

[LLDA Memorandum Circular No. 2015-02, March 20, 2015]

POLICY GUIDELINES ON STAGGERED PAYMENT OF FISHPEN/FISHCAGE FEE ARREARS

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In consideration to fishpen and fishcage operators who have suffered financial distress due to several typhoons that hit the country, the following policy guidelines on staggered payment of fishpen and fishcage fees arrears are hereby adopted:

I. BACKGROUND

In 2013, the Authority realized that the arrears from fishpen and fish cage fees have reached more than **Seventy Two Million Pesos (Php72,000,000.00)**. During that time, there was a need to augment the revenue collection of the Authority in order to reach its target. Thus, the acceptance of deed of undertaking with stated scheme of payment (staggered) and attached post-dated checks (PDC's) as security of payment was thought of.

Several fishpen operators who have been delinquent for several years availed of such scheme. They executed their respective deeds of undertakings with attached post-dated checks. Thereafter, the collection of arrears reached more than **Thirty Five (35) Million Pesos** as of October of 2014. However, on July 16, 2014, Typhoon Glenda hit the country and ravaged the Laguna de Bay Region, including the aquaculture structures located thereat. Based on the Surveillance and Monitoring Division, around eighty percent (80%) of the aquaculture structures in the Lake were damaged. Hence, most of fishpen and fishcage operators lost their income, which, in turn, caused the PDC's (they previously issued to bounce due to insufficiency of funds).

Further, there are also fishpen/fishcage operators who remained delinquent and have expressed their intention to pay fishpen registration fees in staggered payment.

At present, only a small percentage of fishpen and fishcage operators have paid their fishpen registration fees for CY 2014. Several fishpen and fish cage operators, likewise, requested for restructuring of their previously accepted schemes of payment due to difficulty in funding the post-dated checks previously issued.

Finding the request of fishpen and fishcage operators justified, the Authority hereby adopts the following guidelines in staggered payment of fishpen/fishcage arrears.

II. SCOPE OF APPLICATION

These guidelines shall cover all unsettled fishpen/fishcage arrears, including those pending before the Legal and Adjudication Division for collection due to bounced checks. However, it does not include arrears of unpaid fishpen/fishcage fees for the current year.

III. DEFINITION OF TERMS

As used in and for purposes of these guidelines, the following terms and phrases shall have their corresponding meanings as herein below stated:

"Deed of Undertaking" – refers to a notarized document executed by the fishpen/fishcage operator or the president, in case of a corporation or cooperative, containing the schedule of payment of arrears and the terms and conditions specified in this Circular and duly signed by the person who executing the same.

"Fortuitous Event" – refers to an event which cannot be foreseen or, which though foreseen, is inevitable, as defined in the Civil Code of the Philippines.

IV. GUIDELINES ON STAGGERED PAYMENT

1. The proposal of payment of arrears and its schedules must be clearly stated in the Deed of Undertaking. It must pertain to the total amount of arrears as reflected on the latest statement of account duly signed and issued by the Finance Division of this Authority;
2. The deed of undertaking must be duly executed by the person who has the legal obligation to pay the arrears. This refers to the owner of the fishpen/fishcage in case of individuals and the president in case corporations or cooperatives. The deed of undertaking must be duly notarized;
3. The proposal of schedule of payment must conform to the following scheme:

FOR FISHPENS

Individual

Php100,000 to Php300,000	Payable in six (6) months
Above Php301,000 to Php500,000	Payable in twelve (12) months
Above Php501,000 to Php1,000,000	Payable in twenty four (24) months
Above Php1,000,000	Payable in thirty six (36) months

Corporation

Php300,000 to Php500,000	Payable in six (6) months
Above Php501,000 to Php800,000	Payable in twelve (12) months
Above Php801,000 to Php1,500,000	Payable in twenty four (24) months
Above Php1,500,000	Payable in thirty six (36)