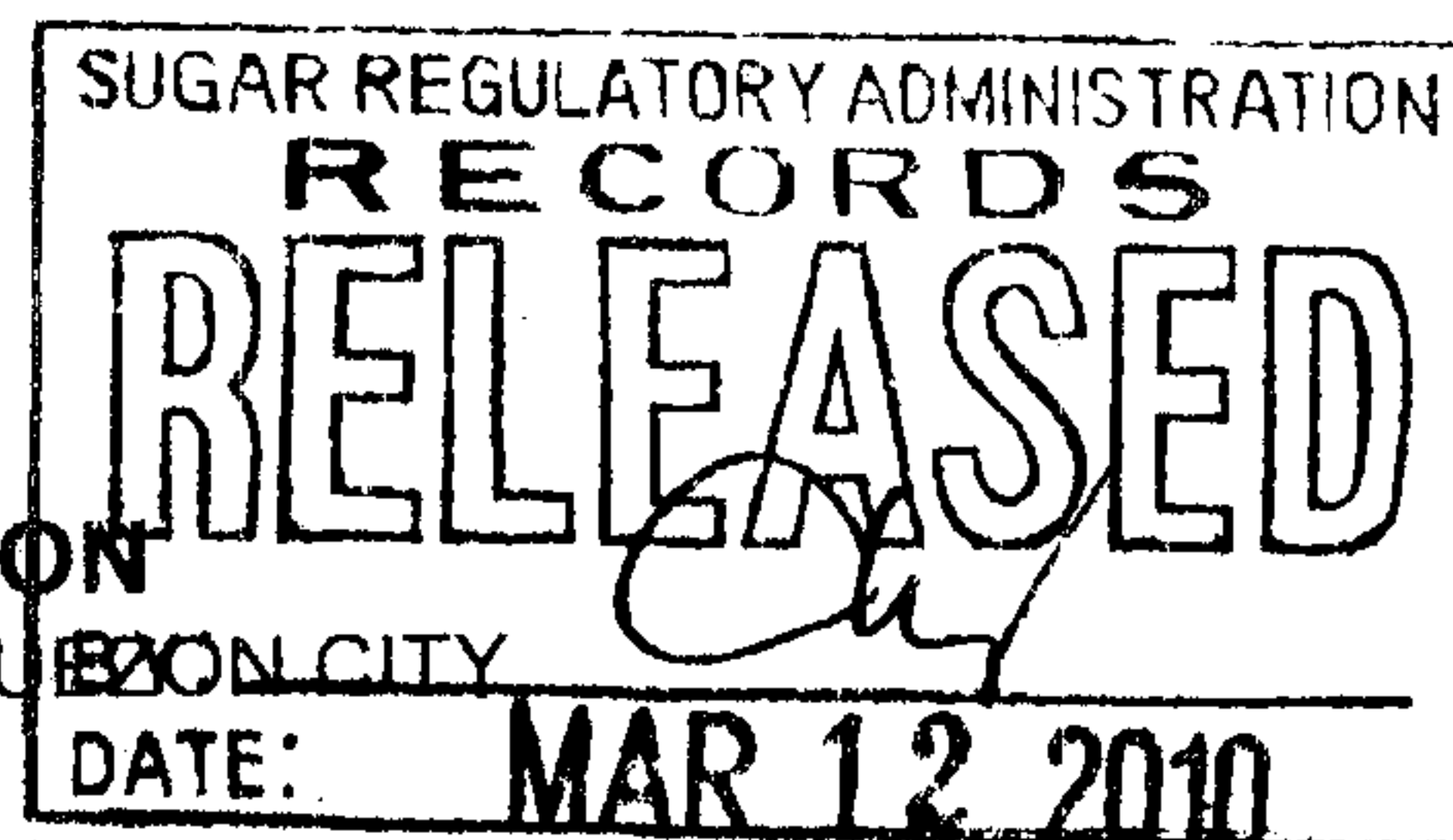




REPUBLIC OF THE PHILIPPINES
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
SUGAR CENTER, NORTH AVENUE, DILIMAN, QUEZON CITY
Diliman Quezon City 1101 Philippines



February 26, 2010

Sugar Order No. 10
Series of 2009 - 2010

SUBJECT: CODIFIED VIOLATIONS OF SRA REGULATIONS AND SUGAR ORDERS, PROVIDING FOR PENALTIES AND SIMPLIFIED RULES AND PROCEDURES FOR THE DISPOSITION OF CASES RELATED THERETO

WHEREAS, Executive Order No.18, dated 28 May 1986, vests the Sugar Regulatory Administration with the power to establish and maintain a balanced relationship between sugar production and the requirements of the market, and to maintain such marketing conditions as will ensure stabilized prices at levels reasonably profitable to producers and fair to consumers;

WHEREAS, said Executive Order No. 18 further vested the Sugar Regulatory Administration with the power to institute regulations for implementing, controlling, and monitoring the production quotas, and to perform such functions directly or indirectly necessary, incidental or conducive to the attainment of the purposes of the Sugar Regulatory Administration;

WHEREAS, a number of orders, circulars, rules and regulations issued by the SRA have been violated in the past, and the disposition of cases involving such violations has been slow and difficult;

WHEREAS, the issuance of an order integrating and incorporating all past and future issuances, prescribing the imposition of penalties and simplifying the procedure for the disposition of such cases, will provide a ready guide to producers, millers, regulators and other stakeholders of the sugarcane industry for the fast resolution of cases;

NOW THEREFORE, under and by virtue of the authority vested in the Sugar Regulatory Administration (SRA), the following is hereby ordered:

Section 1. Codified Violations of SRA Rules and Regulations with Corresponding Penalties and Rules of Procedures in Administrative Cases.
The herein attached Codified Violations of SRA Rules and Regulations with

Corresponding Penalties and Rules of Procedures in Administrative Cases is hereby issued and published for implementation.

