



Republic of the Philippines
Department of Agriculture

SUGAR REGULATORY ADMINISTRATION

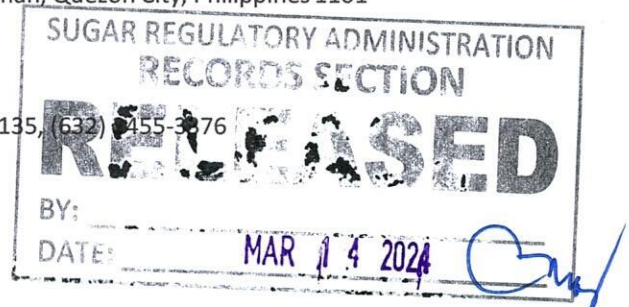
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MEMO-ADM-2024-MAR-

March 14, 2024

MEMORANDUM CIRCULAR NO. 4

Series of 2024

TO : ALL CONCERNED

SUBJECT : GUIDELINES FOR THE IMPLEMENTATION OF SUGAR ORDER NO. 2, SERIES OF 2023-2024, KNOWN AS THE "VOLUNTARY PURCHASE OF CROP YEAR 2023-2024 LOCALLY PRODUCED SUGAR FOR RECLASSIFICATION TO RESERVE SUGAR TO AVAIL OF ALLOCATION FOR FUTURE IMPORT PROGRAM"

This has reference to Sugar Order No. 2, Series of 2023-2024, or the "Purchase of Locally Produced Sugar for Reclassification to Reserve Sugar to Avail of Allocation for the Next Import Program."

Pursuant thereof, the following are the guidelines pertaining to the mandatory requisites relative to the acceptance of applications, reclassification of approved volumes, as well as submission of relevant statutory documentary requirements, among other directives and acts, that the Sugar Regulatory Administration is inherently capacitated to perform, under this program.

For your guidance and strict compliance.


ATTY. GUILLERMO C. TEJIDA, III
Deputy Administrator II for Regulation

Approved by:


PABLO LUIS S. AZCONA
Administrator and CEO



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SUBJECT : GUIDELINES FOR THE IMPLEMENTATION OF SUGAR ORDER NO. 2, SERIES OF 2023-2024, KNOWN AS THE "VOLUNTARY PURCHASE OF CROP YEAR 2023-2024 LOCALLY PRODUCED SUGAR FOR RECLASSIFICATION TO RESERVE SUGAR TO AVAIL OF ALLOCATION FOR FUTURE IMPORT PROGRAM"

This has reference to Sugar Order No. 2, Series of 2023-2024, known as the "Voluntary Purchase of Crop Year 2023-2024 Locally Produced Sugar for Reclassification to Reserve Sugar to Avail of Allocation for Future Import Program."

Attached are the guidelines pertaining to the mandatory requisites relative to the acceptance of applications, reclassification of approved volumes, as well as submission of other statutory documentary requirements, among other directives and acts that the Sugar Regulatory Administration is inherently capacitated to perform, under this program.

For your guidance and strict compliance.

GUIDELINES FOR THE IMPLEMENTATION OF SUGAR ORDER NO. 2, SERIES OF 2023-2024, KNOWN AS THE "VOLUNTARY PURCHASE OF CROP YEAR 2023-2024 LOCALLY PRODUCED SUGAR FOR RECLASSIFICATION TO RESERVE SUGAR TO AVAIL OF ALLOCATION FOR FUTURE IMPORT PROGRAM"

I. Requirements for Acceptance of Applications for Reclassification

Pursuant to Section 3.5 of Sugar Order No. 2, Series of 2023-2024, the SRA shall accept applications for reclassification only upon submission with the Regulation Department in Quezon City or Bacolod City of the complete and validly executed documentary requirements, including, to wit:

- a) Original or certified true copy of SRA License to Operate as Local or International Trader for Crop Year 2023-2024;
- b) Notarized Application Letter for Reclassification of Locally Produced Sugar duly signed by the President/Chief Executive Officer, Chief Operating Officer, Partner or Owner, indicating the volume, and mill marks of the purchased raw sugar. This is without prejudice to compliance with additional requirements under Section 5 of the Sugar Order;



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c) Physical copy of the duly endorsed Raw Sugar Quedans and Listings indicating the Mill Mark, Volume, and Week Ending;

d) Affidavit of Ownership of the submitted Quedans and the volume covered, without prejudice to the application of pertinent provisions of existing laws, regulations and jurisprudence on the Negotiable Instruments Law;

e) Proof of Payment of SRA Reclassification Fee (from "B" or Domestic Sugar to "C" or Reserve Sugar) of Php3.00 per LKg-Bag, pursuant to Section 3.5 of Sugar Order No. 2, Series of 2023-2024.

For purposes of applying the first come first served basis stated under item 3.5 of the Sugar Order, an application for reclassification shall be deemed "submitted" only upon acknowledgment by the Regulation Department of receipt from the applicant of all requirements for reclassification stated in the Sugar Order and in items I(a) to I(d) hereof, subject to the subsequent approval of the application for reclassification and the submission of the requirement stated in item I(e) hereof. The acknowledgment above-referred to shall be in writing and shall state the date and time of the issuance thereof as well as the documents submitted, and shall be accordingly numbered and recorded in a logbook.

II. Application Period

Consonant with Section 3.4 of Sugar Order No. 2, Series of 2023-2024 and in compliance with Sections 3.5, 3.6, and 3.7 thereof, applications for reclassification from "B" to "C" of Quedans shall be as follows, to wit:

- a) for Quedans issued on or before the week ending January 28, 2024, eligible participants may apply for reclassification with the Regulation Department in Quezon City or Bacolod City upon effectivity of Sugar Order No. 2, Series of 2023-2024 and the issuance of this "Guidelines", strictly between 8:00 AM and 5:00 PM, Monday to Friday, but not later than March 22, 2024. It is understood that the total volume covered under this provision shall not exceed 60,000 Metric Tons;
- b) for Quedans issued starting the week ending February 4, 2024 and until the week ending March 3, 2024, eligible participants may apply for reclassification with the Regulation Department in Quezon City or Bacolod City upon effectivity of Sugar Order No. 2, Series of 2023-2024 and the issuance of this "Guidelines", strictly between 8:00 AM and 5:00 PM, Monday to Friday, but not later than March 27, 2024. It is understood that the total volume covered under this provision and the immediately preceding provision shall not exceed 300,000 Metric Tons; and
- c) for Quedans issued for week ending March 10, 2024 and for Quedans issued for the succeeding week endings, and provided the total volume covered by items II(a) & II(b) hereof has not yet reached 300,000 Metric Tons, eligible participants may apply for reclassification with the Regulation Department in Quezon City or Bacolod City, from 8:00 AM to

5:00 PM, every Monday and Tuesday only, starting March 18 & 19, 2024, and the Mondays and Tuesdays of the succeeding weeks, until the total volume applied for under Sugar Order No. 2, Series of 2023-2024 has reached 300,000 Metric Tons.

It is understood that applications for reclassifications of Quedans issued for week ending March 10, 2024 can only be submitted on March 18 & 19, 2024, while that of Quedans issued for week ending March 17, 2024 can only be submitted on March 25 & 26, 2024, and so on using the same format/schedule.

The Regulation Department shall not accept or shall deny/reject any and all application for reclassification that has not complied with all the mandatory requirements or procedures stated in the Sugar Order or in this "Guidelines", including but not limited to a) applications with incomplete documentary requirements, b) applications covering volumes in excess of that stated in Section 3.4 of the Sugar Order, and c) applications lodged with the Regulation Department beyond any of the periods stated in the Sugar Order or in this "Guidelines".

