

REVISED RULES AND REGULATIONS TO GOVERN LICENSING, BALING, TAGGING, MARKING, INSPECTION, CERTIFICATION AND SHIPMENT OF PHILIPPINE COMMERCIAL FIBERS

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Pursuant to Section 8 of Executive Order No. 709 dated July 27, 1981, and Executive Order No. 116 dated January 30, 1987 creating the Fiber Industry Development Authority to promote the integrated growth and development of the natural fiber industry (except cotton) in all its aspects, the revised rules and regulations to govern licensing of industry participants and baling, tagging, marking, inspection, certification and shipment of Philippine commercial fibers are hereby promulgated for the information and guidance of all concerned.

CHAPTER I

Definition of Terms

SECTION 1. Terms Used — as used in these rules and regulations, the following words or terms shall be construed as indicated herein:

1. "Abaca" — refers to the commercial fiber extracted from the plant known scientifically as *musa testiles*;
2. "Authority" — refers to the Fiber Industry Development Authority;
3. "Administrator" — shall refer to the Head of the Fiber Industry Development Authority (FIDA);
4. "Bale" — refers to the volume and manner of packing the fiber traded commercially as prescribed in Chapter III, Section 4 hereof;
5. "Buying Station" — shall refer to the establishment buying for and supplying fibers to mother company, whether a GBE, a processor or a trader;
6. "Complaint" — refers to the sworn written statement charging a person, corporation, partnership or association with an offense and subscribed to by the complainant or by his/her duly authorized representative;
7. "Fiber" — shall refer to any indigenous fiber derived from plants or from animals, such as hairs, feathers, and silk. It shall be denominated and interpreted according to its common and commercial significance and not its scientific nomenclature;
8. "Fiber Industry" — shall refer to the commercial production or culture, marketing, grading, baling, processing or manufacturing of fibers, including such activities as are related thereto;
9. "Finished" or "Semi-Finished Products" — shall refer to any article of commodity which contains 25% or more commercial fibers in weight or volume;
10. "Foreign Matter" — shall include, but not limited to, dust, dirt, plastic, stone which are extraneous or foreign to fiber;
11. "GBE" — shall refer to a firm engaged in buying, grading/baling and selling commercial fibers for domestic and/or foreign consumption fully equipped with the required equipment, facilities, and manpower;
12. "GBE-Processor" — refers to a firm engaged in buying, grading/baling and selling commercial fibers for

domestic and/or foreign consumption fully equipped with the required equipment, facilities, and manpower and at the same time processing/manufacturing fibers or semi-finished fiber-based into finished product including converters of semi-finished or finished fiber-based products into another form;

13. "Grade" — shall refer to the designation of fiber quality according to the established government standard thereof;

14. "Inspection" — shall refer to the process of verifying the conformity of baled fibers with established government standard on grading, tagging, marking, pressing and weight measurement of fiber bales;

15. "Inspector" — refers to the FIDA inspector or any other FIDA personnel duly authorized to inspect fibers;

16. "Local Trader" — shall refer to any person, juridical or natural, engaged purely in buying and selling fibers for domestic consumption;

17. "Loose Fibers" — refers to the unclassified, unbaled, unbundled, and uninspected fiber;

18. "Order" — refers to the FIDA Administrative Order;

19. "Person" — shall refer to any natural or juridical person such as corporation, partnership, single proprietorship or association, cooperative, including foundation or any group of persons having common interest;

20. "Processor" or "Manufacturer" — refers to industrial firm engaged in the processing or manufacturing of fibers or semi-finished fiber-based products into finished products including converters of semi-finished or finished fiber-based products into another form;

21. "Statement of Violation" — shall refer to a written statement charging a person, corporation, partnership or association with an offense, duly signed by the deputized Enforcement Officer of the Region or Province where the offense was committed;

22. "Station" — municipality or city where the fiber establishment is located;

23. "Trader-Exporter" — shall refer to any person, juridical or natural, engaged in buying and selling commercial fibers either for domestic or foreign consumption.

SECTION 2. Abbreviations Used. — The following abbreviations used in this Order shall mean as indicated hereunder:

G.B.E. > Grading Baling Establishment
O.K. Bales > Inspected and Approved Bales
I.C. Bales > Inspected and Condemned Bales
C.C.N. > Classifier's Control Number
I.C.N. > Identification Control Number of Fiber Inspector
FIDA > Fiber Industry Development Authority
A.O. > FIDA Administrative Order
R.O. > FIDA Regional Office
P.T.F. > Permit to Transfer Fibers
A.T.E. > Authority to Export
C.C. > Commodity Clearance
P.C.F.I. > Primary Certificate of Fiber Inspection

CHAPTER II

Licensing

SECTION 1. Person Required to Secure License . — Any person engaged in any of the following activities is required to register and secure a license with the Authority:

1. Grading and baling whether for domestic or foreign consumption;
2. Buying and selling commercial fibers for domestic and/or for foreign consumption;
3. Buying fibers for their mother companies;
4. Processing/manufacturing fibers into semi-finished or finished fiber-based or finished fiber products whether for domestic or foreign consumption;
5. Converting semi-finished or finished fiber products into other forms;
6. Classifying commercial fibers at grading baling establishments (GBE's), Class A Traders, or at processing or manufacturing plants.

SECTION 2. Application for Original License. — An applicant shall secure an application form prescribed by the Authority and shall file the same at the FIDA Provincial Office having jurisdiction over the area.

GBEs or processors operating in more than one area or with two or more branches, shall secure a license for each area of operation. In case of buying stations of a mother company, each shall secure a separate license.

A fiber trader who puts up a separate bodega for his fiber trading in another region shall secure a separate license from the region where the bodega is situated.

