

**[PPA MEMORANDUM CIRCULAR NO. 31, S. 2003,
November 19, 2003]**

**GUIDELINES ON THE COLLECTION OF PORT CHARGES AND
CARGO HANDLING CHARGES UNDER THE CASH AND CARRY
SYSTEM AND ITS VARIANTS**

Pursuant to Section 23 of PD 857 and in relation to PPA Memorandum Circular No. 27-2002, as amended by PPA Memorandum Circular No. 18-2003, the following guidelines, rules and procedures on the collection of Port Charges and Cargo Handling Charges under the Cash and Carry System and its variants are hereby prescribed.

1. Guidelines

1.1 Aside from the **Cash and Carry System** where the Port User pay prior to withdrawal of cargoes from the port/loading of cargoes unto the vessel for charges against cargoes or before departure of the vessel for charges against vessel, the Port User may opt to avail of two other collection systems, namely: **Cash and Carry with Cash Revolving Deposit System** and **Cash & Carry with Bank Guaranty System** designed to provide convenience to Port Users who have regular and voluminous transactions with the Philippine Ports Authority (PPA).

1.1.1 Cash & Carry with Cash Revolving Deposit System

1.1.1.1 This is an imprest collection system.

1.1.1.2 The Port User is required to maintain a minimum cash revolving deposit equivalent to its average seven-day transaction volume in each Servicing PPA Office.

1.1.1.3 The Servicing PPA Office shall be taken to mean as the Port Management Office (PMO) the Port User is transacting with.

1.1.1.4 The invoices for the day are issued and charged against the revolving deposit.

1.1.1.5 The Port User replenishes by settling the exact amount of the invoices covered by a summary of outstanding invoices to restore the same amount of the deposit.

1.1.1.6 If the remaining balance of the revolving deposit cannot cover the invoice in process, the charges should be paid in cash and all succeeding transactions shall be processed under the Cash and Carry System, until the revolving deposit is replenished.

1.2 Cash & Carry with Bank Guaranty System

1.2.1 Under this System, the Port User enters into a Memorandum of Agreement with an Authorized Bank whereby the Authorized Bank issues a Bank Guaranty, in favor of the Servicing PPA Office, to guarantee the payment of any billing of PPA Port Charges or PPA Share on Cargo-Handling Charges that the Port User may incur.

1.2.2 The amount of the Bank Guaranty shall be equivalent to at least an average 15-day-transaction volume normally incurred by the Port User doing daily business at said Servicing PPA Office.

1.2.3 Authorized Bank shall be any Universal Commercial Bank authorized by the Bangko Sentral ng Pilipinas and accredited by PPA Head Office.

1.2.4 Bank Guaranty shall be in the form of an Irrevocable Stand By Letter of Credit callable on demand by the PPA. The effective term of the Bank Guaranty shall not be less than one (1) year from the date of its issuance.

1.2.5. The Port User shall submit, to the Servicing PPA Office concerned, the Original Copy of the Agreement and the Irrevocable Stand By Letter of Credit and its succeeding renewals.

1.2.6 The Irrevocable Stand-By Letter of Credit should be renewed one month prior to expiration.

1.2.7 The Memorandum of Agreement (MOA) Between Bank and Port User

The provisions of the MOA between the Authorized Bank and the Port User shall include, among others, the following: