

**[ SRA SUGAR ORDER NO. 10, SERIES OF 2009-2010, February 26, 2010 ]**

**CODIFIED VIOLATIONS OF SRA REGULATIONS AND SUGAR ORDERS, PROVIDING FOR PENALTIES AND SIMPLIFIED RULES AND PROCEDURES FOR THE DISPOSITION OF CASES RELATED THERETO**

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 vested 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 issued by the SRA have been violated in the past, and the disposition of cases involving such violations has been slow and difficult;

WHEREAS, the issuance of an order integrating and incorporating all past and future issuances, prescribing the imposition of penalties and simplifying the procedure for the disposition of such cases, will provide a ready guide to producers, millers, regulators and other stakeholders of the sugarcane industry for the fast resolution of cases;

NOW THEREFORE, under and by virtue of the authority vested in the Sugar Regulatory Administration (SRA), the following is hereby ordered:

*SECTION 1. Codified Violations of SRA Rules and Regulations with Corresponding Penalties and Rules of Procedures in Administrative Cases.* The herein attached Codified Violations of SRA Rules and Regulations with Corresponding Penalties and Rules of Procedures in Administrative Cases 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 Codified Violations of SRA Rules and Regulations with Corresponding Penalties and Rules of Procedures in Administrative Cases are hereby revised, modified or revoked.

*SECTION 3.* This Codified Violations of SRA Rules and Regulations with Corresponding Penalties and Rules of Procedures in Administrative Cases 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: 26 Feb. 2010

BY AUTHORITY OF THE SUGAR BOARD

(SGD.) RAFAEL L. COSCOLLUELA  
*Administrator*

**Attachment:**

**Codified Violations of SRA Regulations and Sugar Orders, Providing for Penal- ties and Simplified Rules and Procedures for the Disposition of Cases Related Thereto**

**PRELIMINARY PROVISIONS**

*SECTION 1. Coverage.* This Code shall be applicable to all violations/offenses of Sugar Regulatory Administration rules and regulations as contained in its Sugar Orders, Circular Letters, Memorandum Circulars and the like, promulgated or as may be promulgated by the Sugar Board and/or the Administrator in the exercise of its regulatory functions.

**BOOK I. CODE OF OFFENSES**

**RULE I  
DEFINITION OF TERMS**

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

1.1 *Administrator* - refers to the Administrator of the Sugar Regulatory Administration

1.2 *Advance Refining* - the refining of raw sugar without surrendering the corresponding quedans, or in case of "C" sugar, prior to maturity or reclassification.

1.3 *Advance swapping* - the swapping in advance of a certain class of sugar to another class of sugar of the current or previous crop year/s subject to replenishment of the same class and volume of sugar advance swapped within a pre-determined period, as authorized by the Board.

1.4 *Black-listing* - a disciplinary penalty whereby the offender is barred from transacting business with SRA for the duration of the penalty.

1.5 *BOC* - refers to the Bureau of Customs

1.6 *CBW* - refers to the Custom Bonded Warehouse

1.7 *Certification of Sugar Requirements of Processors/Manufacturers of Sugar Based Products for Export* - refers to the SRA -approved "D" or Imported sugar annual allocation granted to a food processor/manufacturer of sugar-based products for export.

1.8 *Circular Letter* - refers to a rule or procedure promulgated by the SRA Administrator, for purposes of implementing the provisions of a Sugar Order providing guidelines on matters which are administrative in nature.

1.9 *Classification of sugar* - the market destination of sugar classified by SRA as follows:

*"A" Sugar* - refers to U.S. Sugar Quota Allocation for export to the U.S. as the Philippine share of the U.S. Sugar Quota Allocation.

*"B" Sugar* - refers to Domestic Sugar or sugar for domestic consumption.

*"C" Sugar* - refers to Reserve Sugar or sugar that is reserved temporarily unless reclassified into other class of sugar.

*"D" Sugar* - refers to World Market Sugar that maybe exported to the world market, reclassified for sugar-based food processor/exporters with SRA-licensed muscovado producers.

1.10 *Certificate of Exchange Authority* - the authorization issued by the SRA Administrator approving the swapping of sugar of different classes located at different mills or warehouses.

1.11 *Certificate of Export Clearance* - refers to the authority given by the SRA Administrator for the export of "D" or "A" Sugar, to the world market or to the U.S., as the case maybe, upon completion of all requirements.

1.12 *Clearance for Release of Imported Sugar* - refers to the authority given by the SRA addressed to the BOC for the release of said sugar under such terms and conditions as therein stated.

