AUTHORIZING THE PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC) TO OPERATE AS A CUSTOMS BONDED WAREHOUSE SOLELY FOR THE PURPOSE OF IMPORTING SUGAR FOR FOOD EXPORTERS

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WHEREAS, the Export Development Council as provided under RA 7844 shall mandate specific departments and agencies to attend to the bottlenecks and problems constraining the development of exports;

WHEREAS, streamlining export procedures and documentation has been identified as one of the strategies to create a favorable environment for export promotion;

WHEREAS, food exporters are suffering from the long-standing problems on the supply, unstable price and quality of domestic sugar compelling them to import tax and duty-free through Customs Bonded Warehouses;

WHEREAS, the Sugar Regulatory Administration (SRA), Export Development Council (EDC), Bureau of Customs (BOC), Philippine International Trading Corporation (PITC), and Philippine Exporters Confederation (PHILEXPORT), the EDC accredited organization, agreed to allocate annually a minimal volume of sugar for food exporters through the PITC Bonded Warehouse;

WHEREAS, the PITC is a corporation duly organized and existing under the Department of Trade and Industry and by virtue of the laws of the Philippines mandated to assist exporters to enhance export performance.

NOW, THEREFORE, I, JOSEPH M. EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The PITC shall operate a Special Customs Bonded Warehouse (SCBW) solely for the importation of refined sugar by food exporters, the operating guidelines of which is attached as Annex A;

SECTION 2. The SRA shall allocate annually the volume of sugar to be imported for processed food exporters through the PITC;

SECTION 3.The creation of the Committee on Sugar Importation for export which shall be composed of the EDC, PITC, BOC, SRA, and PHILEXPORT with the following functions:

1. Monitor importation and liquidation of sugar used by processed food exporters;
2. Accredit processed food exporters for the purpose of using the PITC-SCBW; and
3. Recommend revisions in the procedures for importation.

IN WITNESS WHEREOF, I have hereunto set my hands and caused the seal of the Republic of the Philippines to be affixed.

Adopted: 28 Oct. 1999

By the President:

(SGD.) RONALDO B. ZAMORA
Executive Secretary

ATTACHMENT:

PITC-SPECIAL CUSTOMS BONDED WAREHOUSE FOR THE IMPORTATION OF REFINED SUGAR FOR FOOD EXPORTERS OPERATING GUIDELINES

I. OBJECTIVES

A. To facilitate the access of duty-free imported refines sugar into the Customs Common Bonded Warehouse (CCBW) for use of processed food exporters;

B. To ensure compliance with governmental rules and regulations on the use of CCBW for imported refined sugar;

C. To define functions and responsibilities of all concerned agencies and offices; and

D. To monitor the importation and liquidation of refined sugar imported under the Special Customs Bonded Warehouse (SCBW) to be operated by the PITC.

II. QUALIFIED IMPORTERS

Processed food exporters are qualified refined sugar in the following manner

A. PITB-CBW accredited Members of good standing

PITC-CBW Accredited processed food exporters are those who passed the BOC rules and regulations on standard accreditation. Processed food exporters who are PITC-SCBW accredited with must also sign pertinent service agreement with the PITC.

B. Accredited Members of other Customs Bonded Warehouse of good standing (i.e. PHILEXPORT, PHILFOODEX, etc.) provided that such warehouse or processed food exporters have not been blacklisted by the BOC and provided further that said warehouse is still operational.

C. Processed food exporters who operate their own Private Bonded Manufacturing Warehouse (PBMW) upon the approval of the Committee.

D. Subcontractors who directly supply processed food products to processed food exporters provided that direct importation from PITC should be done by the subcontractor's qualified processed food exporter.