Section 2. Provisions of Sugar Orders, Circular Letters, rules and regulations contrary to or inconsistent with the herein published Codified Violations of SRA Rules and Regulations with Corresponding Penalties and Rules of Procedures in Administrative Cases are hereby revised, modified or revoked.

Section 3. This Codified Violations of SRA Rules and Regulations with Corresponding Penalties and Rules of Procedures in Administrative Cases and all its provisions shall take effect after three (3) days from its filing and publication with the Administrative Register of the University of the Philippines Law Center.

BY AUTHORITY OF THE SUGAR BOARD


RAFAEL L. COSCOLLUELA
Administrator



REPUBLIC OF THE PHILIPPINES
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
SUGAR CENTER, NORTH AVENUE, DILIMAN, QUEZON CITY
Diliman Quezon City 1101 Philippines

**CODIFIED VIOLATIONS OF SRA REGULATIONS AND SUGAR ORDERS,
PROVIDING FOR PENALTIES AND SIMPLIFIED RULES AND
PROCEDURES FOR THE DISPOSITION OF CASES RELATED THERETO**

PRELIMINARY PROVISIONS

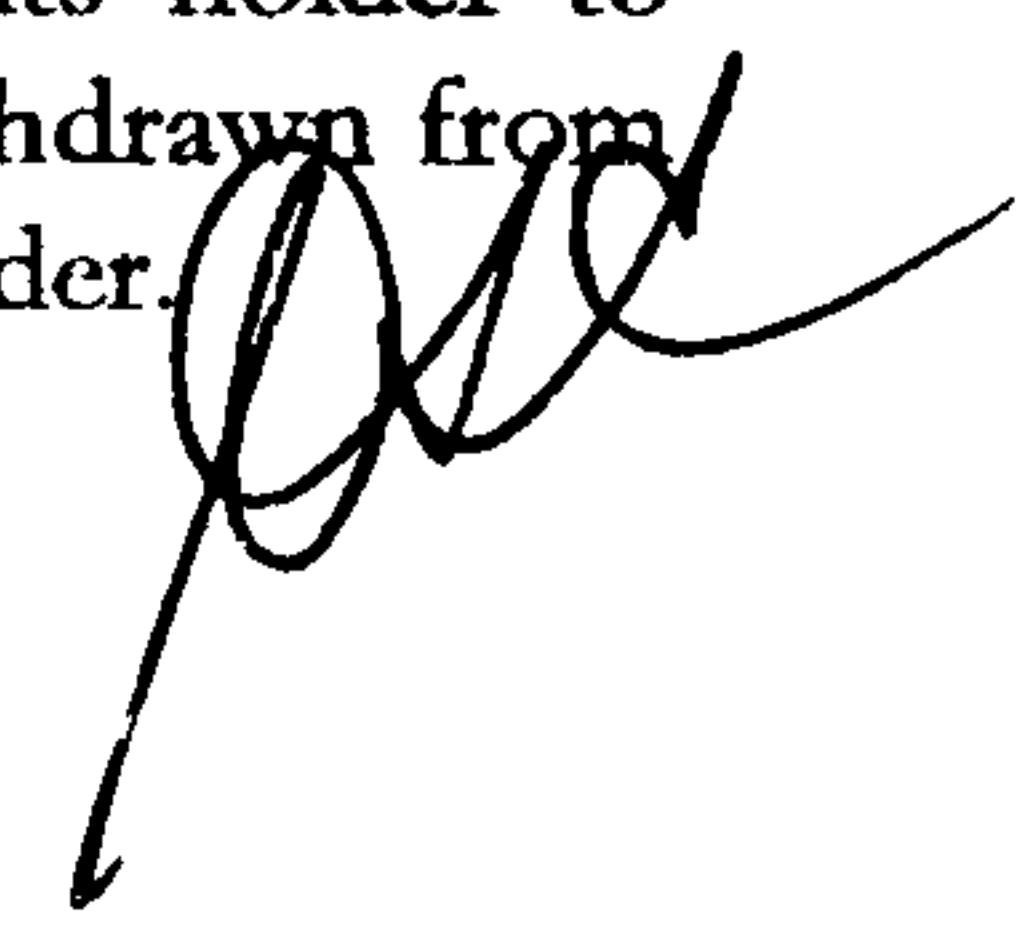
Section I. Coverage. This Code shall be applicable to all violations/offenses of *Sugar Regulatory Administration* rules and regulations as contained in its Sugar Orders, Circular Letters, Memorandum Circulars and the like, promulgated or as may be promulgated by the Sugar Board and/or the Administrator in the exercise of its regulatory functions.

