

[PCA ADMINISTRATIVE ORDER NO. 02, May 21, 2010]

REVISED RULES AND REGULATIONS ON PCA REGISTRATION OF PERSONS AND ENTITIES ENGAGED IN BUSINESSES INVOLVING COCONUT AND OTHER PALM OIL PRODUCTS AND BY-PRODUCTS THEREBY AMENDING CERTAIN PROVISIONS OF ADMINISTRATIVE ORDER NO. 003, SERIES OF 1981

WHEREAS, Presidential Decree No. 232, as amended by Presidential Decree No. 1468, has created and organized the Philippine Coconut Authority to implement the declared policy of the State to promote the development and growth of the coconut and other palm oil industry in all its aspects to ensure that the coconut farmers shall become beneficiaries of such development and growth;

WHEREAS, Presidential Decree No. 1468, as further amended by Presidential Decree No. 1644 empowered the Philippine Coconut Authority to regulate the marketing and export of coconut and palm oil products in furtherance to the rationalization of the oil milling industry;

WHEREAS, coconut and palm oils are vital industries in the Philippines being complementary commodities in the domestic market, particularly as household cooking oil and basic ingredient in the cooked and processed food industries as well as competitors in the world market for lauric oils;

WHEREAS, there is now a need to unify and rationalize the existing registration requirements for the coconut and other oil palm industries to harmonize and promote a balanced complementation in the production and market development programs of the Authority, taking into consideration the National Coconut Production Program and the Philippine Palm Oil Industry Development Plan;

WHEREFORE, premises considered, the Governing Board of the Philippine Coconut Authority hereby adopts and promulgates the following rules and regulations;

**ARTICLE I
DEFINITION**

Section 1.1 Words and Phrases – As used in these rules, the words and phrases used herein, unless the context in which they are used indicate otherwise, have the following meanings:

1. PCA - refers to the Philippine Coconut Authority.
2. Traders - are those engaged in the physical buying and/or selling of coconut and/or oil palm products or by-products; done or negotiated on the spot, or forward sale; for this purpose, traders shall also include those engaged in futures trading or sale of contracts or papers representing a physical commodity for a price certain.

3. Processors - are those who transform coconut and oil palm products into other forms of products or by-products through the use of technology, such as but not limited to natural, biological, mechanical and chemical means.
4. Exporters - are those who sell or ship out coconut or palm oil products and by-products to foreign buyers or markets.
5. Laboratories, "Chemists, or "Analyst" are persons or facilities who determine the actual physical and chemical characteristics of coconut and oil palm products and by-products.
6. Trade Intermediaries - are those who provide services relative to commercial transactions involving coconut or palm oil products or by-products, which include, among others, the arrangement of trade negotiations and preparation of necessary documents therefore, and dissemination of market and trade information, including its valuation and analysis.
7. Unfair Trade Practice - is any false, falsely disparaging or misleading oral or written statement, visual description or other representation of any kind in connection with sale, or offering for sale, which has the capacity, tendency, or effect of deceiving or misleading buyers.
8. Adulteration - is the act of corrupting or debasing coconut or oil palm products or by products, or the act of mixing such products with other matters of inferior quality and usually of a more or less deleterious quality.
9. Fraudulent Designation - is the representation made which is known to be false and intended for the victim or injured party to act and rely on the same.
10. Misbranding - means the branding of coconut or oil palm product or by-product intended for sale for which a definition and standard or identity has been prescribed. It may also be the putting in place, substitution of one product for another.
11. Admixture - is the co-mingling of one or more coconut product or oil palm product with another oil product which has been previously declared as one specific or homogenous product.
12. Re-packer - means one who engages in any activity of changing or altering the package or packaging of goods from any bulk, aggregate or assembly to other form or forms by segregating, parceling, dividing, or resizing in other measures of weight, volume, or dimension, or other manner of packaging with the use of container, wrapper, and other protective materials for purposes of protection, handling, delivery, design and presentation of goods.
13. Independent Distributor – an independent agent who acquires goods from the manufacturer and sells the same through wholesale or retail with or without an agreement or contract with the manufacturer or producer.