SECTION 3. Requirements for the Issuance of Licenses . — Upon filing of the duly accomplished application form, the applicant must comply with the following:

1. Documentary Requirements — Submit authenticated copies of the following:

a. Corporation

d. Cooperative

(1) SEC Registration Certificate

(1) Certificate of Registration by the Cooperative Development Authority (CDA)

(2) Company profile with complete list of officers

(2) Tax Clearance

(3) Tax Clearance

3) Mayor's Permit

(4) Mayor's Permit

(4) Company profile with complete list of officers

b. Partnership

In case of a buying station, certification from concerned mother company that such station is its authorized buyer.

(1) SEC Registration Certificate

e. Classifiers

(2) Tax Clearance

(1) Certificate of good moral character by the Barangay Captain of the barangay where he resides

(3) Mayor's Permit

(2) He must have passed the practical examination on fiber classification and grading given by the Authority

(4) Company profile with complete list of officers

c. Sole Proprietorship

(1) Certificate of Registration by the Bureau of Trade Regulation and Consumer Protection (optional for trader applicants in far-flung barangays)

(2) Tax Clearance

(3) Mayor's Permit

2. Equipment, Facilities and other Requirements: Each establishment must have in its bodega the following equipment, facilities and other requirements

a. Grading Baling Establishments (GBEs)

(1) One [1] metric weighing device with certificate of periodic calibration by the LGU or by the Municipal and/or City Treasurer's Office;

(2) At least one [1] baling press;

(3) For abaca, a minimum floor area of 850 square meters for classification work and storage. For other fibers, any area sufficient to fill customary classification and storage requirements maybe considered adequate;

(4) A necessary storage space with segregating partition for other commodities in case the same are also stored in the same warehouse; and

(5) At least one [1] licensed classifier

b. Buying Stations

(1) Certification from mother company that such buying station is under it;

(2) At least one [1] metric weighing device with certificate of periodic calibration by the LGU or by the Municipal and/or City Treasurer's office;

(3) Sufficient storage space for fibers with segregating partition in case other commodities are also stored in

the same warehouse.

c. Trader-Exporters

- (1) At least one [1] metric weighing device with certificate of periodic calibration by the LGU or by the Municipal and/or City Treasurer's Office;
- (2) Sufficient storage space for fibers with segregating partition in case other commodities are also stored in the same bodega;

d. Local Trader

- (1) At least [1] metric weighing device with certificate of periodic calibration by the LGU or by the Municipal and/or City Treasurer's Office;
- (2) Sufficient storage space for fibers with segregating partition in case other commodities are also stored in the same bodega;
- (3) Additional requirements for Class A Traders who are classifying, grading and are supplying fibers to processors:
 - a) A minimum floor area of 250 square meters for classification and storage;
 - b) At least one [1] manual pressing device; and
 - c) Employment of at least one [1] licensed classifier.

e. Processors

- (1) Sufficient storage space for fibers with segregating partition in case other commodities are also stored in the same warehouse;
- (2) At least one [1] metric weighing device with certificate of periodic calibration by the LGU or by the Municipal and/or City Treasurer's Office;
- (3) Employment of at least one [1] licensed classifier in case the applicant will utilize uninspected fibers; and
- (4) Simple written description on how the fibers are to be utilized.

SECTION 4. Establishment Number. — Each GBE applying for an original license shall be assigned its own exclusive establishment number by the FIDA Central Office. Establishment numbers for other applicants for original license shall be assigned by the Regional Office having jurisdiction thereon.

SECTION 5. Registered Mark. — Each applicant shall include in his application his own distinctive mark consisting of not more than three [3] letters, preferably the initial of the firms or person who owns or operates the establishment. The Regional Office shall register the same if it has no similarity with the registered mark of other licensees in the same region. Otherwise, it shall be returned to the applicant for proper substitution of the proposed registered mark.

Establishment owned or operated by the applicant or jointly operated with another shall have only one registered mark.

No change in the registered mark of any licensee shall be made unless requested by the licensee concerned and officially approved in writing by the Administrator. The application for changing a registered mark shall be filed at least two (2) months prior to the date the new mark is intended to be used.

The registered mark and establishment number of a licensee who fails to renew his license after one (1) year from

the expiration thereof may be cancelled without prior notice.

SECTION 6. Issuance of Original License. — A license shall be issued after the application requirements have been carefully evaluated and reviewed by the Licensing Officer of the province having jurisdiction of the applicant and approved by the Director or his authorized representative. In case the application and requirements are incomplete and/or deficient, the same shall be returned to the applicant concerned for completion. Re-evaluation shall be done within three (3) days upon submission of the completed requirements and the issuance of the license shall be made within 24 hours thereafter.

SECTION 7. Expiration of Original License and Renewal. — All licenses issued under these rules and regulations shall automatically expire one year after the date of issuance. A licensee desiring to continue in the activity for which he has been issued a license shall, before the expiration of such license file an application for renewal thereof and submit the Annual Report of Operation for the preceding year.

Late renewal of license shall be charged the penalty as indicated in Chapter V, Sec. 3 hereof. A licensee who fails to renew his license after six months from the expiration thereof due to non-operation of his establishment may apply for an original license if he intends to continue with his business provided that he executes an “affidavit of his non-operation” which shall be submitted with his application.

SECTION 8. Grading Baling Establishments (GBEs), Buying Stations, Trader-Exporters, Processors and Traders Required to Have Identification Signboard and Price Bulletin. — All GBEs, Buying Stations, Trader-Exporters, Processors and Traders are hereby required to hang in a conspicuous place on the exterior wall of their establishments a signboard measuring 60 cm. x 38 cm. bearing the name or business name appearing in their license viz, :Licensed GBE” or “Licensed Processor” as the case maybe, the establishment number, and the registered mark of the licensee as illustrated in Appendix A.

All licensees except classifiers, are required to post daily their buying prices in a conspicuous place in the establishment/bodega.

