

**[GTEB MEMORANDUM CIRCULAR NO. 012-04,
April 13, 2004]**

CLARIFICATION ON QUOTA TRANSFERS OF EQ/EA

Further to our Memorandum Circular No. 007-04 Re: Revision on the GTEB Rules on Quota allocation dated February 12, 2004, the following clarifications are issued:

1. For emphasis on closed firms and/or non-operational firms, Memorandum Circular No. 007-04 (III) provides as follows:

"All restrictions on quota transfers are lifted to provide more flexibility to garment exporters considering the limited quotas during this last quota year. Any quota whether EQ or REA may be transferred up to 100%. However, approval of quota transfers of closed firms or non-operational firms as part of their exit plan shall still be subject to the submission of a DOLE clearance certifying that the firm does not have any pending labor case."

2. While the above policy continue to apply, the REA awards (ACC R425) on **Non-Critical** categories granted in the regular allocation are **non-transferable** because these are awarded based on specific shipment dates declared by the manufacturers/exporters.

3. REA awards (ACC R 470) under the **Big Buyer Program** are likewise non-transferable as these are awarded based on confirmed orders of specific BUYER with the exporter and ranked according to FOB/LVA.

4. **Guarantee allocations** are also **non-transferable**. The rationale behind the guarantee is to provide continuity of long term business relationship which the exporter has developed with its buyers.

For your information and guidance.

Adopted: 13 April 2004

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Executive Director
