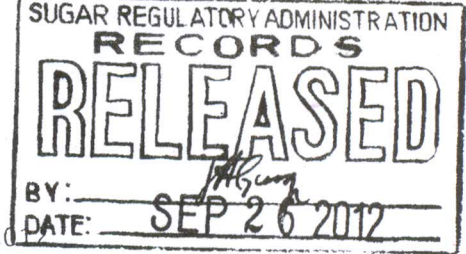




Republic of the Philippines  
Department of Agriculture  
**SUGAR REGULATORY ADMINISTRATION**  
Sugar Center Bldg., North Ave., Diliman, Quezon City  
Philippines 1101  
TIN 000-784-336



11 September 2012

## **SUGAR ORDER NO. 4**

Series of 2012 -2013

### **SUBJECT: VOLUNTARY CONTRIBUTION AND COLLECTION OF SUGAR ANTI-SMUGGLING FEE OF P1.00/LKg-BAG**

**WHEREAS**, the prevalence of sugar smuggling poses a direct threat to the sugar industry and seriously endangers the livelihood of all Filipinos dependent on sugar production;

**WHEREAS**, notwithstanding the efforts of government against smuggling, it is apparent the sugar industry must develop its own concerted plan of action to combat smuggling and needs the private-sector Sugar Anti-smuggling Organization (SASO) - which is attached and administered under the Sugar Master Plan Foundation, Inc. (SMPF) - to continue its sugar anti-smuggling operations and therefore must be allocated funds exclusively for that purpose;

**WHEREAS**, industry leaders have requested the Sugar Regulatory Administration to supervise the collection of voluntary contribution for sugar anti-smuggling operations of SASO sourced from every LKg-bag of raw sugar covered by raw sugar quedans.

**WHEREAS**, the SRA has in the past crop years managed the collection of sugar anti-smuggling fee through Sugar Order No. 7-A, Series of 2007-2008, and Sugar Order No. 5, Series of 2009-2010;

**NOW, THEREFORE**, by virtue of the authority vested in the Sugar Regulatory Administration, the following is hereby ordered:

**Section 1. Collection of Sugar Anti-Smuggling Fee of P1.00/LKg-Bag.** Sugar mills shall annotate and SRA Regulation officer in mills shall collect from every raw sugar quedan the amount of ONE PESO (P1.00) per 50-kilo (LKg) bag of raw sugar produced by planters and mills who subscribe to support the sugar anti-smuggling campaign of the sugar industry. The amount shall be collected upon withdrawal of the sugar from the mill warehouse.



The Sugar Regulatory Administration shall serve only to collect the fees, which shall be turned over to the Sugar Master Plan Foundation, Inc. The SMPFI shall enter into a Memorandum of Agreement (MOA) covering, among others, the procedure of transfer of fees, accounting reports concerning the utilization of the fund, reports on anti-smuggling operations and activities financed from the fund.

**Section 2. Voluntary Contribution of Sugar Anti-Smuggling Fee.** A letter of intent to support or not the anti-smuggling campaign of the sugar industry shall be addressed to the mills, SRA and the Sugar Master Plan Foundation, Inc. within 30 days from receipt of the copy of this Order or 30 days after publication in a news paper of general circulation. Said letter shall be the basis of voluntary contribution of planters and mills in order to determine the total amount of the fund at the onset of the crop year to efficiently and economically plan the anti-smuggling campaign activities of the industry through SASO. Failure to submit the aforesaid letter shall be construed, for the purpose of giving effect to this sugar order, that said planter, planters' associations or cooperatives or sugar mills subscribe to the P1.00/LKg voluntary contribution.

**Section 3. Purpose of the P1.00/LKg Voluntary Contribution.** The fund from the P1.00/LKg contribution shall be used solely and exclusively for sugar anti-smuggling activities and operations of the sugar industry through the SASO. Such sugar anti-smuggling activities shall include, among the others, expenses for intelligence operations, personnel and agents, and additional regulation personnel hired on contractual basis to monitor the movement and/or storage of locally produced and/or imported sugar. The SMPFI as Trustee of the fund shall make certain this purpose is strictly followed.

**Section 4. Transparency in the Utilization of the Fund.** The SMPFI is required to submit to the Office of the Administrator quarterly report on the utilization or use of the fund, the amount remaining and the accompanying accomplishments of the anti-smuggling operations/activities. Such report shall be made available by SMPFI to those who voluntary contribute to the fund when requested. At the end of the crop year, the SMPFI shall have the fund audited by an independent auditor and shall make the audit report available to those who contribute when requested.

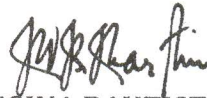
**Section 5. SRA as Collecting Agent.** As a collecting agent of the P1.00/LKg voluntary contribution, SRA shall remit to the SMPFI the total amount collected on a monthly basis. Considering the participation of SRA is merely to collect the fees, the fund shall be considered private funds for the sugar anti-smuggling campaign of the sugar industry, and as an agent SRA shall in no wise be held liable in any manner whatsoever for any and all liability that may now and hereinafter arise by reason of the collection, disbursement and utilization of the funds in the hands of the SMPFI.

**Section 6. Effectivity and Duration of this Sugar Order.** This Sugar Order shall be posted on the SRA website and shall take effect November 04, 2012. It shall remain in force until repealed by another sugar order specially issued for that purpose.

**Section 7.** Provisions of Sugar Orders, Circular Letters, rules and regulations contrary to or inconsistent with this Sugar Order are hereby revised, modified or revoked accordingly.

Issued this 11th day of September 2012 in Sugar Center, Quezon City.

**BY AUTHORITY OF THE SUGAR BOARD**



**MA. REGINA BAUTISTA-MARTIN**  
Administrator