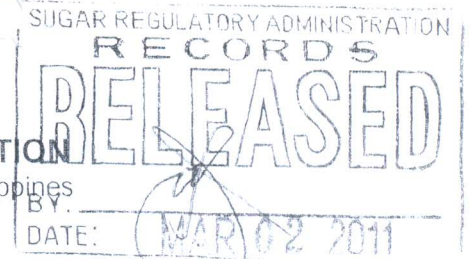




REPUBLIC OF THE PHILIPPINES
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City, 1101 Philippines



21 February 2011

Sugar Order No. 6
Series of 2010-2011

Subject: Rules and Regulations covering Imports of Sugar with added flavouring or colouring matter classified under Tariff Heading 1701 of the Tariff and Customs Code of the Philippines, as amended.

Whereas, the Sugar Regulatory Administration (SRA) has noticed a considerable increase in the volume of imported sugar containing, among other ingredients, colouring and/or flavouring being brought into the country;

Whereas, upon laboratory analysis conducted by SRA on samples made available by importers it was found that imported sugars with colouring and/or flavouring contain more than 99% sugar per unit;

Whereas, the imported sugar with colouring and/or flavouring are declared under Tariff Heading 17.01 and its corresponding sub-headings, the fact that the product is almost entirely sugar denotes that large volumes of sugar are entering the country thereby affecting its sugar supply situation;

Whereas, Rule 3, Section 203 of the Tariff and Customs Code of the Philippines (TCCP) provides the General Rules on Classification when articles are, prima facie, classifiable under two or more headings or subheadings;

Whereas, Executive Order No. 18 dated May 28, 1986 mandates that SRA regulates supply of sugar to "establish and maintain such balanced relation between production and requirement of sugar";

Whereas, Presidential Memorandum No. 134 dated February 9, 2004 states in one of its preambulatory clauses that to carry out its mandate, "SRA monitors, regulates and allocates into classes, such as "A", "B", "C" or "D" all sugar products that may fall under HS 17.01 of the Tariff and Customs Code, as amended";

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Whereas, Sugar Order No. 7, Series of 2003-2004 as amended by Sugar Order No. 7-A, Series of 2003-2004, Sugar Order No. 12, Series of 2006-2007, and Sugar Order No. 9, Series of 2007-2008, specifically identified the commodities covered by said orders to the exclusion of commodities declared under Tariff Heading 1701 and its sub-headings;

Whereas, the surge in importation declared under Tariff heading 1701 and its sub-headings requires intensified monitoring including more stringent procedures on laboratory analysis to ensure proper classification;

Whereas, the SRA issued Memorandum Circular No. 2, Series of 2011 prescribing the Philippine National Standard (PNS) on Raw Cane Sugar (PNS/BAFPS 81:2010) and White Sugar (PNS/BAFPS 82:2010), including essential composition and quality factors for raw and white sugars;

NOW, THEREFORE, by virtue of the authority vested upon the Sugar Regulatory Administration, it is hereby ordered that:

Section 1. Scope. This Sugar Order shall apply to imported sugar containing, among others, ingredients, colouring and/or flavouring matter, declared under Tariff Heading 1701 and its subheadings.

Section 2. Requirement of Laboratory Analysis. Articles covered by Section 1 shall be subject to SRA Laboratory Analysis as to sucrose content and, if practicable and as may be warranted, color in ICUMSA units prior to the issuance of an SRA Clearance for Release. For this purpose and to hasten the process, the importer, consignee or broker shall notify SRA in writing at least two (2) days before of the scheduled arrival of the article and the appropriate date and time for its sampling.

Section 3. Procedure for Sampling. On the date and time of sampling, a representative sample of the article, at a minimum of one (1) sample per container van, shall be extracted by the SRA personnel in accordance with the sampling protocol set forth by the SRA Laboratory, and in the presence of the importer, consignee, broker or their representatives. The SRA personnel shall fill up a *proforma* Activity Record with data/details pertinent to the sampling conducted, such as the data, time and place of sampling, the approximate weight of representative sample taken, the names and designations of the persons present during the sampling, the total volume of the shipment, and a description on the specific use of article. The sample shall then be sealed and signed by the SRA personnel and the importer, consignee, broker or their representatives who are present during the sampling. The SRA personnel shall take the sample, or send through courier if the sample is taken from ports outside the NCR, Regions 3 and 4, to the SRA Laboratory for analysis. Upon receipt of the representative sample, the SRA Laboratory shall first take note

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whether or not the seal is torn or broken and whether or not and if the signatures are on the seal. Such facts shall be indicated in the SRA Laboratory Report or Certificate of Analysis on the representative sample.

Section 4. Issuance of Appropriate SRA Clearance. The laboratory report or certificate of analysis shall explicitly indicate the sucrose content and, when analyzed, color in ICUMSA units of the representative sample, including a description of the colouring or flavoring substance added as declared by the importer or consignee, or as reflected in the shipping documents or import declaration. A copy of the Certificate of Analysis, with the corresponding Activity Record attached shall be made available to the importer, consignee or broker upon written request by him.

If it is determined based on the certificate of analysis on the representative sample that the subject article contains over 65% by dry weight of sugar, and when analyzed, the color in ICUMSA units shall be considered in determining whether the sample is primarily made up of raw or refined sugar. The SRA shall advise in writing the Bureau of Customs (BoC) on the most appropriate tariff line for the articles being imported, as provided for under Section 203 of the TCCP (Rules 3a, 3b and 3c) based on the essential composition and quality factors under the PNS for raw and white sugars. The SRA shall classify the article as either "B", "C" or "D" sugar and shall indicate the same in the Clearance for Release of Imported Sugar issued on the article.

Section 5. Monitoring. All importations of sugar containing, among others, ingredients, colouring and/or flavouring matter declared under Heading 1701 and its subheadings shall be monitored by SRA in terms of declared classification, quantity and unit value, dates of arrival, ports of entry, countries of origin, names of importers, consignees and brokers, and end-product usage. Such monitoring shall include visual inspection of the goods or articles either at the port, in transit, and/or in the storage facilities of the plant where such goods will be further processed.

Section 6. Liens/Fee. Articles covered by Article 1 shall pay to SRA the total liens prescribed in Sugar Order 7, Series of 2003-2004, as amended, upon application for issuance of SRA Clearance.

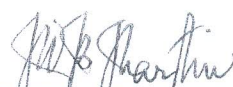
Section 7. Amendment to S.O. 7, Series 2003-2004, as amended. Except as hereunder specifically indicated, the provisions of Sugar Order No. 7, Series of 2003-2004, as amended, shall continue to be in full force and effect for articles and/or goods defined under its coverage as explicitly indicated in said order/s, and on the general description of food preparations.

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However, provisions of Sugar Orders 7, Series of 2003-2004 that are inconsistent with or contrary to this Sugar Order are hereby revoked and/or amended accordingly. Specifically, among others, the last paragraph of Section 4, Sugar Order No. 7, Series of 2003-2004 is hereby deleted or revoked, and hereby declared ineffective. All other provisions of said sugar order/s that are not contrary to the provisions of this order or have not been modified or amended in this order are still in full force and effect.

Section 8. Effectivity. This Order shall take effect immediately.

BY AUTHORITY OF THE SUGAR BOARD



MA. REGINA BAUTISTA-MARTIN
Administrator