

**[PITC MEMORANDUM CIRCULAR NO. CT- 97.4/01,
April 17, 1997]**

**ACCREDITATION OF PHILIPPINE MANUFACTURERS, EXPORTERS
AND CONTRACTORS UNDER E.O. 120 S. 1993 AND ITS
IMPLEMENTING RULES AND REGULATIONS**

A

Introduction

In relation to Section 9.0 of the Implementing Rules and Regulations (IRR) of E.O. 120 s. 1993 providing for the accreditation of Philippine manufacturers, exporters and contractors (hereinafter referred to as "Philippine Supplier") nationwide who may wish to participate in countertrade transactions as suppliers of Philippine products and services, the following rules of accreditation are hereby promulgated.

ACCREDITATION BY PITC SHALL BE A CONDITION SINE QUA NON FOR PARTICIPATION OF PHILIPPINE SUPPLIERS UNDER THE COUNTERTRADE PROGRAM OF THE GOVERNMENT UNDER E.O. 120, S. 1993.

B

Requirements for Accreditation

Philippine Suppliers who wish to participate in countertrade transactions as suppliers of Philippine products and services under E.O. 120 s. 1993 and its Implementing Rules and Regulations (hereinafter referred to as the "Program") must meet the following criteria/requirements for accreditation prior to offering products/services under this Program.

1. OWNERSHIP

The Philippine Supplier must be at least fifty one percent (51%) Owned or Controlled by individual or group of Filipino Citizens unless the products and/or services required can only be sourced from a Filipino-Owned or Controlled Philippine Supplier, PROVIDED: that the required product or service is among the priorities of the Philippine Government as certified to by PITC in consultation with appropriate government and private entities.

2. NATURE OF BUSINESS

The Philippine Supplier must be engaged in any of the following:

2.1 Engaged in the manufacture or production of Philippine products for exports

and is duly registered under the laws of the Philippines;

2.2 Engaged in service contracting whether locally or for export and is duly registered under the laws of the Philippines;

2.3 Acting as an exclusive marketing or exporting agent of a Philippine manufacturer or producer and is duly registered under the laws of the Philippines.

3. CAPITALIZATION

The Philippine Supplier must have a minimum authorized capitalization of PESOS: ONE MILLION (P1,000,000.00).

4. PRODUCTION CAPACITY

The Philippine Supplier must have a minimum production capacity equivalent to UNITED STATES DOLLAR: FIFTY THOUSAND DOLLARS (US\$50,000.00) worth of products or services per transaction.

5. LOCAL CONTENT

Products and services produced must have a minimum local content of at least fifty one percent (51%) except for products and services resulting from offset transactions where the required minimum local content shall be twenty five percent (25%).

6. TRACK RECORD

The Philippine Supplier must have a track record of at least one (1) year in manufacturing and exporting the required product and/or service. If the track record is less than one (1) year, the Philippine Supplier must present a credit line and/or guarantee of performance for consideration by the Philippine International Trading Corporation (PITC).

7. CREDIT STANDING

The Philippine Supplier must have a good credit standing as evidenced by its credit line with any major commercial bank operating in the Philippines.

C

Procedures for Accreditation

1. All Philippine Suppliers interested to participate under this Program shall secure the Accreditation Form from the Countertrade and Offset Group of PITC.

2. The Accreditation Form shall be completely accomplished/filled up in two copies and signed by an authorized representative of the Philippine Supplier applying for accreditation under the Program and shall be submitted to PITC for evaluation/approval.

3. The following documentary requirements shall be submitted together with

the accomplished/filled up and signed Accreditation Form;

- a. Secretary's Certificate authorizing signatory of the Accreditation Form to sign for and on behalf of the Philippine Supplier applying for Accreditation;
- b. Company Profile;
- c. Copies of the Audited Financial Statement for the last two (2) years;
- d. Copy of Business Name Registration;
- e. SEC Registration, Articles of Incorporation and By-Laws;
- f. BOI Registration, if applicable;
- g. Track Record of Export Performance, if applicable.
- h. Current Mayor's Permit

4. All the required documentation together with two (2) sets of duly accomplished Accreditation Form shall be submitted to the Countertrade and Offset Group of PITC. Submission shall be accompanied with a non-refundable processing fee for accreditation as prescribed under Section D of this Memorandum Circular.

5. Processing and validation of the duly accomplished Accreditation Form and related documents shall be completed within ten (10) working days.

6. An Accreditation Certificate shall be given to the Philippine Supplier upon approval of its application by PITC.

D

Accreditation Fees

PITC shall be authorized to impose and collect non-refundable processing fee for accreditation of PESOS: TWO THOUSAND FIVE HUNDRED (P2, 500.00) and an annual renewal fee of PESOS: ONE THOUSAND FIVE HUNDRED (P1, 500.00) from a Philippine Supplier who wish to participate under this Program, subject to modifications as may be necessary. Said fees may be changed by PITC Management as shall be necessary in the future.

The aforesaid processing and annual renewal fees shall be paid through manager's check, cashier's check or cash.

E

Renewal of Accreditation

Subject to Section F hereof, PITC accreditation hereunder shall be subject to renewals on a yearly basis, based on a review of the performance and track record of the accredited Philippine Supplier for the past year and subject to payment of corresponding fees therefor. Renewal of accreditation may be refused or existing