

[SRA SUGAR ORDER NO. 6, S. 2011-2012, January 12, 2012]

MANUAL OF CONSOLIDATED RULES AND PROCEDURES ON SRA REGULATION OF CBW FOOD PROCESSORS/ MANUFACTURERS OF SUGAR-BASED PRODUCTS FOR EXPORT

WHEREAS, Executive Order No. 18 dated 28 May 1986, vests the Sugar Regulatory Administration with the power to establish and maintain a balanced relationship between sugar production and the requirements of the market, and to maintain such marketing conditions as will ensure stabilized prices at levels reasonably profitable to producers and fair to consumers;

WHEREAS, said Executive Order No. 18 further vests the Sugar Regulatory Administration with the power to institute regulations for implementing, controlling, and monitoring the production quotas, and to perform such functions directly or indirectly necessary, incidental or conducive to the attainment of the purposes of the Sugar Regulatory Administration,

WHEREAS, a number of orders, circulars, rules and regulations have been issued by the Sugar Regulatory Administration to ensure that sugar used by CBW food processors/ manufacturers of sugar-based products for export are actually being used by them in the processing and manufacture of their products for export and that said sugar are not diverted into the domestic market;

WHEREAS, the issuance of an order integrating and incorporating all past issuances is necessary and imperative to provide an easy guide to the said CBW food processors/ manufacturers of sugar-based products for export and other stakeholders of the sugar industry.

NOW, THEREFORE, under and by authority vested in the Sugar Regulatory Administration, the following are hereby ordered:

Section 1. Manual of Consolidated Rules and Procedures On SRA Regulation of CBW Food Processors/ Manufacturers of Sugar Based Products For Export. The herein attached Manual of Consolidated Rules and Procedures On SRA Regulation of CBW Food Processors/ Manufacturers of Sugar-Based Products For Export is hereby issued and published for implementation.

Section 2. Provisions of Sugar Orders, Circular Letters, rules and regulations contrary to or inconsistent with the herein published Manual of Consolidated Rules and Procedures On SRA Regulation of CBW Food Processors/ Manufacturers of Sugar-Based Products For export are hereby revised, modified or revoked.

Section 3. This Manual of Consolidated Rules and Procedures On SRA Regulation of CBW Food Processors/ Manufacturers of Sugar-Based Products For Export and all its provisions shall take effect after three (3) days from its filing and publication with the Administrative register of the University of the Philippines Law Center.

Adopted: 12 January 2012

BY AUTHORITY OF THE SUGAR BOARD

(SGD.) MA. REGINA BAUTISTA-MARTIN
Administrator

Attachment:

**MANUAL OF CONSOLIDATED RULES AND PROCEDURES ON SRA
REGULATION OF CBW FOOD PROCESSORS/ MANUFACTURERS OF
SUGARBASED PRODUCTS FOR EXPORT**

Section 1. Definition of Terms. The terms used hereunder shall be construed as follows:

- 1.1 ***Certificate of Sugar Requirement of Food Processors/Manufacturers of Sugar- Based Products for Export*** refers to the Sugar Regulatory Administration (hereinafter referred to as SRA) approved D or imported sugar or local D sugar annual allocation granted to food processors/manufacturers of sugarcane products for export.
- 1.2 ***Clearance for Release of Imported Sugar*** refers to the authority given by the SRA addressed to the Bureau of Customs (hereinafter referred to as the BOC) for the release of sugar under such terms and condition as stated therein.
- 1.3 ***D to E Sugar*** refers to the local D sugar (if allocated through Sugar Order) that are made available to food processors/manufacturers of sugar based-product for export, upon reclassification to E sugar.
- 1.4 ***Food Processor/Manufacturer of Sugar-Based Products for Export*** refers to the Philippine based-manufacturer or processors of food for export using imported or domestic sugar as one of its principal ingredients.

- 1.5 ***Forfeiture of Bond*** is the act of confiscating the Bond in favor of SRA for violation of SRA rules and regulations.
- 1.6 ***ITDI Certification*** refers to the certificate from the Industrial Technology and Development Institute of the Department of Science and Technology on the quantity of sugar required for every unit of finished product denoted as either % sugar, or unit sugar per unit product.
- 1.7 ***Shipping Permit*** refers to the permit to ship sugar within Philippine territory issued by the SRA.
- 1.8 ***Statement of Liquidation*** refers to the document detailing sugar usage, products made/exported, required by the BOC (in case of imported sugar) and the SRA (in case of local D to E sugar) for purposes of retirement of the bond.
- 1.9 ***Sugar Utilization Report*** refers to the monthly report now required by SRA, detailing an updated sugar usage and products made, without necessary being exported, as of the reporting period.

