided that the details of shipments are known beforehand.

- All consignees of the shipped rice shall likewise be required to submit a report to the NFA Provincial Office having jurisdiction on the location where rice shall be discharged/unloaded, within twenty-four (24) hours from receipt of the goods, in triplicate copies using the prescribed form.
- The NFA Provincial Offices concerned when deemed necessary, shall conduct random inspection, whether at the shipper's warehouse or at the pier/port of loading and at the port of discharge or consignee's warehouse, of the stocks covered with a NFA Shipping Clearance.
- A fee of One Thousand Pesos (P1,000.00) shall be paid by the applicant/shipper to the NFA office issuing the NFA Shipping Clearance to cover the inspection and monitoring expenses and other administrative cost.
- The necessary forms shall be secured from the nearest NFA office.
- Rice shipments, whether of local or foreign origin, transported without the necessary Shipping Clearance shall, at the port of destination, be required to pay the required clearance fee.

In case of rice of foreign origin, however, shipper must be able to present documents that the rice were imported legally. Otherwise, the Bureau of Customs in coordination with NFA, shall apply the procedures of forfeiture under the Tariff and Customs Code. Forfeited imported rice in this case, shall not be subject to the usual shipping clearance fee.

Under all circumstances, payment of clearance fee is without prejudice to the imposition of administrative penalties and/or the filing of criminal charges as the evidence may warrant.

Non-compliance with this Circular shall subject the offender, upon conviction, to a punishment by imprisonment of not less than one month nor more than six months or a fine of not less than One Thousand Pesos (P1,000.00) nor more than Four Thousand Pesos (P4,000.00), or both such fine and imprisonment, at the discretion of the court pursuant to Section 29 (c) of the Presidential Decree No. 4. Provided however, that non-compliance with the rules, regulations, decisions, orders, circulars or directives does not constitute a higher offense under P.D. 4.

The offender may also be subject to administrative proceedings and payment of Four Thousand Pesos (P4,000.00) administrative fine and/or cancellation of his/her NFA license may likewise be imposed. The NFA may issue cease and desist orders pending the termination of the administration case.

If the violation is committed by a corporation, partnership or association, the penalty shall be imposed upon the President, Directors, Managers, Managing Partner, as the case may be, or other officials thereof, responsible for such violation.

Any provision or provisions of Letter Circular No. AO-2K1-08-001 dated August 7, 2001 which are inconsistent hereto are hereby amended or repealed accordingly.

This amendatory Letter-Circular shall take effect fifteen (15) days following its publication once in a newspaper of general circulation and filing with the UP Law Center.

Adopted: 21 Jan. 2002

(SGD.) ANTHONY R.A. ABAD
Administrator

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