BOOK I. CODE OF OFFENSES

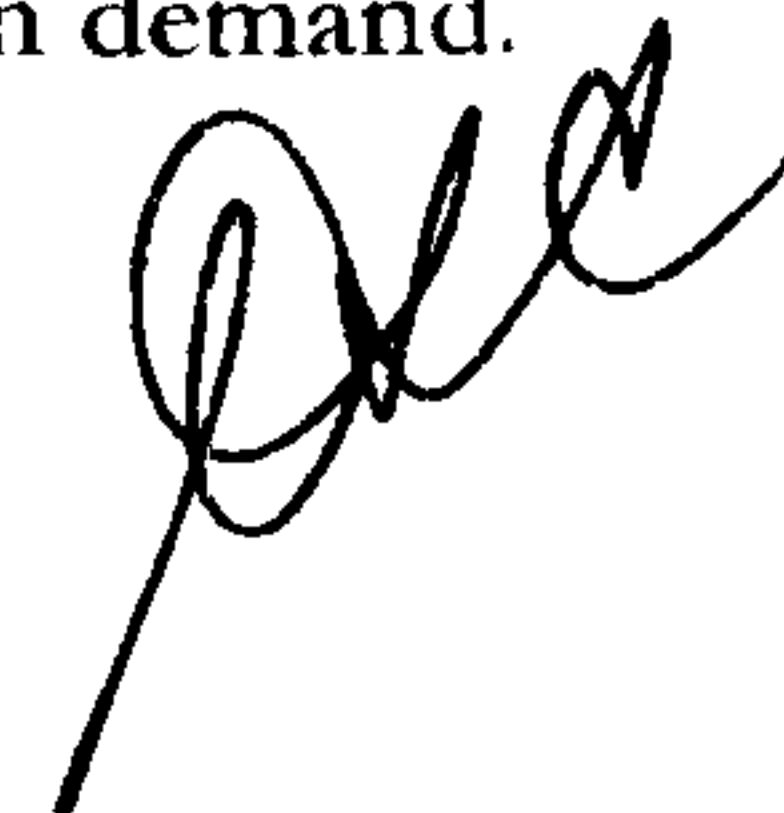
**RULE I
DEFINITION OF TERMS**

Section 1. Definition of Terms. The terms used hereunder shall be construed as follows:

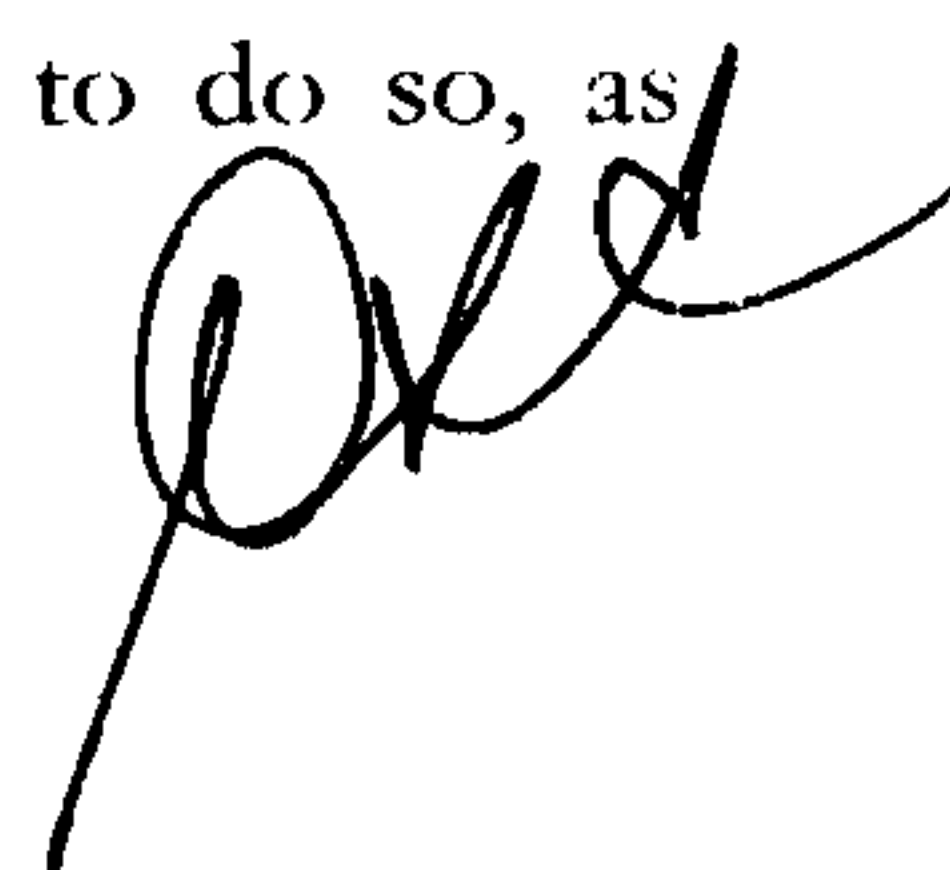
- 1.1 Administrator** – refers to the Administrator of the Sugar Regulatory Administration
- 1.2 Advance Refining** – the refining of raw sugar without surrendering the corresponding quedans, or in case of “C” sugar, prior to maturity or reclassification.
- 1.3 Advance swapping** – the swapping in advance of a certain class of sugar to another class of sugar of the current or previous crop year/s subject to replenishment of the same class and volume of sugar advance swapped within a pre-determined period, as authorized by the Board.
- 1.4 Black-listing** – a disciplinary penalty whereby the offender is barred from transacting business with SRA for the duration of the penalty.
- 1.5 BOC** – refers to the Bureau of Customs
- 1.6 CBW** – refers to the Custom Bonded Warehouse

- 1.7 Certification of Sugar Requirements of Processors/Manufacturers of Sugar-Based Products For Export** – refers to the SRA-approved “D” or Imported sugar annual allocation granted to a food processor/manufacturer of sugar-based products for export.
- 1.8 Circular Letter** – refers to a rule or procedure promulgated by the SRA Administrator, for purposes of implementing the provisions of a Sugar Order or providing guidelines on matters which are administrative in nature.
- 1.9 Classification of sugar** – the market destination of sugar classified by SRA as follows:
- “A” Sugar- refers to U.S. Sugar Quota Allocation or sugar for export to the U.S. as the Philippine share of the U.S. Sugar Quota Allocation.
 - “B” Sugar- refers to Domestic Sugar or sugar for domestic consumption.
 - “C” Sugar- refers to Reserve Sugar or sugar that is reserved temporarily unless reclassified into other class of sugar.
 - “D” Sugar- refers to World Market Sugar that may be exported to the world market, reclassified for sugar-based food processor/exporters with SRA “D” sugar allocation, for registered bioethanol producers, or for SRA-licensed muscovado producers.
- 1.10 Certificate of Exchange Authority** – the authorization issued by the SRA Administrator approving the swapping of sugar of different classes located at different mills or warehouses.
- 1.11 Certificate of Export Clearance** – refers to the authority given by the SRA Administrator for the export of “D” or “A” Sugar, to the world market or to the U.S., as the case maybe, upon completion of all requirements.
- 1.12 Clearance for Release of Imported Sugar** – refers to the authority given by the SRA addressed to the BOC for the release of said sugar under such terms and conditions as therein stated.
- 1.13 Food Processors/Manufacturers of Sugar-Based Products For Export** – Philippine-based manufacturer or processors of foods for export using imported or domestic sugar as one of its principal ingredients.
- 1.14 Forfeiture of Bond** – the act of confiscating the Bond in favor of SRA for violation of said SRA rule and regulation.
- 1.15 Homeless Quedan** – refers to sugar quedan of any class declared as without home/destination, hence, expired/non-negotiable due to failure of its holder to meet SRA requirements. Sugar covered by said quedans can not be withdrawn from the mill, unless such quedans are re-instated through a specific sugar order.
- 

- 1.16 License** – refers to the authority given by SRA to a sugar mill/refinery, or sugar, molasses or muscovado trader, to engage in the business of sugar milling/refining, or trading of sugar, molasses, or muscovado, as the case may be.
- 1.17 Lkg-Bag** – refers to a bag of sugar weighing fifty (50) kilos.
- 1.18 Molasses** – as described under industry accepted standard
- 1.19 Molasses Storage Certificate** – refers to the warehouse receipt issued by a sugar mill/refinery attesting to the fact that the volume of molasses and its owner as therein stated is stored at the mill's facilities with the commitment that will be delivered to the holder of said document upon demand.
- 1.20 Muscovado** – as described under industry accepted standard
- 1.21 Other Classes of Sugar** – the SRA may classify from time to time specific sub-classifications of the above sugar classes, as may be defined in applicable Sugar Orders.
- 1.22 Overage** – refers to the physical sugar/molasses stored at the mill in excess of the mill's book value as validated by the SRA.
- 1.23 Performance Bond** – the amount tendered as security instrument pursuant to the provision of a Sugar Order.
- 1.24 Pre-mix commodities** – refers to food preparations under Tariff Heading 21.06 of the Tariff and Customs Code of the Philippines – Asean Harmonized Tariff Nomenclature (TCCP-AHTN), containing 65% sucrose or more.
- 1.25 Premix Commodity Release Clearance** – refers to the authority given by SRA for release of imported premix commodity from the BOC.
- 1.26 Premix Import Certificate** – refers to the allocation approved by SRA to import premix sugar used as raw materials in the making of beverages and food for human consumption.
- 1.27 Prevailing Price** – the price based on SRA price surveys on a particular period by the price monitoring team as reported in the Sugar Bulletin.
- 1.28 Price Differential** – the difference in prevailing price of a particular class of sugar as against other class or classes of sugar.
- 1.29 Quedan** – refers to a warehouse receipt issued by a sugar mill/refinery attesting to the fact that the volume and class of sugar and its owner, as therein stated, is kept at the said sugar mill/refinery and with the commitment that it will be delivered to the holder of said document by the sugar mill/refinery's warehouseman upon demand.
- 1.30 Raw Sugar** – sugar as described under industry accepted standard



- 1.31 Refined Sugar** – sugar as described under industry accepted standard.
- 1.32 Refining** – refers to the processing of a manufactured raw sugar into refined sugar.
- 1.33 Regular Swapping** – is the exchange of quedans of different classes of sugar with an equal quantity located at different mills or warehouse.
- 1.34 Shipping Permit** – refers to the permit to ship sugar within Philippine territory issued by the SRA.
- 1.35 SRA** – refers to the Sugar Regulatory Administration, as created by Executive Order No. 18, Series of 1986.
- 1.36 Sugar Planter** – the original owner of sugarcane brought to the mill for milling purposes.
- 1.37 Sugar Board** – refers to the Board of the Sugar Regulatory Administration
- 1.38 Sugar mill/refinery**- a domestic company engaged in the business of milling sugarcane into raw sugar, or in the refining of raw sugar.
- 1.39 Sugar Order**- refers to a rule or regulation promulgated by the Administrator, by authority of the Sugar Board, in the exercise of SRA's regulatory power relative to the production, warehousing, withdrawal, marketing, disposal, use or import/export of sugar and all products derived from sugarcane and sugar, including premix commodities.
- 1.40 Sugar-less Quedan**- refers to quedan issued by a mill/refinery wherein said quedan is not backed-up by the physical sugar as therein stated.
- 1.41 Sugar Release Order**- refers to the document issued by a sugar mill/refinery and attested by the SRA Regulation Officer authorizing the withdrawal of raw or refined sugar at its warehouse, addressed to the mill's warehouseman.
- 1.42 Trader (Sugar, Molasses or Muscovado)** – a domestic company or person given authority and license by the SRA to engage in the business of trading sugar, molasses, or muscovado, as the case may be.
- 1.43 Unauthorized** – without permit, clearance or authority from SRA to do so, as used in Book I, Rule II (Offenses and Penalties).
- 1.44 Violation** – used synonymously with offense



RULE II
OFFENSES and PENALTIES

Section I. Classification Of Offenses -- For easy identification, administrative offenses for violations of SRA rules and regulations are classified into *reportorial requirements, transfer/movement of sugar, mill operations, sugar and quedan transactions, unlicensed activities and other offenses.*

Section 2. The following are offenses under *reportorial requirements* with their corresponding penalties.