1.13 *Food Processors/Manufacturers of Sugar-Based Products for Export* - Philippine- based manufacturer or processors of foods for export using imported or domestic sugar as one of its principal ingredients.

1.14 *Forfeiture of Bond* - the act of confiscating the Bond in favor of SRA for violation of said SRA rule and regulation.

1.15 *Homeless Quedan* - refers to sugar quedan of any class declared as without home/destination, hence, expired/non-negotiable due to failure of its holder to meet SRA requirements. Sugar covered by said quedans can not be withdrawn from the mill, unless such quedans are re-instated

through a specific sugar order.

1.16 *License* - refers to the authority given by SRA to a sugar mill/refinery, or sugar, molasses or muscovado trader, to engage in the business of sugar milling/refining, or trading of sugar, molasses, or muscovado, as the case may be.

1.17 *Lkg-Bag* - refers to a bag of sugar weighing fifty (50) kilos.

1.18 *Molasses* - as described under industry accepted standard

1.19 *Molasses Storage Certificate* - refers to the warehouse receipt issued by a sugar mill/refinery attesting to the fact that the volume of molasses and its owner as therein stated is stored at the mill's facilities with the commitment that will be delivered to the holder of said document upon demand.

1.20 *Muscovado* - as described under industry accepted standard

1.21 *Other Classes of Sugar* - the SRA may classify from time to time specific sub- classifications of the above sugar classes, as may be defined in applicable Sugar Orders.

1.22 *Overage* - refers to the physical sugar/molasses stored at the mill in excess of the mill's book value as validated by the SRA.

1.23 *Performance Bond* - the amount tendered as security instrument pursuant to the provision of a Sugar Order.

1.24 *Pre-mix commodities* - refers to food preparations under Tariff Heading 21.06 of the Tariff and Customs Code of the Philippines - Asean Harmonized Tariff Nomenclature (TCCP-AHTN), containing 65% sucrose or more.

1.25 *Premix Commodity Release Clearance* - refers to the authority given by SRA for release of imported premix commodity from the BOC.

1.26 *Premix Import Certificate* - refers to the allocation approved by SRA to import premix sugar used as raw materials in the making of beverages and food for human consumption.

1.27 *Prevailing Price* - the price based on SRA price surveys on a particular period by the price monitoring team as reported in the Sugar Bulletin.

1.28 *Price Differential* - the difference in prevailing price of a particular class of sugar as against other class or classes of sugar.

1.29 *Quedan* - refers to a warehouse receipt issued by a sugar mill/refinery attesting to the fact that the volume and class of sugar and its owner, as therein stated, is kept at the said sugar mill/refinery and with the commitment that it will be delivered to the holder of said

document by the sugar mill/refinery's warehouseman upon demand.

1.30 *Raw Sugar* - sugar as described under industry accepted standard

1.31 *Refined Sugar* - sugar as described under industry accepted standard.

1.32 *Refining* - refers to the processing of a manufactured raw sugar into refined sugar.

1.33 *Regular Swapping* - is the exchange of quedans of different classes of sugar with an equal quantity located at different mills or warehouse.

1.34 *Shipping Permit* - refers to the permit to ship sugar within Philippine territory issued by the SRA.

1.35 *SRA* - refers to the Sugar Regulatory Administration, as created by Executive Order No. 18, Series of 1986.

1.36 *Sugar Planter* - the original owner of sugarcane brought to the mill for milling purposes.

1.37 *Sugar Board* - refers to the Board of the Sugar Regulatory Administration

1.38 *Sugar mill/refinery* - a domestic company engaged in the business of milling sugarcane into raw sugar, or in the refining of raw sugar.

1.39 *Sugar Order* - refers to a rule or regulation promulgated by the Administrator, by authority of the Sugar Board, in the exercise of SRA's regulatory power relative to the production, warehousing, withdrawal, marketing, disposal, use or import/ export of sugar and all products derived from sugarcane and sugar, including premix commodities.

1.40 *Sugar-less Quedan* - refers to quedan issued by a mill/refinery wherein said quedan is not backed-up by the physical sugar as therein stated.

1.41 *Sugar Release Order* - refers to the document issued by a sugar mill/refinery and attested by the SRA Regulation Officer authorizing the withdrawal of raw or refined sugar at its warehouse, addressed to the mill's warehouseman.

1.42 *Trader (Sugar, Molasses or Muscovado)* - a domestic company or person given authority and license by the SRA to engage in the business of trading sugar, molasses, or muscovado, as the case may be.

1.43 *Unauthorized* - without permit, clearance or authority from SRA to do so, as used in Book I, Rule II (Offenses and Penalties).

1.44 *Violation*- used synonymously with offense.