SECTION 9. Suspension/Cancellation of License and/or Offenses. — The following violations are grounds for suspension/cancellation of license:

- a. Failure to provide the required identification signboard and/or the necessary partition to separate the fiber from other commodities;
- b. Failure to maintain minimum facilities, equipment and personnel necessary to carry out the proper grading and baling of fibers;
- c. Failure to pay the required service fees;
- d. Allowing another person to operate licensed grading establishment except under Chapter III, Section 5 hereof;
- e. Changing, obliterating, or counterfeiting, in whole or in part, the official mark or the establishment’s registered mark, or the letter designation of any grade, or otherwise tampering with the tag of any bale of fiber which has been duly inspected and approved, or causing or knowingly allowing another to do the same;
- f. Tampering with or altering the quality and/or quantity of the fibers contained in any bale already inspected and approved, and duly stamped as such;
- g. Counterfeiting the official grade and ICN stamps of the government or using the official government grade and ICN stamps without proper authority;

- h. Employing classifiers in the licensee's establishment without the required license;
- i. Knowingly misdeclaring the province of production of fibers;
- j. Delivering/selling by GBE of fiber that have not been graded and inspected by FIDA;
- k. Knowingly misclassifying or misgrading fibers, or knowingly consenting to do the same;
- l. Transporting/shipping fibers without Permit to Transport Fibers;
- m. Non-submission of fibers for inspection (for GBE and Class A traders) as prescribed in Chapter III, Section 7 hereof.
- n. Non-renewal of license to engage in grading and baling, trading, processing, and classifying within the prescribed period;
- o. Processing/manufacturing by industrial forms of fibers that have not been officially inspected and/or certified by the FIDA;
- p. Refusal to allow FIDA authorized representative free access to the bodega or warehouse.

CHAPTER III

Baling, Tagging, Marking and Inspection of Fibers

SECTION 1. Qualitative and Quantitative Control of Fibers . — No fiber with official standard may be consumed locally or exported from the Philippines in any quantity without first being graded, baled and inspected, and duly approved and/or certified by authorized fiber inspectors. However, in case of fibers owned by fiber processors for domestic utilization, baling is optional.

SECTION 2. Assignment of Lot Numbers. — Before baling, a lot number shall be assigned to each kind of fiber from the same province with same type of cleaning (e.g. handstripped or spindle-stripped). Each lot of fiber may consist of several grades:

A separate lot number shall also be assigned to each of the following:

1. Fibers to be baled for other person under Chapter III, Section 5 hereof;
2. Fibers reclassified from inspected but condemned bales (I.C. Bales); and
3. Fibers reclassified from previously approved bales (Reclass from OK bales)

Each fiber lot, shall be numbered consecutively without repetition unless otherwise ordered by the Administrator or his representative. The number assigned to a particular lot of fiber in any establishment shall not run for over a month. A new lot number shall be issued immediately after the closing of a given lot.

SECTION 3. Supervision of Baling Operations . — A Fiber Inspector assigned to GBE shall supervise the sorting, classification and grading of fibers and shall conduct his own examination of fibers in the “langarillas”, or as the fibers are laid for weighing preparatory to baling. During such process, the Fiber Inspector shall see to it that the fibers are free from foreign matters and that classification and grading thereof conform with the official standards. In case a defect is found in the hanks, the same should be segregated for reclassification and regrading.

SECTION 4. Baling of Fibers . — All fibers shall be baled in this manner:

1. Every bale of fiber shall contain only dry fibers of the same kind of cleaning, grade and province of origin. The fibers must, more or less, be of the same length and free from plastic and other foreign matters.
2. In case of fibers tied into hanks, no hank shall be more than ten (10) centimeters nor less than five (5) centimeters in diameter at the butt or head, except in the case of buntal fiber where such hanks may be less

than five (5) centimeters in diameter at the butt or head. The strand used in tying the hanks shall be of the same kind and grade as the fiber forming the hank and each strand shall not be knotted.

3. Unless otherwise provided herein, each bale shall have an approximate dimension of 100 centimeters by 55 centimeters by 60 centimeters (100 cm. x 55 cm. x 60 cm.) with a net weight of 125 kilograms immediately after pressing.

A GBE which possesses the necessary facilities may press fiber in bales of 250 kilograms net weight with a volume not exceeding 0.6 cubic meter. However, it shall be considered the equivalent of two bales and recorded as separate lot number.

4. Unless otherwise specified herein, each bale of fiber shall be securely bound by a material of the same grade as the baled fiber which shall not be less than seven (7) ties crosswise nor less than three (3) ties lengthwise. To hold the bales in their regular size, the second, fourth and sixth crosswise ties may be doubled. The extreme ties shall not be closer than ten (10) centimeters from the edge of the bale. The fiber binding materials one each bale shall not weigh more than one kilogram.

Cotton, kapok and salago fibers shall be bound by six (6) crosswise steel bands. Extreme bands shall not be less than ten (10) centimeters to the edge of the bale.

5. Hanks of abaca and other long fibers such as Agave species, ramie, and kenaf shall not be divided in two or three parts but shall be folded once or twice to keep the fibers together before they are laid straight in the press box the heads or butts of the hanks in one row alternating with the tips of the hanks of the next row until the bale is completed. The hanks shall be packed such that the tips of one layer doubles back over the butt of the layer of hanks beneath, and so on.

GBEs may also press bales in such a manner that three or four hanks of fibers are laid straight side by side in the press box at the middle of the lower press block “cojin”, the ends of which are laid apart from the inner end-side of the press box. The remaining portion of the hanks shall be coiled along the opposite end-side and along the sides of the press block encircling the butt ends until the entire length of the hanks is so coiled. The subsequent layer of hanks shall similarly be arranged with the butts or head on the opposite side of the layer of hanks below, until all the hanks composing the bale are so placed in the press box.

6. Buntal fibers shall be tied into hanks of two (2) to three (3) centimeters in diameter and the tie shall not be less than eight (8) nor more than ten (10) centimeters from the butt end of each hank.