2.1 Failure to report by sugar exporter of "A" sugar or "D" sugar on completion of shipment and arrival of shipment to the U.S. or the world market, as the case maybe, within fifteen (15) days thereof.

1st Offense- Fine of Php 500.00/day of delay

2nd Offense- Fine of Php 800.00/day of delay

3rd Offense- Fine of Php 1,000.00/day of delay and/or suspension or revocation of license

2.2 Failure to submit on time by the mill or refinery (on or before the Tuesday following the week ending date of the report) the weekly Sugar Monitoring System (SMS) report.

1st Offense- Fine of Php 2,000.00/day of delay

2nd Offense- Fine of Php 2,300.00/day of delay

3rd Offense- Fine of Php 2,500.00/day of delay and/or suspension of license

2.3 Failure to submit semi-annual trading activities within fifteen (15) days after the middle and end of every crop year, respectively.

1st Offense- Fine of Php 5,000.00

2nd Offense- Fine of Php 10,000.00

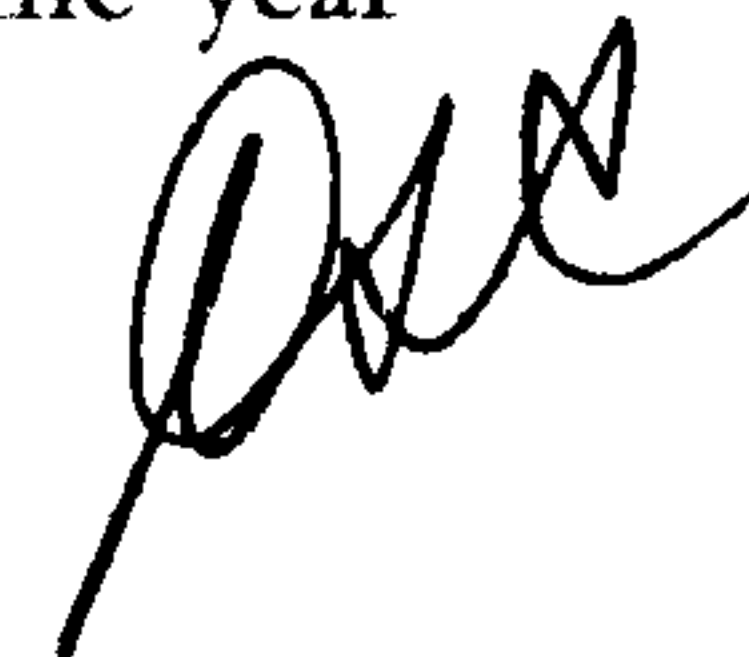
3rd Offense- Fine of Php 15,000.00 and/or suspension or cancellation of license

2.4 Failure to submit quarterly report on consumption of sugar, imported or domestic, used as ingredients of sugar-based products for export.

1st Offense- Fine of Php 1,000.00/week of delay

2nd Offense- Fine of Php 2,000.00/week of delay

3rd Offense- Fine of Php 3,000.00/week of delay and/or cancellation/revocation of Certificate of Sugar Requirement for the year and/or black-listing



2.5 Failure of food processor/manufacturer of sugar-based products for export to liquidate within six to nine months (6-9 mos.) "D" sugar used for food export, or failure to submit liquidation report from BOC of imported sugar used for food export within nine to twelve months (9-12 mos.) from date of withdrawal of sugar from mill or BOC, as the case may be.

- 1st Offense – Fine of Php 100.00/LKg and/or price differential if applicable
- 2nd Offense – Fine of Php 150.00/LKg and/or price differential if applicable
- 3rd Offense – Fine of Php 200.00/LKg and/or price differential if applicable and/or cancellation of certificate of Sugar Requirement for the year and/or black-listing

2.6 Failure to report advance refining of "B" sugar (for integrated mills). [*Note: Unauthorized advance refining of other classes of sugar other than "B" is under the category of Mill Operations*].

- 1st Offense – Fine of Php 5.00/LKg but in no case lower than Php 3,000.00
- 2nd Offense – Fine of Php 10.00/LKg but in no case lower than Php 5,000.00
- 3rd Offense – Fine of Php 20.00/LKg but in no case lower than Php 10,000.00 and/or suspension or cancellation of license

2.7 The failure by the mill/refinery/sugar-based food exporter or CBW to report within three (3) working days from occurrence/discovery, the sugar losses of sugar mills due to natural calamities, warehousing problems, pilferages or similar causes shall be treated as no losses were incurred and any sugar shortage shall be treated under Section 8.

