

**[ MEMORANDUM ORDER NO. 134, February 09,  
2004 ]**

**COORDINATION BETWEEN THE DEPARTMENT OF FINANCE, ITS  
ATTACHED BUREAUS, AND THE SUGAR REGULATORY  
ADMINISTRATION IN THE CLASSIFICATION OF SUGAR AND  
SUGAR PRODUCTS**

WHEREAS, in line with the policy of the State to promote the growth and development of the sugar industry, the Sugar Regulatory Administration (SRA) was created under Executive Order No. 18 dated 28 May 1986, with the principal mandate to regulate supply and stabilize prices of sugar in the country, particularly, "to establish and maintain such balanced relation between production and requirement of sugar and such marketing condition as will insure stabilized prices at a level reasonably profitable to the producers and fair to consumers";

WHEREAS, local supply is obviously comprised not only of locally produced sugar but also of sugar that has been imported into the country, and all forms of both, including its by-products;

WHEREAS, to carry out the above mandate, the SRA monitors, regulates and allocates into classes, such as "A", "B", "C" or "D" all sugar products that may fall under HS 17.01 of the Tariff and Customs Code, as amended:

WHEREAS, for this purpose, the SRA conducts an analysis of the characteristics and composition of a sugar product, whether imported or locally produced, as well as the materials and substances contained therein, and can provide assistance to government agencies concerned in the determination of the appropriate classification of such product:

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

*SECTION 1.* The Department of Finance and its attached bureaus, particularly, the Bureau of Customs and the Bureau of Internal Revenue shall consult and coordinate with the SRA in the determination of the appropriate classification of sugar products for certain purposes including but not limited to imposing the proper import duties, and/or assessing value added or other taxes thereon.

*SECTION 2.* The Bureau of Customs shall notify the SRA in case of any importation, exportation or withdrawal from customs bonded warehouses, of sugar, and all forms thereof, prior to their release and allow the SRA to inspect the shipment or warehouse to verify compliance with its rules and regulations. The entry to and exit from special