The hank shall be bent at the tie and it shall be bound together with not less than three (3) ties to prevent the fibers from falling. The hanks shall be laid straight full length in the bale and in layers, the head of each layer alternating with the tips of the other.

A bale of buntal fiber shall weigh (50) kilograms net and shall be composed of two (2) separate bundles each weighing approximately half the total weight of the bale. Each bundle shall be wrapped with thick paper and the two bundles tied together with rope of good material.

The bale shall be wrapped with burlap or abaca mat or any mat of good quality material suited for the purpose and sewed fittedly. This is then tied with abaca rope or cords of any suitable material to securely hold the bale. The approximate dimensions of the bale shall be 125 centimeters by 35 centimeters by 45 centimeters (125 cm. x 35 cm. x 45 cm.).

7. Coir bristles, CH-1, CH-2, may be made into hanks of not less than five (5) centimeters but not more than 15 centimeters in diameter each hank tied with non-metallic material suitable for the purpose. To facilitate baling, mattress fibers may be twisted instead in the press box. Grades for coir, except the grade CH-W (coir waste), may be baled in the same manner as those of abaca and similar fibers as agave species, ramie and kenaf. Each bale shall have a net weight of 125 kilograms with the volume not exceeding 0.33 cubic meter after pressing.

Coir fiber may be baled in coil fiber, each bale containing not more than five coils, and each coil weighing approximately 25 kilograms, so as to make a bale of 125 kilograms net. The volume of the bale shall not exceed 0.33 cubic meter and each coil contained in the bale shall be secured with any suitable rope or non-metallic material, one coil laid on top of the other forming a cylinder and pressed into a bale which shall be tied with not less than three (3) steel bands evenly spaced, or of not less than four (4) non-metallic ropes of strong material.

Grade coir waste, (CH-W), mixture of dust and very short fibers may be packed in a suitable container of good material. A pack of CH-W of 125 kilograms net in such a container shall be considered as a bale for purposes of inspection.

Coir dust shall be packed in suitable container of good material. The most common practice is to place the coir dust in a sack at 25 kilograms per pack.

8. Kapok fibers shall be baled loose (i.e., fibers are not tied into hanks). A bale of kapok shall have a net weight of 125 kilograms and the bale shall be wrapped with abaca net or “saguran” or any suitable material sewed fittedly to protect the fibers from exposure and dirt. The dimensions of the bale may vary but the volume shall not exceed 0.33 cubic meter.

9. Raffia fiber shall be tied into hanks of not less than five (5) centimeters nor more than ten (10) centimeters in size. This shall be bundled into 62.5 kilograms using at least four ties of abaca fiber or any other suitable materials. The bundle shall be placed in a sack or any suitable material to protect the fiber from dirt.

10. Salago fiber of any grade shall be tied into hank of not less than five (5) centimeters nor more than ten (10) centimeters. The fiber of the same grade shall be baled at 125 kilograms and should not exceed the standard size for long fiber which is 100 cm x 55 cm. the bale shall be tied with seven (7) crosswise bands using steel band or abaca rope.

In case the buyer/importer specifies a different mode and material of packing, such can be granted provided prior clearance from the Authority is obtained by the exporter.

SECTION 5. Baling of Fiber for Other Persons . — A GBE may bale fibers for other persons but such GBE shall place its own name, address, establishment number, lot number, registered mark and initial of station on the tags of the bales which they have baled for others. However, the registered mark of the owner of the fiber may be used in lieu of the registered mark of the actual baler provided a written permission from the Authority is first secured.

A GBE may have its graded fibers in the establishment of other persons with adequate equipment and facilities for pressing fibers but not engaged in grading and baling of fibers provided that a written permission from the Authority is secured. The owner of the fibers shall place upon the tags of the bales so pressed its own name, address, establishment number, lot number, registered mark, and initial of station.

SECTION 6. Tagging and Marking of Bales of Fiber . — The tagging and marking of bales shall be as follows:

1. Each bale of fibers shall bear a tag known as the long cloth tag made of unstarched raw cotton of good quality material not less than 58 centimeters long and ten (10) centimeters wide, one end of which shall be securely tied to the fiber inside the bale and the other end shall project out from one end of the bale about 15 centimeters long. However, in the case of buntal fiber, the long cloth tag shall, instead, be securely tied to the ties of either bundle composing the bale and must be placed between bundles.

In case of bales of short fibers where tying of the long cloth tag is not practical, one end of the long cloth tag shall, instead, be knotted and securely tied to the ties of either bundle composing the bale and must be placed between bundles.

2. The following data in their order shall be stamped, one below the other, on the long cloth tag placed inside

the bale:

- a. The full or abbreviated name of the GBE;
- b. The name of municipality or city where the establishment is located;
- c. The establishment and lot number separated by a dash;
- d. The full or abbreviated name of the province of origin;
- e. The date of pressing; and
- f. The initial of the station, the registered mark of the establishment, and the letter designation of the grade, the three forming one line separated from one another by bars

For this purpose, the initials of municipalities and cities contained in Appendix B hereof are adopted as part of these rules and regulations.

3. The classifier's license number shall be indicated on the upper portion of the long cloth tag tied inside the bale.
4. The other end of the log cloth tag projecting out of the bale shall be divided in two (2) sections. The one adjacent to the bale shall bear the same data stamped in the upper end of the tag in the same order, except the classifier's license number, and the rest of the long tag shall be reserved for the official stamps of the Authority.
5. All markings on the long cloth tag, whether letters or numerals, shall be stamped with clear indelible stamping ink and shall not be less than one (1) centimeter in height except the name of the municipality/city where the establishment is located and the date of pressing which shall not be less than eight (8) millimeters.
6. Another cloth tag of the same or better material than the long cloth tag provided herein may be placed, on one side of the bale underneath the binding or ties, or placed over the mat, in case of bales wrapped with a mat. This tag should be in the form of a square tag measuring 35 square centimeters. Upon it, the following data in their order shall be stamped or stenciled, one below the other, clearly in letters not less than five (5) centimeters high except the words "PRODUCT OF THE PHILIPPINES" which shall have a measurement of not less than one-and-a-half (1½) centimeters in height:
 - a. The words "PRODUCT OF THE PHILIPPINES";
 - b. The initial of the station where the establishment is located;
 - c. The registered mark of the establishment;
 - d. The letter designation of the grade of fiber contained in the bale.