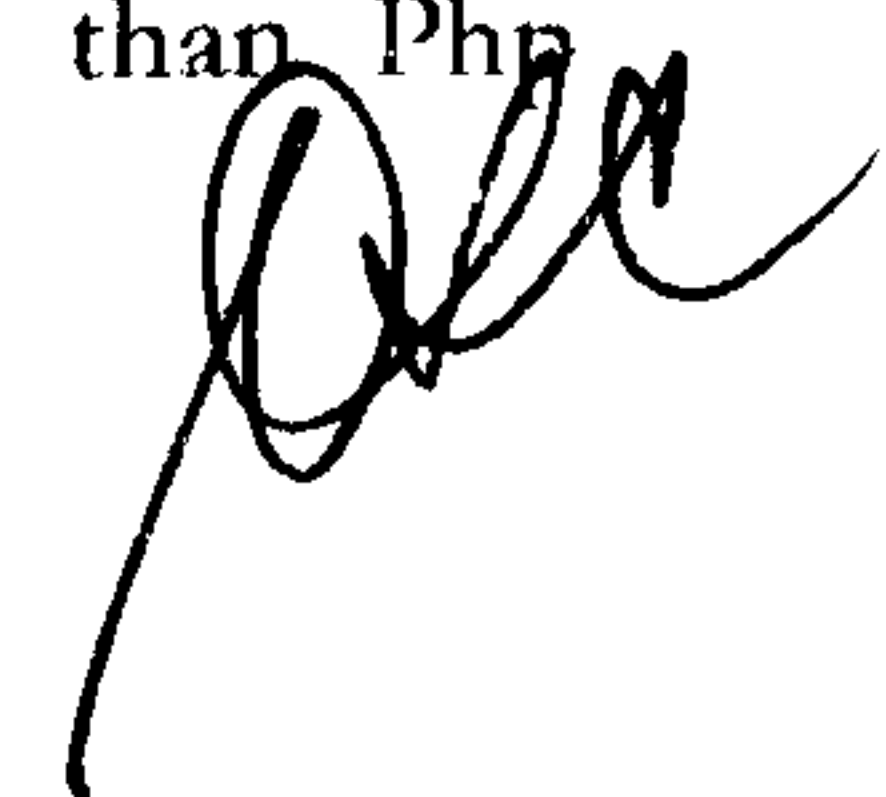
2.8 Failure to comply with such other reportorial requirements not otherwise specifically stated above and enumerated but is required under existing and specific sugar order or circular letters shall likewise be penalized as follows, unless a specific penalty is provided for under existing sugar orders:

- 1st Offense – Fine of Php 1,000.00/day
- 2nd Offense – Fine of Php 2,000.00/day
- 3rd Offense – Fine of Php 3,000.00/day and/or suspension or revocation of license

Section 3. The following are offenses under **transfer/movement of sugar** with their corresponding penalties:

3.1 Failure to give on time written notice to SRA on sugar movement or transactions when such notice is required.

- 1st Offense – Fine of Php 5.00/LKg but in no case lower than Php 5,000.00
- 2nd Offense – Fine of Php 10.00/LKg but in no case lower than Php 10,000.00



3rd Offense – Fine of Php 20.00/LKg but in no case lower than Php 15,000.00 and/or suspension or cancellation of license

Examples of mandatory written notices relating to sugar movement or transactions are:

- 3.1.1 Processor/manufacturer of sugar based products must submit to SRA export notice of expected arrival of imported sugar within five (5) working days prior to said expected arrival.
- 3.1.2 Processor/manufacturer of sugar based products must submit to SRA export notice to withdraw imported sugar from the BOC or CBW at least three (3) working days prior to its intended withdrawal.
- 3.1.3 Processor/manufacturer of sugar based products must submit to SRA export notice to withdraw “D” sugar from the mill or refinery at least three (3) working days prior to its intended withdrawal.
- 3.1.4 Exporters of “D” or “A” sugar must submit to SRA notice of loading at least three (3) working days prior to the expected loading to the vessel.

3.2 Unauthorized withdrawal, transfer, or loading of “D” or “A” sugar for export to the world market or the U.S., as the case maybe.

1st Offense – Fine of Php 100/LKg

2nd Offense – Fine of Php 150/LKg

3rd Offense – Fine of Php 200/LKg and/or suspension or revocation of license

3.3 Unauthorized withdrawal of imported sugar from the port of entry or the Bureau of Customs.

1st Offense – Fine of Php 200.00/LKg

2nd Offense – Fine of Php 300.00/LKg

3rd Offense – Fine of Php 500.00/LKg and/or suspension or revocation of license

3.4 Unauthorized withdrawal of imported premix commodities or premix sugar from the BOC.

1st Offense – Fine of Php 100.00/LKg

2nd Offense – Fine of Php 200.00/LKg

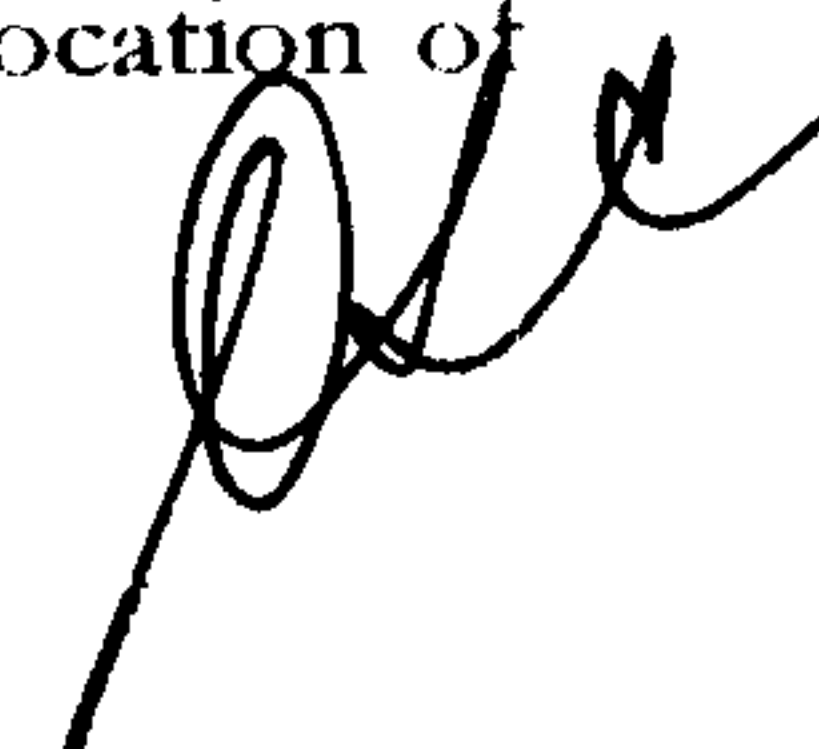
3rd Offense – Fine of Php 400.00/LKg and/or black-listing