ARTICLE II COVERAGE

Section 2.1 Covered Products and Activities – These Rules shall apply to natural and juridical persons engaged in business, or rendering service to the public or any clientele involving:

A. Coconut products, either as:

- i. Whole or husked nuts;
- ii. Copra;
- iii. Fresh young coconut or “buko”;
- iv. Desiccated coconut
- v. Crude, refined, bleached and deodorized, or virgin coconut oil; and,
- vi. Coconut oil derivatives or by-products such as, but not limited to copra meal, paring meal, paring oil, cochin oil, refined edible oil, acid oil, glycerine, methyl ester, fatty acid, fatty alcohol and derivatives in other coconut-based oleo chemicals and their derivatives.

B. Processed products principally derived from coconut raw materials, such as, but not limited to:

- i. Coir (coconut) Fiber and peat and their processed/manufactured derivative products, such as but not limited to yarn, twine, geo-textile net, biolog, peat block, plant pots, poles, mattress, and other processed coir products;
- ii. Coconut shell charcoal or activated carbon and derivative products;
- iii. Coconut water beverages;
- iv. Vinegar;
- v. Coconut sap beverages;
- vi. Coconut sap sugar;
- vii. Coconut flour;
- viii. Coconut milk or cream; and
- ix. Others where the main ingredient or at least 60% of which is derived from coconut products or by-products.

C. Oil palms, including but not limited to:

- i. Planting, and cultivation;
- ii. Production of planting materials through seeds germination, seedling propagation, or culture of oil palm vegetative parts, such as embryo or tissue culture;
- iii. Manufacture or production of crude, or refined, bleached deodorized palm oil; refined, bleached, deodorized palm kernel oil; palm olein; and palm oil derivatives in the form of other oleo-chemicals;
- iv. Oil palm fiber derivative processed fiber products;

Section 2.2 Covered Persons or Entities – The natural and juridical entities referred to in this Article dealing with coconut or other oil palm products shall include those who are directly or indirectly functioning as:

- a. Oil palm crop growers or plantation owners or operators, ornamental plant dealers, distributors or sellers, and oil palm nursery owners or operators;
- b. Oil millers, refiners, toll crushers, re-packers, independent distributors;
- c. Processors of primary or secondary products and by-products;
- d. Traders;
- e. Trade intermediaries or middlemen;
- f. Importers or exporters; and
- g. Laboratories, chemists, samplers or product analysts.

ARTICLE III REGISTRATION

Section 3.1 Coverage – Any person or entity may engage in business operation involved in any of the capacities, activities and products enumerated in the preceding Article only after being first registered with the Authority pursuant to these Rules.

The registration as authorized herein shall be mandatory for both the principal and his agents in the case of natural persons, and the central or main offices and branches, subsidiaries and other agencies such as buying stations in the case of juridical persons.

Section 3.2 Application for Registration. Applicants for registration shall file an application with the Authority by fully accomplishing a prescribed registration form and subscribed under oath before a Notary Public.

The application shall be applicable for the current year and shall be filed anytime thereof; Provided, However, that for manufacturers and producers, it is advisable that the applicant should first consult the PCA to determine the viability of the location of the plant to ensure sufficiency and economic flow of raw material supply.

Unless otherwise determined by the Authority, the registration form shall contain the following information:

1. Name of person, company, partnership or other business form where the business shall operate;
2. Address;
3. Nature of business operation;
4. Name and position of person managing the business operation;
5. Commodity/product lines;
6. Authorized capitalization in case of juridical entity, or declared operating capital in the case of a natural person;
7. Name of subsidiary, branch, agent, trading/buying station, etc;
8. Rated monthly and annual production, milling/refining capacity;
9. Number of storage tank, if any, and the capacity;
10. Number and location/address of warehouses and their capacity;
11. Address and area (in hectares) of farm/plantation owned, leased, or otherwise operated by the natural or juridical entity and planted with oil palm; and,
12. Address and area (in hectares) of nursery planted to oil palm seedlings.

SECTION 3.3 Documentary Requirements – The following documents shall be attached to the accomplished and notarized application for registration:

A. For Corporations / Cooperatives

1. Registration Certificate issued by the Securities & Exchange Commission, or the Cooperatives Development Authority;
2. Articles of Incorporation and By-Laws;
3. City/Municipal permit/license;
4. Building plan and permit (for manufacturing plants only);
5. Feasibility study (for millers, manufacturers and processors only); and,