Square cloth tags shall be optional for bales that are wrapped. In the absence of the square cloth tag the data required to be placed thereon shall invariably appear clearly on the exposed surface of the wrapping materials on either side of the bale.

7. Distinguishing marks, signs or numbers of the fiber required by the importer may only be stamped on the square tag or wrapping, as the case maybe, after the bale has been inspected and approved in such a way as not to blur, cancel, or confuse the marks appearing on the square tag. These marks, signs or numbers, however, may be permitted in special cases to be placed on the square cloth tag before inspection upon the written authorization of the Authority.
8. Data/marks required herein to be placed upon the square cloth tags shall be stamped or stenciled in black paint, printers ink, Chinese or Indian ink, or marker pen. Free hand marking shall not be accepted.

Except those specified in this Section, no other data marks whatsoever shall appear on the tags of any bale of fiber before inspection.

SECTION 7. Mandatory Inspection of Fibers . — NO GBE or Trader-Exporter shall export or deliver fibers to

local processors or end-users without first being inspected and approved by FIDA. No trader who is classifying, grading, and baling fibers shall sell or deliver fibers to local processors or end-users without first being inspected and approved by FIDA.

Processors buying loose or uninspected fibers shall have their fibers certified as to kind, volume, district of production and approved by FIDA prior to utilization.

SECTION 8. Requirements for Inspection of Fibers. — The baler is required to submit the Daily Baling Report, duly signed by the authorized representative of the baler, indicating the following:

1. The name and address of the establishment; 4. Origin of production;
2. The date of pressing; 5. Number of bales by grade in each lot; and
3. Establishment and lot numbers; 6. Weight per bale

Bales must be submitted for inspection within three (3) working days from date of baling.

SECTION 9. Procedure in the Inspection of Fibers . — The following procedure shall be followed in the inspection of fibers:

1. All bales submitted for inspection shall remain standing side by side until the same shall have been inspected. However, where the piling of bales in "camadas" become necessary for lack of adequate space, the same may be piled after checking and after random sample bales are picked out by the Inspector.
2. The Inspector shall check the number of bales by grade and by lot, province of origin, date of pressing, etc. as reflected in the Daily Fiber Baling Report. All bales found to have deficiencies or irregularities such as wet and/or deformed, and those with broken ties, illegible marking, or detached tags shall be excluded from inspection.
3. The Inspector shall pick out at random sample bales from those of the same grade and lot not bearing his ICN. At least one sample bale may be examined for every ten bales of each grade. The Inspector shall mark the long tag of each sample bale with his initials and stamp it with letter "S" on the reverse side. Only sample bales picked out shall be inspected and in case such bales are found to be substandard only those of the same grade and lot not bearing the inspector's ICN shall be rejected. The inspection shall immediately be made after the completion of the segregation of sample bales.
4. Each lot of fiber submitted for inspection shall remain under the exclusive control of the Inspector until all grades comprising it shall have been inspected. The Inspector may inspect additional sample bales of each grade of lot if he has reasonable grounds to believe that the classification and grading thereof have been defective or inaccurate. In case of dispute, the owner or baler of the fiber may request the inspection of additional samples to resolve the dispute.
5. All approved bales of fiber shall be stamped with the corresponding government grade and the Inspector's Identification Control Number (ICN) immediately after inspection and piled in "camadas" within 24 hours thereafter.
6. All disapproved bales shall have their long cloth tags stamped "I.C." immediately after inspection and shall be reclassified within two (2) days thereafter.

SECTION 10. Reclassification of Inspected Fibers. — Any bale of fibers officially inspected, whether approved or condemned, shall not be unbaled by the owner for reclassification unless prior permission has been obtained from FIDA. The unbaled fibers which were previously approved or condemned shall be baled like any other loose fibers under a separate lot number, and shall be subject to inspection and payment of service fees. All tags taken

from the original bales shall be surrendered to FIDA.

The report of inspection of reclassified from O.K. or I.C. bales shall contain statement to that effect giving the particulars of the original bales such as date of pressing, establishment number, lot number, initials of station, registered mark, number of bales of each grade and the province of production. In case of reclassified from O.K. bales, the Primary Certificate of Fiber Inspection thereof shall bear the words "RECLASSIFIED FROM O.K. BALES" to preclude double counting in the production report.

SECTION 11. Reconditioning of Inspected and Approved Bales. — Any inspected and approved bale may be unbaled whenever necessary for reconditioning as to physical shape, weight, and for replacement of broken ties and marred tags upon written permission from FIDA. The request for such permit shall state the reason for the reconditioning.

When the reconditioning is done under the direct supervision of the Inspector, reconditioned bales shall be exempted from new inspection and payment of service fees.

The report of inspection of reconditioned bale shall contain statement to that effect giving the particulars of the original bales and on the face of the Primary Certificate of Fiber Inspection thereof, the words "RECONDITIONED O.K. BALE" shall be stamped to preclude double counting in the production report.

SECTION 12. Reinspection of Approved Bales. — Any lot fibers or part thereof already inspected and approved may be ordered reinspected by the FIDA Administrator or his authorized representative if the bales comprising the whole or part of the lot are substandard, adulterated or contaminated with foreign matters.

In case the sample bales are found to be in order upon reinspection, the same shall be baled, with their former tags and shall not be subject to payment of new service fees. If the sample bales are found to be substandard or adulterated, all the remaining bales of the same lot and grade, and date of pressing shall be ordered broken open for reclassification in accordance with Chapter III, Section 10 of these rules and regulations.

SECTION 13. Duty of Fiber Inspector to Submit Report of Inspection . — Every inspection made by a Fiber Inspector shall be immediately entered in the stock book and reported to the Authority in a weekly basis in a form to be provided by FIDA and furnishing the owner of the fiber or GBE with a copy thereof.

SECTION 14. Primary Certificate of Fiber Inspection. — A separate certificate of inspection for approved, condemned, reclassified from OK, and reconditioned bales comprising a lot of fibers shall be issued to the owner of the fiber upon payment of the corresponding service fees. Such certificate, known as the Primary Certificate of Fiber Inspection, shall be signed by the Fiber Inspector who conducted the inspection.

The Primary Certificate of Fiber Inspection shall be based on the report of inspection of the lot. However, where the inspection of a lot is completed in several days, the primary certificate shall be made from the "Summary of Lot Closed". In such a case, the certificate shall be dated as of the last day of inspection, except in the case of bales pressed in the ports of export on the last day of the month and inspected on the following day, in which case, the certificate shall be dated as of the last day of the month.

The Primary Certificate of Fiber Inspection covering approved bales shall specify the description of the bales covered therein. The primary certificate covering condemned or rejected bales shall show on its face in bold capital letters, I.C. and the reason for such rejection. The Primary Certificate covering reclassified from OK bales shall indicate the particulars of the broken open bales. Primary certificate covering high density bales shall be stamped with the words "HIGH DENSITY BALES" in letters not less than two (2) centimeters in height.

Whenever the owner of the bales covered by a primary certificate sells or transfers all the bales described therein

to another person, he shall request the Authority to stamp the certificate to indicate the fact of transfer. The original copy of the certificate so stamped shall be given by the owner/seller to the buyer/transferee. The owner of the fiber shall keep a memorandum of the bales sold or transferred at the back of the duplicate copy of the corresponding certificate of inspection.

SECTION 15. Secondary Certificate of Fiber Inspection. — If the whole or part of the lot is sold or transferred, a certificate of inspection, known as Secondary Certificate of Fiber Inspection, covering the bales sold or transferred may be obtained by filing a request therefore with the Regional Director having jurisdiction thereof. The Secondary Certificate shall be based on the declaration of particulars of the bales shipped/delivered by the owner/seller. All secondary certificates issued for each lot of fibers must be recorded at the back of the corresponding primary certificates.

SECTION 16. Stock Inventory . — At the close of each year or at any time when directed by the Administrator, all GBEs, Trader-Exporters and Processors shall take a physical inventory of their stock of inspected bales of fiber by grade.

In case of merger, each of the merged licensees shall take a stock inventory of inspected bales of fiber before the merger is effected.

In case of insolvency or dissolution of a licensee or upon the cancellation of his license, an inventory of all stocks of inspected bales shall be made immediately after the declaration of insolvency, or dissolution, or cancellation of his license.

The inventory of stock shall be jointly undertaken and certified by a representative of the licensee and FIDA.

CHAPTER IV

Shipment of Fibers

SECTION 1. Permit to Transport Fibers Within the Philippine Territory . — No person shall ship or transport fiber, whether baled or loose, from one province to another within the Philippines unless a Permit to Transport (PTF) covering such fibers is issued by the Regional Director or his authorized representative having jurisdiction of the place of origin of the fiber to be shipped.

The application for such a permit shall specify the (1) shipper, (2) kind of fiber, (3) grade, (4) volume, (5) province of origin, (6) name and address of the consignee, and (7) carrier.

A PTF shall be issued for a single shipment to one consignee. It is automatically cancelled five days after the date of issuance if the shipment has not materialized.

All fibers transported must be acknowledged at destination by the recipient/consignee and attested by a FIDA Inspector having jurisdiction over the area on the PTF accompanying such shipment.

In places where there are no FIDA Inspectors or authorized personnel who can issue a PTF, the consignee shall cause the accomplishment and submission of the PTF through a pro forma prescribed by FIDA.

SECTION 2. Commodity Clearance for Shipment of Fibers to Other Countries. — No fiber shall be shipped to other countries unless a Commodity Clearance (CC) covering the fibers to be exported has been approved by the Authority through its authorized representative. The approval shall be secured by presenting the CC showing (1) the description of the bales of fibers to be shipped, (2) the initial of the station and registered mark of the baler, (3) the number of bales of each grade, (4) the FOB value in U.S. dollar of the fibers to be shipped, and (5) the name and address of the consignee. The commodity clearance shall be presented for approval at the Regional Office (RO) having jurisdiction of the port of export or at any One-Stop Export Documentation Center (OSED) in the

Philippines where FIDA has assigned personnel.

As a prerequisite for the approval of the CC, the exporter must submit the following documents/papers:

1. for direct shipment — A written certification by the Fiber Inspector concerned that the bales covered in the commodity clearance have been inspected and approved specifying therein the particulars of bales.
2. For transshipment — In addition to the requirement mentioned in No. 1 above, the following requirements should be submitted:
 - a. Written notice of shipment by the exporter specifying the kind of fiber, grade, and volume;
 - b. Letter of guarantee by the exporter that the bales covered by the CC have been inspected and approved.
3. In addition to the requirements mentioned in Nos. 1 and 2 above, processors and trader-exporters who would like to sell fibers and fiber products abroad shall first secure an “Authority to Export” (ATE) from FIDA Regional Office having jurisdiction over the area.

In case it becomes necessary to make changes in the entries of the CC, the exporter must give written notice and submit the CC to the Regional Office that approved the same for the purpose of making the necessary changes in the entries thereof.