3.5 Unauthorized transfer of sugar form mill/refinery to subsidiary warehouse not within the mill/refinery compound or unauthorized transfer of raw sugar from mill to a refinery (not integrated) or in another port.

1st Offense – Fine of Php 100.00/LKg

2nd Offense – Fine of Php 150.00/LKg

3rd Offense – Fine of Php 200.00/LKg and/or suspension or revocation of license



3.6 Unauthorized coastwise shipment of sugar from one Philippine port to another.

- 1st Offense – Fine of Php 100.00/LKg
- 2nd Offense – Fine of Php 150.00/LKg
- 3rd Offense – Fine of Php 200.00/LKg and/or suspension or revocation of license or black-listing

3.7 Exporting “A” or “D” Sugar without clearance.

- 1st Offense – Fine of Php 100.00/LKg
- 2nd Offense – Fine of Php 150.00/LKg
- 3rd Offense – Fine of Php 200.00/LKg and/or suspension or revocation of license

3.8 Failure to export “D” or make available “D” sugar for export within the prescribed period.

- 1st Offense – Fine of Php 100.00/LKg
- 2nd Offense – Fine of Php 150.00/LKg
- 3rd Offense – Fine of Php 200.00/LKg and/or suspension or revocation of license

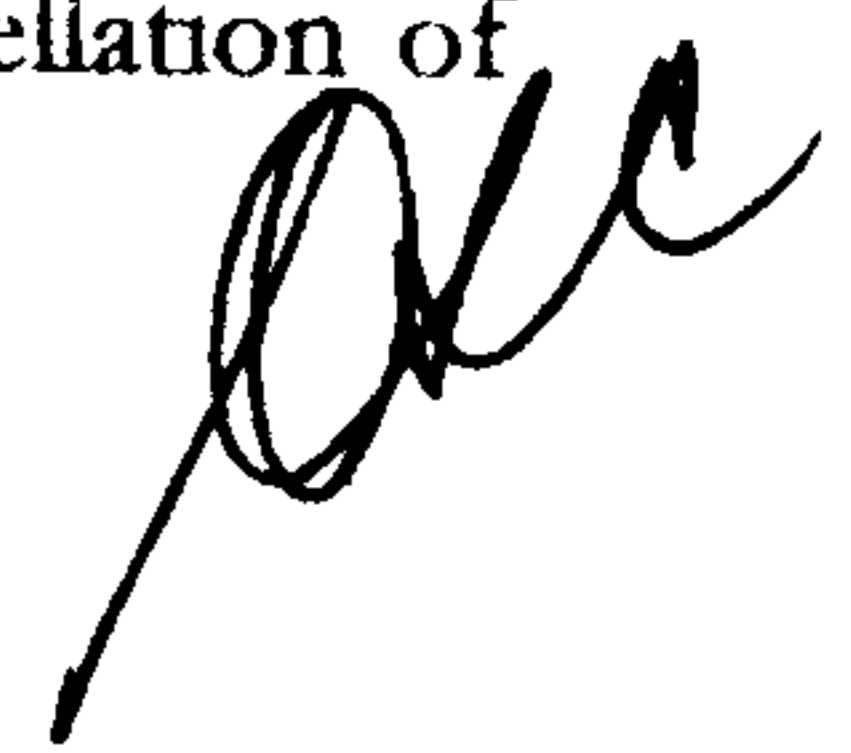
3.9 Commission of such other offenses relating to transfer/movement of sugar not otherwise specifically above stated and enumerated but is required under existing and specific sugar order or circular letters shall likewise be penalized as follows, unless a specific penalty is provided for under existing sugar orders:

- 1st Offense – Fine of Php 100.00/LKg but in no case lower than Php 3,000.00
- 2nd Offense – Fine of Php 150.00/LKg but in no case lower than Php 5,000.00
- 3rd Offense – Fine of Php 200.00/LKg but in no case lower than Php 8,000.00 and/or suspension or cancellation of license

Section 4 The following are the offenses under **mill operations** with their corresponding penalties.

4.1 Failure to collect and/or remit liens to the concerned beneficiary within the prescribed period (one month).

- 1st Offense- Fine of Php 100.00/LKg.
- 2nd Offense- Fine of Php 150.00/LKg.
- 3rd Offense- Fine of Php 200.00/LKg and/or suspension or cancellation of license.



4.2 Failure to surrender to SRA surcharged quedans within the prescribed period

- 1st Offense- Fine of Php 100.00/LKg.
- 2nd Offense- Fine of Php 150.00/LKg.
- 3rd Offense- Fine of Php 200.00/LKg and/or suspension or cancellation of license.

4.3 Understatement of production or non-queдання of sugar produced whether raw or refined whose ownership has already been determined.

