

**[ PCA ADMINISTRATIVE ORDER NO. 01, S. OF  
2011, March 11, 2011 ]**

**AMENDED RULES AND REGULATIONS IMPLEMENTING PD 1854**

WHEREAS, the Philippine Coconut Authority was authorized by P.D. 1854 to assess and collect a PCA Fee of Three Centavos for every kilogram of copra or husked nuts or their equivalent in copra terms of other coconut products delivered to and/or purchased by copra exporters, oil millers, dessicators and other end-users of coconut products;

WHEREAS, Executive Order No. 292 otherwise known as The Administrative Code of 1987, authorizes all government agencies empowered by law to collect fees, upgrade and increase their rate of fees and charges equivalent to the full cost of service;

WHEREAS, said authority was reiterated by Executive Order No. 159, Series of 1994, the PCA Governing Board after conducting industry consultations and hearings, promulgated Resolution No. 035-95 authorizing a revised schedule of the rates of PCA Fees as follows: Six Centavos per kilogram effective January 1, 1996; Nine Centavos per kilogram effective January 1, 1997; and Twelve Centavos effective January 1, 1998;

WHEREAS, since 1996 until the present, the rate of assessment has been pegged at Six Centavos and collected through Administrative Order No. 01, Series of 1996, after publication in a national newspaper of general circulation but the Revised Rates authorized by Resolution No. 035-95 have been deferred by the Authority in view of market resistance owing to low prices of copra in the industry;

WHEREAS, Executive Orders No. 197 and No. 218, both series of 2000, further reiterated the call for national agencies to revise their fees to recover the full cost of service, which in no case shall not be less than twenty percent, to commensurately compensate the rising cost of administration;

WHEREAS, the administrative cost of services rendered to the end-users and beneficiaries of the services had significantly increased since the adoption of the Six Centavo rate in 1996, which necessitates the full implementation of the maximum upgraded rate of the PCA Fee authorized under Resolution No. 035-95;

NOW, THEREFORE, premises considered, Administrative Order No. 01, Series of 2010, is hereby amended to provide the following rules and regulations to implement the upgraded PCA Fee:

*Section 1. Coverage and amount of the PCA Fee - **There shall be imposed and collected a PCA Fee of Twelve Centavos (P0.12) for***

**every kilo of copra or copra equivalent of husked/de-husked nuts, fresh young nuts ("buko"), and copra equivalent in other coconut products delivered to and/or purchased by the coconut product exporters, oil millers, dessicators, exporters and other payor contemplated in Section 3 of this Order.**

*Section 2. Assessment Rates of Copra and Other Coconut based Commodities* - Until otherwise provided or prescribed by the Authority, collection of PCA Fee imposed in Section 1 above shall be based on the following copra equivalent of the assessed commodity:

COMMODITY	CONVERSION	PCA FEE	RATE
	FACTOR in copra terms	Per kg.	Per MT
1. Copra	1.00	<b><u>P0.12</u></b>	<b><u>P120.00</u></b>
2. Whole or Husked Nuts (HN) Fresh Young Nuts (Buko)	0.235	<b><u>0.02820</u></b>	<b><u>28.20</u></b>
3. Crude Coconut Oil	1.6129	<b><u>0.19355</u></b>	<b><u>193.55</u></b>
4. Desiccated Coconut (DCN)	1.5461	<b><u>0.18553</u></b>	<b><u>185.53</u></b>
5. Cochin Oil (CO)	1.6978	<b><u>0.20374</u></b>	<b><u>203.74</u></b>
6. Edible Coconut Oil/Refined Bleached Deodorized Oil (RBD)	1.7068	<b><u>0.20482</u></b>	<b><u>204.82</u></b>
7. Toilet Soap/Bath Soap*			
8. Laundry Soap*			
9. Methyl Ester*			
10. Fatty Alcohol*			
11. Fatty Acid*			
12. <b>Diethanolamide*</b>			
13. <b>Alkanolamide*</b>			
14. Coconut Milk (Liquid)	0.9676	<b><u>0.11611</u></b>	<b><u>116.11</u></b>
15. Coconut Milk (Powder (CMP))	4.6260	<b><u>0.55512</u></b>	<b><u>555.12</u></b>
16. Virgin Coconut Oil (VCO)	3.8357	<b><u>0.46028</u></b>	<b><u>460.28</u></b>

- Assessment rates shall be determined on the basis of the company's production data. The PCA Fee shall be computed based on the crude coconut oil content of these products.

