

[GTEB MEMORANDUM CIRCULAR NO. 10-03, June 06, 2003]

INCENTIVIZED QUOTA RULE ENHANCEMENTS

In line with the objectives of the Industry Transformation Plan, and to ensure that our policies continue to be in sync with the evolving business realities, the Board on 14 February and 15 April 2003 approved and confirmed the following Quota Rule Enhancements.

1. Increase in the Ratio of Incentives basket vis-a-vis the CAP & RANK, from 30:70 to 50:50 of the free quota for 2003.

(Board Res. No. 008, s.'03)

Effective the 1st regular allocation of 2003, the 50:50 Ratio has been implemented.

(Amendment to Article II GTEB Cir. 009-02, dated February 26, 2002).

2. Incentives Basket:

2.1 Productivity Enhancement Program (PEP):

(Board Res. No. 010, S'03)

(Amendment to IV-7 of the Implementing Guidelines of 2002 Incentives Basket dated 12 April 2002).

Restoration of CEA Incentives awards under the Capitalized Investment Program which have been subjected to inspection shall be restored in accordance with the rules without re-inspection.

However, the whole Capitalized Investment Program shall be subject to:

- a. random, spot-check inspection of the capitalized investment;
- b. automatic cancellation of the award if upon spot-check inspection, the capitalized investment is no longer installed/operational;

2.2 Growth Enhancement Program (GEP):

(Amendment to Implementing Guidelines of the 2002 Incentives Basket dated 12 April 2002):