

GUIDELINES AND PROCEDURES ON THE IMPOSITION OF PENALTIES PURSUANT TO LETTER CIRCULAR AO-2K2-12-001 AS AMENDED/MEMORANDUM CIRCULAR AO-2K3-12-002/MEMORANDUM CIRCULAR NO. AO-2K5-01...

NFA MEMORANDUM CIRCULAR NO. AO-2K5-12-001, December 05, 2005

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These guidelines and procedures are adopted to implement the provisions of Letter Circular AO-2k2-12-001 as amended/Memorandum Circular AO-2k3-12-002/Memorandum Circular No.AO-2k5-01-001/Memorandum Circular AO-2k5-11-003 and other circulars/regulations on the Farmers As Importers (FAI)/Private Sector Rice Importation Program that may hereafter be promulgated, particularly the penalty provisions:

I. Cargo still in the custody of the Bureau of Customs (BOC):

1. BOC shall require the importer (Farmers' organization or other sector) to present proof of payment of corresponding penalties (NFA Official Receipt) within three (3) banking days from date of arrival of rice cargo.
2. Failure of the importer to present proof of payment within the prescribed period, BOC shall hold shipment corresponding to the ten percent (10%) and/or the corresponding graduated rate of the landed cost of cargo depending on the violations committed by the importer or the total cargo if the violation committed is the late arrival of imported rice beyond the deadline date. The BOC shall immediately notify the NFA field office concerned in writing indicating therein the name of importer, quantity of rice imported, actual date of arrival, name of vessel, invoice price, port of discharge and quantity withheld as well as provide NFA a copy of the bill of lading, commercial invoice and surveyor's certificate, if any.
3. NFA shall within 24 hours, if possible, from the receipt of written notice/advice, commence the withdrawal and transfer of rice cargo to the nearest NFA warehouse for storage.
4. NFA shall properly receive the rice cargo from the BOC District Collector or his authorized representative and the importer or his duly authorized representative indicating the volume i.e number of bags.
5. NFA shall hold the rice until penalty and all expenses related to transfer are settled by the importer as evidenced by the NFA Official Receipt which should not exceed a period of 30 calendar days from the final transfer of stocks. After which, said cargo shall be forfeited in favor of NFA. However, the total rice cargo which was forfeited because of late arrival beyond the deadline date shall automatically be under the accountability of NFA and shall follow the procedures in documenting the receipt thereof e.g. issuance of Warehouse Stock Receipt (WSR), etc.
6. The importer may, within 30 days from receipt of rice shipment by NFA , settle the penalty (except for the total cargo forfeited in favor of NFA and automatically under its accountability representing the penalty for the late arrival beyond the deadline date) and transfer cost under the following mode of payment.
 - a. Cash
 - b. Manager's check

c. Demand Bank draft

7. It is advisable that the Manager's check/Demand Bank draft shall be issued preferably by LBP, PNB, PCIB, Metro Bank or Banco de Oro since the NFA accounts are maintained in the aforesaid banks, thus, clearing transactions are facilitated.

8. Storage shall be free for a period of 30 days reckoned from final transfer of cargo.

9. However, if the importer pays his dues to the NFA within the 30 day free storage period but had not withdrawn or had partially withdrawn the stocks during the prescribed period, the remaining stocks at the warehouse shall be subject to a storage fee of P0.50 per bag per day.

10. If upon the lapse of the 30 day grace period the importer failed to pay his dues, the forfeited stocks shall be under the accountability of the NFA and shall thereafter follow the procedures in documenting the receipt thereof e.g. issuance of WSR, etc., similar to the documentation of the total rice cargo forfeited in favor of the NFA.

11. The NFA shall dispose of the stocks including the total rice cargo forfeited in favor of the NFA through the usual mode of disposition.

12. The Department of Marketing Operations, shall provide BOC and BRD with the name/ lists of importers who failed to comply with the submission of advance information and use of loadport/disport surveyor/s.

II. Shipment already released by BOC:

Upon receipt of notice from BOC that the rice shipment is no longer in their custody, BRD shall refer the matter to the Department of Legal Affairs (DLA) for collection and/ or such other legal activities that the NFA may deem appropriate.

These guidelines and procedures on the imposition of penalties shall take effect immediately.

For strict compliance.

Adopted: 05 Dec. 2005

(SGD.) GREGORIO Y. TAN, JR.

Administrator

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