

**[GTEB CIRCULAR NO. 005, S. OF 2000, February
15, 2000]**

GUIDELINES ON THE TEMPORARY TRANSFERS OF QUOTA

The Board on January 11, 2000 approved the provision on Temporary Transfers of Quota in response to the needs of the Industry to give flexibility to both buyers and exporters in meeting market demands and to establish proper production planning.

The Board on February 15, 2000 approved and confirmed in accordance with the above-mentioned resolution, the guidelines on the Temporary Transfers of Quota to wit:

1. Maximum Allowable Quantity — The maximum quantity to be transferred is 40% of firm's Export Quota (EQ) holdings.
2. Disqualification — Transferors are disqualified to apply in the category where the transfer is made within 60 days from date of transfer except when the total transfer is 1,000 doz. and below.
3. Restoration — Restoration to transferor in the following year to the extent of quantity performed by the transferee.
4. Forfeiture — 50% forfeiture/penalty based on the lower quantity transferred for two (2) consecutive years.
5. Surrender — Transferred quantity may be surrendered without monetary penalty within 30 days from date of transfer. However, no restoration to the transferor.
6. LVA Compliance — The transferee should meet at least the Industry Average LVA of the category. Failure to meet the same will be subject to the 10% LVA shortfall penalty.
7. Non utilization — The transferee shall be liable to pay the monetary penalty of P0.12/SME of quantity unperformed in accordance with the Rules.
8. Service/Processing fee — Service fee of P10/doz. of quantity transferred.

For information and guidance.

Adopted: 15 Feb. 2000

(SGD.) FELICITAS R. AGONCILLO-REYES
Executive Directo
