

REVISED GUIDELINES ON THE IMPOSITION OF INTEREST AND PENALTY CHARGES

PPA ADMINISTRATIVE ORDER NO. 10-2000, September 25, 2000

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/bd12c53655a0/>

1. AUTHORITY

1.1 Section 6(a)(iii) of Presidential Decree No. 857

1.2 Section 22 of Presidential Decree No. 857

2. COVERAGE - This guideline shall cover all trade transactions of the Authority. It shall likewise be applicable to transactions covered by contract, agreement, undertaking or the like unless the manner and rate of interest and penalty charged are specifically provided otherwise.

3. DEFINITION OF TERMS

3.1 Cash and Carry System is a collection system in which payment is made by the party primarily liable (the Shipping Line, the Shipper or the Consignee) in cash, manger's/cashier's check or PPA pre-approved company check prior to withdrawal of cargoes from the port/loading of cargoes unto vessel for charges against cargoes or before issuance of departure clearance for charges against vessel.

3.2 Cash and Carry System with Cash Revolving Deposit is a variant of the cash and carry system where the party primarily liable (the Shipping Line, the Shipper or the Consignee) maintains a cash revolving deposit with PPA equivalent to its/his one month transaction volume and replenished any time the remaining balance is no longer sufficient to cover the amount of transaction in process.

3.3 Centralized Collection System for Oil Companies is prescribed specifically for this industry where the oil company maintains a cash revolving deposit with PPA and payment for both loading and unloading wharfage dues are paid at the loading port and due on the 10th and 25 of the month for companies with 15-day cash revolving deposit or every 25th day of the month for the companies with 30-day cash revolving deposit.

3.4 Modified Cash and Carry System is an alternative collection system where the party availing (party acting as representative of its client-shippers/consignees) has complied with the posting of fixed cash deposit equivalent to 3-day transaction volume and other requirements of the system and given the privilege to pay one a per vessel per voyage basis within a period of three (3) working days from date of vessel departure.

4. RATE AND RECKONING DATE OF INTEREST CHARGES

4.1 An interest charge at the rate of Twelve Percent (12%) per annum shall be imposed reckoned from the day specified hereunder:

4.1.1 For port charges and cargo handling charges collected on cash and carry system, the reckoning date shall be upon withdrawal/loading of cargoes or departure clearance of the vessel.

4.1.2 For port charges and cargo handling charges collected on cash and carry system with cash revolving deposit, the reckoning date shall be upon withdrawal/loading of cargoes or departure of the vessel based on the

amount not covered by the remaining balance of the cash revolving deposit.

4.1.3 For port charges and cargo handling charges collected under the modified cash and carry system, the reckoning date shall be three (3) working days after the date of departure of the vessel.

4.1.4 For wharfage dues collectible from the oil companies, the reckoning date shall be the due date as provided in Sec. 3.3 hereof based on the amount covered by the remaining balance of the cash revolving deposit.

4.1.5 For rental charges, fixed and variable fees or percentage government share under the remittance system, other fees, charges and claims which are covered by a contract, agreement or undertaking, the reckoning date shall be the due date as provided in those documents.

4.2 Formula:

Interest Charge = Principal x 12% x No. of Days
360

5. RATE AND RECKONING DATE OF PENALTY CHARGES

5.1 A penalty charge shall be imposed at the rate specified below and reckoned from the day the account becomes due and payable as provided in Sections 4.1.1 to 4.1.5 hereof.

5.1.1 A flat rate of 25% for an account which remains unpaid for one (1) up to thirty (30) calendar days

Formula: Penalty Charge = Principal x 25%

5.1.2 Additional penalty of 50% per annum if the account still remains unpaid after thirty (30) calendar days

Formula : Penalty Charge = (Principal x 25%) + (Principal x 50% x No. of Days - 30)
360

6. IMPOSITIONS ON OLD ACCOUNTS/ASSESSMENTS - All receivables or assessments which are outstanding or unpaid as of the effectivity date of this Administrative Order shall be charged interest of 12% per annum and penalty charges at the old rate of 12% per annum until fully paid.

7. AUDIT ASSESSMENTS - The reckoning date for the imposition of interest and penalty charges on all accounts under audit shall be as provided in the preceding sections.

8. BOOKING OF INTEREST AND PENALTY CHARGES

8.1 Unlike the basic charge which is recorded on accrual basis, interest and penalty charges shall be recorded in the books of accounts upon collection thereof, retroactively computed in accordance with Sections 4, 5 and 6 hereof.

8.2 To ensure total awareness by the port user of this imposition, all Computation Sheets, Bill of Charges, assessment notices and the like shall bear a bold printed notation which reads as follows:

"Subject to 12% p.a. interest charge plus 25% + 50% p.a. penalty charge"

8.3 The Statement of Account periodically issued for unpaid accounts shall include the computation of estimated interest and penalty charges as of the end of that month.

9. SEPARABILITY CLAUSE - If, for any reason, any section or provision of this Order is declared to be invalid, the other sections or provisions which are not affected shall continue to be in full force and effect.

10. REPEALING CLAUSE - This Administrative Order revokes the following orders:

10.1 PP Administrative Order No. 02, Series of 1982 - Guidelines on the Imposition of Uniform Interest & Penalty Charges on Late Payment of Port Dues and Other Charges

10.2 PPA Administrative Order No. 02, Series of 1984 - Amendment to PPA Admin. Order No. 02-82

10.3 PPA Administrative Order No. 01, Series of 1987 - Amendment to PPA Admin. Order No. 02-84

10.4 PPA Administrative Order No. 01, Series of 1991 - Addendum to Guidelines on the Imposition of Interest & Penalty Charges under PPA Admin. Order No. 08-82

It likewise repeals, amends or modifies all orders, regulations, circulars and other issuances which are inconsistent herewith.

11. EFFECTIVITY - This Administrative Order shall take effect 60 days after publication in the Official Gazette and in a newspaper of general circulation.

Within this 60-day period, the PDOs and PMOs shall meet and/or delivery copy of this Administrative Order directly to their regular port users, the shipping lines, liner representatives, harbor pilots, cargo handling operators, contractors, lessees and others.

For strict compliance.

Adopted: 25 Sept. 2000

(SGD.) JUNA O. PEÑA
General Manager

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.