

**[PCA ADMINISTRATIVE ORDER NO. 01, s. of
2010, March 05, 2010]**

**AMENDING SECTION 2 OF AO NO. 001, SERIES OF 1983 AND
SECTION 3 AND OTHER PROVISIONS OF AO NO. 01, SERIES OF
1996**

WHEREAS, R.A. 1145 and P.D. 1468 as amended by P.D. 1854 authorized the Philippine Coconut Authority (PCA) to impose and collect the PCA Fee to be utilized exclusively to defray its operating expenses;

WHEREAS, under the provisions of R.A. 1145 and Section 3 (k), Article II of P.D. 1468, the assessment and collection of the PCA fees shall be based on copra or husked nuts, or their equivalent in other coconut products, delivered to and/or purchased by copra exporters, oil millers, desiccators and other end-users of coconut products;

WHEREAS, pursuant to the foregoing statutes, the PCA Fee is assessable on copra term basis of all copra, husked nuts, or equivalent in other coconut products delivered to and/or purchased by copra exporters, oil millers, desiccators and other end-users of coconut products, who are obliged to pay and remit the corresponding Fee to the Authority;

WHEREAS, in response to the request of the affected sectors of the industry to be afforded room for financial liquidity in their operations, the payment and remittance of the PCA Fee were authorized to be effected, instead, upon sales or application for export of the processed products, rather than the time of purchase and/or delivery of coconut raw materials, which authorization was adopted by PCA under Administrative Order No. 001, Series of 1983;

WHEREAS, after the long period of consideration to the payees, there is an urgent necessity to restructure the mechanics of assessment and remittance through the reversion to the original mandate requiring assessment and remittance at the time of purchase and/or delivery to preserve the intention of the law;

WHEREAS, such reversion is even more imminent in order to improve and facilitate the full, accurate and timely remittance of the Fee needed to sustain the operations and services of the PCA to the coconut farmers and the industry;

NOW, THEREFORE, pursuant to the above premises and the provision of existing laws, the PCA Governing Board hereby promulgated the following rules and regulations and hereby issued and prescribed for the revisions, payment and collection of the PCA Fee:

SECTION 1. Assessment and Collection - The PCA Fee shall be paid and collected in the following manner:

Upon effectivity, 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 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:

<u>COMMODITY</u>	<u>CONVERSION FACTOR</u> <u>in copra terms</u>	<u>PCA FEE</u> <u>Per kg.</u>	<u>RATE</u> <u>Per MT</u>
1. Copra	1.00	0.06	60.00
2. Whole or Husked Nuts (HN)	0.235	0.01410	14.10
Fresh Young Nuts (Buko)			
3. Crude Coconut Oil	1.6129	0.09677	96.77
4. Desiccated Coconut (DCN)	1.5461	0.09276	92.76
5. Cochin Oil (CO)	1.6978	0.10187	101.87
6. Edible Coconut Oil/Refined Bleached Deodorized Oil (RBD)	1.7068	0.10241	102.41
7. Toilet Soap/Bath Soap*			
8. Laundry Soap*			
9. Methyl Ester*			
10. Fatty Alcohol*			
11. Fatty Acid*			
12. Coconut Milk (Liquid)	0.9676	0.5806	58.06
13. Coconut Milk Powder (CMP)	4.6260	0.27756	277.56
14. Virgin Coconut Oil (VCO)	3.8357	0.23014	230.14

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

SECTION 3. Who shall Pay the PCA Fee - The current PCA Fee 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) Desiccators
- 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 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 7 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. Transitory Provisions -

a) The following shall still be covered by the old mechanics of PCA Fee collection:

1. For purchases and deliveries and sales against outstanding contracts entered into before the effectivity hereof, remittance thereof shall be made by the end-users and/ or exporters upon sale in accordance with the provisions of Section 3 of AO No. 01, Series of 1996, 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. PCA Fee shall continue to be collected upon sales from inventories existing prior to the effectivity of these Rules as provided for under Section 3 of AO No. 01, Series of 1996, provided that the inventories are properly established on the basis of the reports submitted in accordance with existing schedule of reporting requirements.

b) The following are not covered by the abovementioned exemption and thus, shall be subject to the revised mechanics of PCA Fee collection:

- 1. Sales from any and all volumes purchased and/or delivered but not reported within the period, and in the manner provided in this Section;
- 2. Sales from purchases and stock inventories of end-users with unsubmitted reports within the six (6) month period immediately preceding the effectivity of these Rules.

It is understood therefore, that whatever reports previously submitted shall remain binding.

c) Within ten (10) days from date of effectivity of these Rules, all payors contemplated in Section 3 of this Order, shall submit to PCA sworn statements of their cut-off stock inventories and balances of undelivered volume based on outstanding purchase and sales contracts as of 12 o'clock midnight immediately preceding the date of effectivity of these Rules:

1. For outstanding purchase contracts, the sworn statement shall include the following data and information;

- (a) Coconut products contracted
- (b) Contract dates and numbers
- (c) Names and addresses of suppliers
- (d) Volume contracted in kilograms and
- (e) Undelivered balances (volume in kilograms)

2. For outstanding domestic and export sales contracts, the sworn statements shall include the following data and information:

- (a) Coconut products contracted
- (b) Contract dates and numbers
- (c) Names and addresses of buyers/importers/consignees/brokers