

IMPLEMENTATION OF THE CASH AND CARRY SYSTEM, RESTRICTED EXTENSION OF CREDIT, COLLECTION OF OUTSTANDING ACCOUNTS RECEIVABLE AND IMPOSITION OF INTEREST AND PENALTY CHARGES

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This Office reiterates that, as a general rule, all PPA charges, dues and fees shall be collected on a Cash and Carry Basis in accordance with the provisions of Sec. 22 and 23 of PD 857. This policy was aimed to prevent and minimize the accumulation of arrears in port charges due to the PPA from the port users. In line with this, effective 15 October 2001 the following guidelines are hereby adopted:

A. At Government Port

1. Charges against Vessels must be paid upon departure;
2. Wharfage Dues must be paid upon loading/unloading of cargoes;
3. Storage Charges must be paid upon withdrawal/loading of cargoes;
4. PPA Share from Arrastre & Stevedoring Income before loading/unloading of cargoes;
5. PPA Share from Water and Water upon application;
6. Imported, homogenous cargoes (livestocks, rice, fish, etc) must be paid before first withdrawal of cargoes;
7. PPA Share from Pilotage Income must be paid upon clearance; and
8. Others, upon demand.

B. At Private Port

1. All Third Party cargoes must be paid upon application of Permit to Load;
2. Charges against Vessels must be paid upon clearance;
3. Charges on cargoes must be paid upon clearance of vessel;
4. PPA Share from Arrastre & Stevedoring Charges on Third Party cargoes must be paid upon application of Permit to Load.
5. PPA Share from Pilotage Income must be paid upon clearance; and
6. Other port charges, upon demand.

C. Cash Revolving/Guaranty Deposit

1. In cases when accounts receivable can not be avoided and the Cash and Carry is not operationally feasible, the posting of the Cash Revolving Deposit (CRD) is required; and
2. There should be a separate CRD for each port charge (Water, Wharfage, Power, Rental, Storage, etc.)

D. Interest and Penalty Charges

In line with the Authority's commitment of 100% Collection Efficiency Ratio by CY 2002, all port users with Guaranty/Cash revolving Deposit are hereby informed of the strict implementation of the imposition of interest and penalty charges in accordance with PPA AO 10-2000:

1. Payments received starting 15 October 2001 will be applied first to the Interest and penalty charges on all outstanding accounts after guaranty deposit has been applied;
2. The balance will then be applied to the principal based on a First In-First Out Basis. The imposition of interest and penalty charges will therefore decrease the payments to be applied on your accounts. It does not guaranty therefore that payments will be credited in full to the Bills attached to your Vouchers; and
3. A computation of the interest and penalty charges will be attached to the Official Receipt for your reference.

The PMO can not extend this privilege to port users with accounts over 60 days and/or Prior Year (PY) accounts.

For guidance and strict compliance.

Adopted: 09 Oct. 2001

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