Section 2. Purpose and Classes of Sugar Allocations. Sugar requirements are approved by SRA upon application of food processors and manufacturers of sugar-based products for export or CBW food processors/ exporters to provide them with sugar at lower cost. These sugar are classified as follows:

- 2.1 Duty-free imported "D" or World Market Sugar
- 2.2 Local D or World Market Sugar reclassified to "E" or Sugar For Food Processor/ Manufacturers of Sugar-Based Products For Export
- 2.3 Specialty Sugars (organic, powder, confectionary, sugar preparations) not locally produced.

Section 3. Consolidated Rules and Procedures

3.1 *Application for Sugar Requirements and Issuance of Certification of Sugar Requirement for Food Processors/Manufacturers of Sugar-Based Products For Export.*

- 3.1.1. Requisites for Application (New) for Sugar Requirement/ Allocation

- 3.1.1.1 Application for Certificate of Sugar Requirements (notarized)
- 3.1.1.2 Corporate up-to-date documents
- 3.1.1.3 ITDI Certification
- 3.1.1.4 Purchase Order/s
- 3.1.1.5 Previous Export Documents, if already engage in food processing
- 3.1.1.6 Process Flow
- 3.1.1.7 CBW Certificate of Accreditation
- 3.1.1.8 Schedule of importation for the next year
- 3.1.1.9 Audited Financial Statements
- 3.1.1.10 Plant Visit Report

3.1.2 Requisites for Application for Sugar Requirement/Allocation (Renewal). Section 3 of Circular Letter No. 40, Series of 1998-1999 and its amendments is hereby reiterated as follows:

3.1.2.1 **Application.** An applicant shall fill out and submit to SRA the application form for Certification of Sugar Requirements together with the following supporting documents in original form or duly certified true copy, to wit:

3.1.2.1.1 Industrial Technology and Development Institute (ITDI) certification on quantity of sugar used on export products **which needs to be updated if over 10 years, or in lieu of this, certification from ITDI that there's no change of sugar to product ratio**

3.1.2.1.2 Bank Remittance/Proof of Payment

3.1.2.1.3 Contracts between the processors/exporters and buyers/importers

3.1.2.1.4 Registration with the USFDA re: Bioterrorism Act (for U.S. exporter only)

3.1.2.1.5 Statements of Liquidation

3.1.2.1.6 Export Declarations

3.1.2.1.7 Export Sales Invoices of previous/current year

3.1.2.1.8 Summary of total quantity of exports for the previous/ current year

3.1.2.1.9 Cancellation of bonds

3.1.2.1.10 Schedule of importation for

the current year

3.1.2.1.11 Latest Audited Financial Statements

3.1.2.1.12 Year-end Inventory Report

3.1.2.1.13 Application Fee

3.1.2.1.14 Declaration of warehouse (location, capacity) and toll packers (if any) supported by a contract between the food processors and toll packers.

3.1.2.2 Corporate up-to-date documents:

3.1.2.2.1 SEC Registration

3.1.2.2.2 BOI Registration

3.1.2.2.3 DTI Registration

3.1.2.2.4 BIR/VAT Registration

3.1.2.2.5 Mayor's Permit

3.1.3. ***SRA Sugar Requirement/Allocation Formula***

3.1.3.1. SRA shall determine the volume of Total Sugar Requirement (TSR) for the current year based on the total withdrawals and inventory for the preceding year, computed as follows:

$$TSR = W - I$$

where TSR = Total Sugar Requirement

W = Total Withdrawals

I = Year-End Inventory, Preceding Year

Example

Food Processor A Data

Withdrawals for the Preceding Year -
500 MT

Year-End Inventory -
500 Lkg

$$\begin{aligned} TSR &= 500 \text{ MT} - 25 \text{ MT} \\ &= 475 \text{ MT} \end{aligned}$$

This is the maximum volume to be allocated for the year, unless requests for additional allocation are approved.