III. KEY RESPONSIBILITIES

A. PHILIPPINE EXPORTERS CONFEDERATION, INC. (PHILEXPORT)

1.Provide PITC the list of qualified processed food exporters/members of good standing who will be importing refined sugar under this scheme together with updated company profile and list of key officers, their contract numbers and addresses;

2. Coordinate with SRA quantity of imported refined sugar required by processed food exporters;

3. Provide financing thru Export Bank to PITC, when necessary, for PITC to support the required amount of refined sugar to be imported;

4. In collaboration with PITC, ensure liquidation of the imported refined sugar with the Bureau of Customs (BOC) in accordance with existing regulations and within the prescribed period; and

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5. Ensure compliance by all accredited members/exporters of rules and regulations issued by competent authorities including PITC relative to the scheme

B. SUGAR REGULATORY ADMINISTRATION

1. Establish the sugar requirements of all processed food exporters;

2. Issue clearance to PITC for the imported refined sugar required by processed food exporters, the quantity of which as determined by PHILEXPORT, prior to release of the sugar from the BOC;

3. Monitor the liquidation of such imported refined sugar; and

4. Issue pertinent sugar orders necessary to facilitate/implement this refined sugar importation scheme

C. BUREAU OF CUSTOMS (BOC)

1. Supervice and monitor operations of PITC-SCBW for the importation of refined sugar for food exporters;

2. Ensure compliance by all concerned of BOC rules and regulations pertinent to refined sugar importation;

3. Ensure liquidation of imported refined sugar in accordance with existing regulations; and

4. Cooperate and coordinate with PITC on matters pertaining to the refined sugar importation for food exporters

D. PHILIPPINE INTERNATIONAL TRADING CORP. (PITC)

1. Provide its Special Customs Bonded Warehouse facility for the refined sugar importation of processed food exporters as authorized by competent authority;

2. Provide refined sugar sourcing or procurement services and other allied services (i.e. brokerage, financing, etc.) for the food exporters per their requirements subject to such guidelines and conditions as may be drawn up between the entities concerned; and

3. Coordinate with concerned with concerned participating agencies; PHILEXPORT, SRA, EDC and BOC on the operations of the SCBW and the refined sugar importation scheme herein established;

4. Request financing, when necessary, from the PHILEXPORT thru the export Bank to finance the required amount of refined sugar to be imported;

IV. PROCEDURES

A. Qualified processes food exporter shall coordinate with PHILEXPORT re the amount of refined sugar they need;

B. PHILEXPOPRT shall endorse the amount of refined sugar required by the qualified processed food exporter to PITC;

C. SRA shall issue clearance to PITC prior to release of the import refined sugar from the BOC;

D. PITC shall release the refined sugar to the qualifiered processed food exporters or to his bonded warehouse;

In coordination with the BOC, the PITC could also effect deliveries of imported refined sugar of food exporters from PITC-SBW to their respective PMBW’s which shall be considered as constructive exports or bonded-to-bonded transfer to food exporters.

E. After exporting the processed food products, the exporters shall liquidate his importation with the BOC. However, the ultimate liquidation of the imported refined sugar shall therefore be the responsibility of the

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CCBWs and PMBWs concerned.

F. PITC shall, upon transfer or delivery of the imported sugar to food exporters and upon presentation of relevant/required documents to BOC, be deemed to have constructed liquidated the original import entry; and

G. PITC shall submit report on the importation and liquidation to the Committee on Refined Sugar Importation for Processed Food Exporters composed of the EDC, BOC, PITC SRA and PHILEXPORT.

V. PITC REQUIREMENTS FOR REFINED SUGAR IMPORTATION

A. PITC-SCBW will only accept and handle applications to import refined sugar which shall be used by processed food exporters and/or their subcontractors to service existing export orders with no legal impediments subject to existing rules and regulations.

B. PITC shall source the refined sugar using PITC's own suppliers PHILEXPORT processed food exporters, or subcontractors recommend suppliers and the quantity/volume shall be based on the schedules submitted. Suggested minimum volume is one (1) boatload or 5,000 metric tons;

C. Should PITC opt to finance refined sugar importation, PITC's financing terms, payment terms, and other related conditions shall be subject to mutual agreement with concerned parties and on a case-to-case basis. However, should PITC opt to ask for financing, it shall ask PHILEXPORT thru PITC to finance their refined sugar importations;

D. The refined sugar importation shall be processed/coursed thru PITC's special CBW per BOC's rules and regulations and in accordance with the guidelines herein adopted.

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