SECTION 3. Checking of Bales for Shipment . — All bales of fiber to be shipped shall be checked individually as to grade, weight, size, marks, and quantity as appearing in the approved commodity clearance or permit to transport as the case maybe. Checking shall be made during loading of the shipment from the warehouse under supervision of the Inspector assigned at such establishment.

SECTION 4. Declaration of Particulars of Bales Shipped/Delivered. — All GBEs and Trader-Exporters shall, within three (3) days after each shipment/delivery of fibers, submit to the Regional Office having jurisdiction thereof, a declaration of the particulars of the bales exported or delivered.

The declaration of the particulars of bales shall contain the following:

1. Destination of fiber; 6. Government grade;
2. Name of the carrier; 7. Number of bales;
3. Primary Certificate of Fiber Inspection number; 8. Description of the fiber;
4. Establishment and lot numbers; 9. Province of production;
5. Initials of the station and registered mark of the bales 10. Permit to Transport Fiber control number

SECTION 5. Bill of Lading. — Shippers of fiber shall furnish FIDA through its regional office which has jurisdiction over the port or embarkation, a copy of the non-negotiable Bill of Lading covering each parcel of fiber bales exported immediately after shipment. Shore shipments or “shot outs” shall be noted on the corresponding Bill of Lading as soon as the vessels leave port.

SECTION 6. Trial Shipment of Fibers . — Shipment of fibers to other countries resulting from trade promotion undertaken by any person other than a grading-baling establishment shall be known as "trial shipment." The fibers covered by a trial shipment may be exempted from the provisions of the rules and regulations on baling, tagging, and marking provided that a copy of the Export Agreement shall be submitted to the Authority upon application for approval of the required CC. The fibers shall be inspected and certified as to kind, grade, and volume, and subject to the payment of service fees.

The exemption granted herein shall apply only to one shipment not exceeding five (5) tons or 40 bales made by any particular person unless a second or even a third shipment is justifiable in the view of the administrator on the basis of the application filed by the concerned exporter stating his reasons for such additional shipments.

SECTION 7. Shipments of Fibers for Experimental and Scientific Purposes . — Shipment of fibers to other countries for experimental and scientific purposes may be exempted from the provisions of this Order on baling, tagging and marking provided that the shipper submits to FIDA documents showing such purposes. Notwithstanding such exemption, the fibers must be inspected and certified as to kind and grade but shall not be subject to the payment of service fees. The words "FOR SCIENTIFIC PURPOSE" shall be marked in bold letters on the face of the CC covering such shipment.

The exemption granted herein may apply to several shipments provided their aggregate weight does not exceed 500 kilos per consignee.

SECTION 8. Permit to Sell Excess Fibers by Processors. — Any processor/manufacturer who may want to sell excess fibers to another processor, GBE and/or trader shall, prior to such delivery, secure written authorization from FIDA.

CHAPTER V

General Provisions

SECTION 1. Application Fees. — All applicants for licenses, shall upon securing an application, pay an application fee of P50.00, except classifier who shall pay only P10.00.

SECTION 2. License Fees . — Every applicant for license shall pay, upon filing of duly accomplished application form, a license fee as follows:

1. Grading Baling Establishment Fee:

First Class

- pressing more than 30,000 bales a year

P15,000.00

Second Class

- pressing more than 20,000 bales a year

P10,000.00

Third Class

- pressing more than 10,000 bales a year

P 6,000.00

Fourth Class

- pressing 10,000 and below bales a year

P 5,000.00

2. Buying Station Fee:

First Class

buying more than 60,000 kilos a year

P 4,000.00

Second Class

buying more than 30,000 kilos a year

P 3,000.00

Third Class

buying more than 10,000 kilos a year

P 2,000.00

Fourth Class

buying 10,000 and below kilos a year

P 1,000.00

3. Trader-Exporter Fee:

Class A

trading more than 500 bales a year

P 4,500.00

Class B

trading more than 300 bales a year

P 3,500.00

Class C

trading 300 and below bales a year

P 2,500.00

4. Local Trader Fee:

A. Most Traded Fiber (Abaca)

Class A

trading more than 75,000 kilos a year

P 3,500.00

Class B

trading more than 50,000 kilos a year

P 2,000.00

Class C

trading more than 25,000 kilos a year

P 1,000.00

Class D

trading 25,000 and below kilos a year

P 200.00

5. Processor License Fee:

Class A

consuming 1 million and above kilos a year

P 9,000.00

Class B

consuming more than 500,000 kilos a year

P 5,700.00

Class C

consuming more than 200,000 kilos a year

P 2,200.00

Class D

consuming 200,000 and below kilos a year

P 200.00

Class E

those exporting handicrafts

P 6,500.00

The classification of the above establishments/firms shall be based on the volume of fibers transacted during the preceding year.

The new establishment/firm shall pay the fee corresponding to the lowest class of the sector where it belongs. Traders, if they have the required facilities and equipment for grading and baling fibers, may apply for a Class A Trader's License.

Trader-Exporter who meets the required facilities and equipment for grading and baling fibers, may export directly in conformity with Chapter III, Section 6 hereof. Otherwise, he can export only through the facilities of a GBE.

License fees of industry participants engaged in the trading of fibers other than abaca shall be 20% lower than the license fee of industry participants engaged in the trading of abaca.

Cooperatives falling under P.D. 175 and LOI No. 23 are exempt from payment of license fees provided herein for ten years from date of their organization. However, they are not exempted from payment of application and inspection fees.