**Section 3. Who Shall Pay the PCA Fee** - The PCA Fee imposed herein shall be paid and collected from the following in the manner hereinafter prescribed:

- a. Pure oil millers - including those who entered into toll crushing agreement with any individual, trader, broker or others
- b. Oil millers who are also refiners - including those who entered into toll-crushing agreement with any individual, trader, broker or others
- c. Dessicators
- d. Exporters of copra, whole or husked nuts and fresh young nuts ("buko")
- e. Processors or producers of coconut milk, flour or powder, coconut oil and other products derived from fresh coconut meat or kernel, irrespective of classification and process used.
- f. Other end-users of coconut products including refiners, cocochemical producers, other coconut processors and traders; Provided that, such end-users shall not be required to pay upon their submission of Certification **made** by their suppliers that they have previously paid the PCA Fee corresponding to the assessable supplies delivered indicating therein the official receipt number, date of issuance, volume and amount paid; Provided further, that said end-users shall ensure that their suppliers are payors of the PCA Fee who are registered as such by the PCA in accordance with Section 9 herein below. For this purpose, and in case of doubt, said end-users are hereby enjoined to verify with PCA if their suppliers are registered PCA Fee payors.

In the case of crude coconut oil purchased from sources other than the oil millers, the PCA Fee assessable on the copra or its equivalent in other coconut products shall be paid by the buyer/end-user. The Authority may exempt the buyer/end-user from the payment of PCA Fee upon the latter's presentation of the document as contemplated in the above Section 3 (f).

**Section 4. How The PCA Fee shall be Paid and Collected** - The PCA Fee shall be paid and collected in the following manner:

The PCA Fee shall be assessed, paid and collected corresponding to purchases and/or receipt of copra or the copra equivalent of husked nuts/de-husked nuts, fresh young

nuts ("buko") and copra equivalent in other coconut products delivered to the coconut product exporters, oil millers, desiccators or other payor contemplated in Section 3 of this Order.

Remittance shall be made on the basis of the volume of purchase declared by the responsible officer of the miller, desiccator, or other payor contemplated in Section 3 of this Order, in an Assessment Order of Payment as prescribed by PCA.

Remittance shall be made on the Friday immediately following the weekly period when the deliveries/purchases were made.

Remittances and payments shall be made in cash, Manager's Check or company check.

**Section 5. Where to Pay the PCA Fee - The PCA Fee shall be paid at the PCA Central Office or at the PCA Regional Office where the payor is situated. <sup>(n)</sup>**

**Section 6. Transitory Provisions-**

a) The following shall still be covered by the **old PCA Fee provided for under Section 2 of Administrative Order No. 01, Series of 2010:**

1. Purchases and deliveries against outstanding contracts entered into before the effectivity hereof, only under the following conditions:

- (a) The contracts were previously reported to PCA in Form No. 061, 065 and 070;
- (b) The contracts are in writing;
- (c) The deliveries for contracts with specific expiry dates are made within the contracted date of deliveries but in no case beyond thirty (30) days from the effectivity of this Order;
- (d) The deliveries for contracts with no specific expiry date are made within thirty (30) days from the effectivity of this Order;
- (e) The outstanding contracts are not assigned to persons other than the contracted original parties.

2. Inventories are properly established on the basis of the reports submitted in accordance with existing schedule of reporting requirements.