III. Reclassification from "B" to "C" Sugar

Once the Regulation Department has acknowledged receipt of an application with complete requirements and the reclassification has been approved by the SRA Board, an Order of Payment shall be issued to the applicant for the reclassification from "B" to "C" sugar.

After the reclassification fee has been paid and the receipt of payment submitted to the Regulation Department, the Sugar Transaction Division of the Regulation Department shall then stamp the quedans as "C" or Reserve Sugar as per Sugar Order No. 2, Series of 2023-2024. The stamping of quedans shall be attested to and signed by the Deputy Administrator II for Regulation Department.

A Certificate of Reclassification from "B" to "C" shall then be issued to the applicant indicating the volume of Quedans with Mill Marks, and the date of approval of Reclassification.

In contemplation of the period stated under Section 3.8 of the Sugar Order, taken together with Section 3.6 thereof, the Regulation Department shall endorse to the SRA Board all "submitted" applications for the reclassification of locally produced raw sugar, up to a total volume of 300,000 Metric Tons.

IV. Request for Reclassification of "C" or Reserve Sugar to "B" or Domestic Market Sugar

Consonant with the period stated under Section 3.8 of the Sugar Order, and taking into account Section 3.7 thereof, eligible participants may apply for reclassification of their allowed volumes, this time, from "C" or Reserve Sugar to "B" or Domestic Sugar.

A certification as to the availability of physical stocks, attested to by the Regulation Officer assigned at the mill where the sugar sought to be reclassified is stored, is indispensable.

A reclassification fee of Php 3.00 per Lkg-Bag shall be imposed. Only after the reclassification to "B" sugar can the raw sugar be released to the domestic market.

V. Warehousing and Monitoring

Raw sugar purchased under this Sugar Order shall be stored only in the warehouses of the sugar mill where the quotas have been issued. Any deviation from this rule shall subject the erring party/parties to penalties under Sugar Order No. 10, Series of 2009-2010, or the Codified Violation of SRA Regulations and Sugar Orders Providing for Penalties and Procedures for the Disposition of Cases Related Thereto.

Once reclassified as "B" or Domestic Sugar, sugar mill warehouses storing raw sugar purchased under this Sugar Order shall each maintain onsite a ledger that shall record, among others, dates of withdrawals of the sugar from the mills warehouses. This shall also be reflected in the Mills weekly SMS reports.

Raw Sugar Release Order (SRO) must be issued by the sugar mill/s concerned, after presentation of SRA Official Receipts by the eligible participants as proof that the corresponding liens have been duly paid.

To expedite withdrawals/transfers of sugar from the mill to the designated SRA-registered warehouse, the Mill Regulation Officer may allow the withdrawal of the sugar from the mill through the corresponding SRO issued by the concerned sugar mill

SRA Regulation personnel shall be allowed to inspect the warehouses, physical stocks, ledgers and other related documents on sugar covered under the Sugar Order or this "Guidelines" during reasonable office hours of any working day, pursuant to its inherent mandate to inspect stocks as reflected in the milling license of sugar mills. Non-compliance with the above warehousing rules shall be subject to fines as determined by the SRA.

Further, submission of misleading or false information or documents, non-compliance or violation of any provision of the Sugar Order or this "Guidelines" or any orders, resolutions or circulars of SRA shall result in the disqualification to participate in future sugar import programs of SRA. This is without prejudice to other penalties as provided in the SRA Book of Penalties and existing laws such as of the Agricultural Anti-Smuggling Act, etc.

VI. Shipping Permit

Any coastwise movement or transport of the sugar, whether for warehousing or consumption, shall require a shipping permit from SRA with corresponding fee of Php3.00 per LKg-bag.

VII. Effectivity

This "Guidelines" shall take effect immediately upon its posting in the SRA website.

Immediately after the posting of this "Guidelines" in the SRA website, the Regulation Department shall begin accepting applications for reclassification.