6. Classifier's License Fee P 50.00

SECTION 3. Penalties/Surcharges for Delayed Renewal of Licences

No. of days of delay

one day to one month

more than 1 month to 6 months

more than 6 months

20%

50%

100%

3.1 Grading/Baling Establishments (GBEs)**3.1.1 First Class**

3,000.00

7,500.00

15,000.00

3.1.2 Second Class

2,000.00

5,000.00

10,000.00

3.1.3 Third Class

1,200.00

3,000.00

6,000.00

3.1.4 Fourth Class

1,000.00

2,500.00

5,000.00

3.2 Buying Stations

3.2.1 First Class

800.00

2,000.00

4,000.00

3.2.2 Second Class

600.00

1,500.00

3,000.00

3.2.3 Third Class

400.00

1,000.00

2,000.00

3.2.4 Fourth Class

200.00

500.00

1,000.00

3.3 Trader-Exporters

3.3.1 Class A

900.00

2,250.00

4,500.00

3.3.2 Class B

700.00

1,750.00

3,500.00

3.3.3 Class C

500.00

1,250.00

2,500.00

3.4 Traders

3.4.1 Class A

700.00

1,750.00

3,500.00

3.4.2 Class B

400.00

1,000.00

2,000.00

3.4.3 Class C

200.00

500.00

1,000.00

3.4.4 Class D

40.00

100.00

200.00

3.5 Processors

3.5.1 Class A

1,800.00

4,500.00

9,000.00

3.5.2 Class B

1,140.00

2,850.00

5,700.00

3.5.3 Class C

440.00

1,100.00

2,200.00

3.5.4 Class D

40.00

100.00

200.00

3.5.5 Class E

1,300.00

3,250.00

6,500.00

3.6 Classifiers

10.00

25.00

50.00

SECTION 4. Service Fees — the following service fees shall be levied and collected for each bale of fibers inspected and stamped, whether approved or rejected.

1. Twelve pesos (P12.00) for each bale of fiber of the following standard weight:

Kind of Fiber

Standard Weight (in Kilogram)

Kind of Fiber

Standard Weight (in Kilogram)

a. Buntal

50

j. Sabahon

125

b. Abaca

125

k. Pacol

125

c. Ramie

125

l. Musa Factory Waste

125

d. Coir

125

m. Kabo Negro

125

e. Kenaf

125

n. Kapok

125

f. Salago

125

o. Cotton

125

g. Maguey

125

p. Sisal

125

h. Pina

125

q. Salago

125

i. MSP

125

2. Six pesos (P6.00) for each bundle of raffia fiber with a standard weight of 62.5 kilograms.
3. Six pesos (P6.00) for each bale of fiber with a weight equivalent to one-half of the standard weight of a bale.
4. Twenty-four pesos (P24.00) for each high density bale with a weight equivalent to twice the standard weight of a bale.

SECTION 5. Commodity Clearance Fees . — A fee of P50.00 shall be imposed for every commodity clearance approved by the Administrator or his authorized representative.

SECTION 6. Payment of Fees. — All fees due the Authority under these rules and regulations shall be paid at the FIDA Central Office or at the Regional Office having jurisdiction of the fiber industry participant concerned. Every payment shall be acknowledged by the issuance of an official receipt duly signed by the accountable official.

All service fee shall be paid within 48 hours after receipt of the bill of collection exclusive of Saturdays, Sundays and legal holidays.

SECTION 7. Penalties . — Any person who violates any of the provisions of this Order shall, aside from suspension or cancellation of license or imposition of fine not exceeding twenty thousand pesos (P20,000.00) by the Authority, be liable to imprisonment of not exceeding one year or fine not exceeding twenty thousand pesos (P20,000.00), or both, if found guilty by the proper court of law.

- 1) Whenever the violation is committed by a corporation, association, partnership or firm, the penalty shall be imposed on the president, partner, manager or principal officer thereof.
- 2) If the offender is a naturalized citizen, he shall, in addition to the penalty prescribed herein, suffer the penalty of cancellation of his naturalization certificate and such registration in the civil registry and immediate deportation after serving completely his sentence.
- 3) If the offender is an alien, he shall, after serving completely his sentence, suffer an additional penalty of deportation.
- 4) If the offender is a public officer or employee, he shall, in addition to the penalty of imprisonment and fine prescribed herein, be dismissed from office and perpetually disqualified from holding a public office.

SECTION 8. Effects of Suspension or Cancellation of License . — The licensee whose license has been suspended

or cancelled by FIDA shall, from receipt of the order or notice of suspension or cancellation, cease and desist from grading and baling; buying and selling; sorting and classifying fibers, as the case may be. In the case of fiber processors, the license shall cease and desist from buying fibers.

The suspension or cancellation of the license shall be without prejudice to the imposition of the penalties provided in Chapter V, Section 7 of these rules and regulations.

Approved bales prior to the cancellation/suspension of the license are still allowed to be sold.

SECTION 9. Surrender of License . — When a license issued is suspended, revoked, or cancelled by the Administrator or his duly authorized representative, such license shall be surrendered immediately to the Authority.

SECTION 10. Notation on License . — At the expiration of any period of suspension of a license issued, unless in the meantime such license is revoked or cancelled, the fact of such suspension including the dates of its beginning and termination shall be noted on the license, and the license shall be returned to the licensee.

In case of imposition of fine, the amount of such fine and the date of payment thereof shall be noted on the license.

CHAPTER VI

Final Provisions

SECTION 1. Separability Clause . — The provisions of the rules and regulations are declared to be separable and if any provisions or the application thereof is held invalid or unconstitutional, the validity of the other provisions shall not be affected.

SECTION 2. Penalty. — Any violation of these Rules and Regulations shall subject the offender to the penalties imposed under the AO notwithstanding the provisions of any law or rules and regulations to the contrary and the provisions of the Revised Penal Code.

SECTION 3. Repealing Clause. — All rules and regulations, circulars, directives, and/or orders or parts thereof, inconsistent with any of the provisions of these rules and regulations are hereby repealed, modified, and/or amended accordingly.

SECTION 4. Effectivity . — This Order shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Adopted: 30 July 1999

Recommending Approval:

Approved:

(SGD.) JOAQUIN M. TEOTICO
Administrator

(SGD.) EDGARDO J. ANGARA
Secretary of Agriculture

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