- 1st Offense- Fine of Php 100.00/LKg.
- 2nd Offense- Fine of Php 150.00/LKg.
- 3rd Offense- Fine of Php 200.00/LKg and/or suspension or revocation of license.

4.4 Unauthorized advance refining of "A", "C", and "D" sugar or unauthorized withdrawals/receipts of raw sugar for refining. (Transfer of raw sugar to refinery)
[Note: Unreported advance refining of "B" is under the category of Reportorial Requirements]

- 1st Offense- Fine of Php 100.00/LKg.
- 2nd Offense- Fine of Php 150.00/LKg.
- 3rd Offense- Fine of Php 200.00/LKg and/or suspension or cancellation of license.

4.5 Unauthorized swapping or advance swapping of sugar.

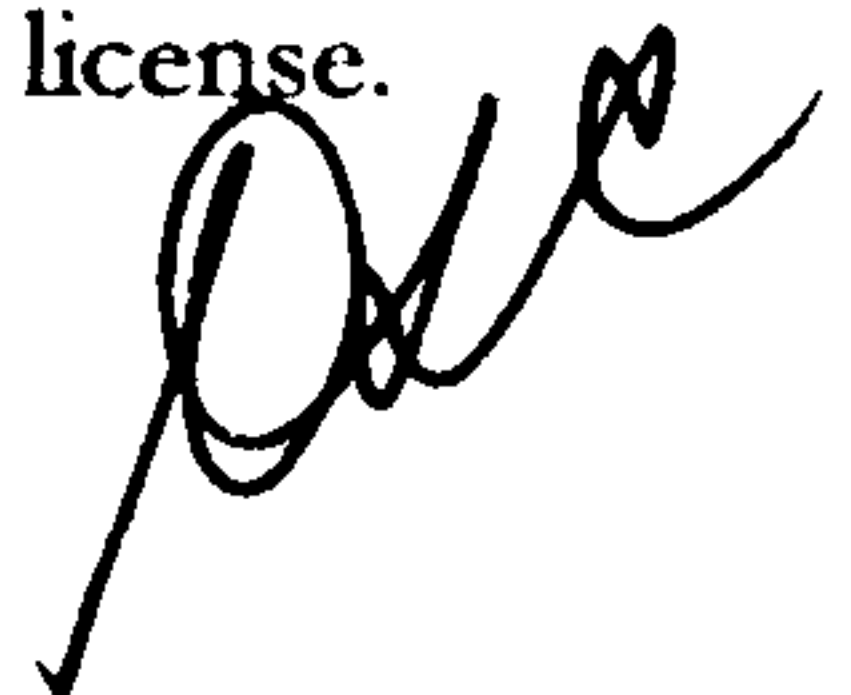
- 1st Offense- Fine of Php 100.00/LKg.
- 2nd Offense- Fine of Php 150.00/LKg.
- 3rd Offense- Fine of Php 200.00/LKg and/or suspension or cancellation of license.

4.6 Unauthorized withdrawal of sugar (including sugar overage) from the mill/refinery or warehouse

- 1st Offense- Fine of Php 100.00/LKg and payment of the prevailing price of the sugar withdrawn to the person entitled thereto.
- 2nd Offense- Fine of Php 200.00/LKg and payment of the prevailing price of the sugar withdrawn to the person entitled thereto.
- 3rd Offense- Fine of Php 400.00/LKg, and payment of the prevailing price of the sugar withdrawn to the person entitled thereto, and/or suspension or revocation of license.

4.7 Failure to calibrate weighing scales prior to milling operation.

- 1st Offense- Fine of Php 5,000.00 per scale.
- 2nd Offense- Fine of Php 10,000.00 per scale.
- 3rd Offense- Fine of Php 50,000.00 per scale, and/or revocation of license.



4.8 Unauthorized breaking of SRA seal of a duly calibrated weighing scale and of an SRA sealed container van.

1st Offense- Fine of Php 10,000.00 per scale/van as of date of said unauthorized breaking or removal of seal.

2nd Offense- Fine of Php 20,000.00 per scale/van as of date of said unauthorized breaking of seal.

3rd Offense- Fine of Php 50,000.00 per scale/van as of date of said unauthorized breaking or removal of seal, and/or cancellation of license or black-listing, as the case maybe.

4.9 Refusal/non-delivery of sugar/molasses in spite of the surrender of sugar quedans/molasses certificates and other appurtenant documents and compliance with all requirements for withdrawal.

1st Offense- Fine of Php 1.00/LKg per day or P2.00/ton molasses per day

2nd Offense- Fine of Php 3.00/LKg per day or P4.00/ton molasses per day

3rd Offense- Fine of Php 5.00/LKg per day or P8.00/ton molasses per day and/or suspension or cancellation of license

4.10 Commission of such other offenses relating to mill operations not otherwise specifically above stated and enumerated but is required under existing and specific sugar order or circular letters shall likewise be penalized as follows, unless a specific penalty is provided for under existing sugar orders:

1st Offense- Fine of Php 100.00/LKg but in no case lower than P3,000.00

2nd Offense- Fine of Php 150.00/LKg but in no case lower than P5,000.00

3rd Offense- Fine of Php 200.00/ but in no case lower than P8,000.00 and/or suspension or revocation of license

Section 5. The following are the offenses under **sugar and quedan transactions** with their corresponding penalties.

5.1 Unauthorized use or diversion of imported sugar or "De" or "E" sugar by food processor/manufacturer of sugar based products for export other than the use for which it was intended, such as the use of said sugar as "B" or Domestic Sugar.

1st Offense- Fine of Php 100.00/LKg and payment of price differential, if any

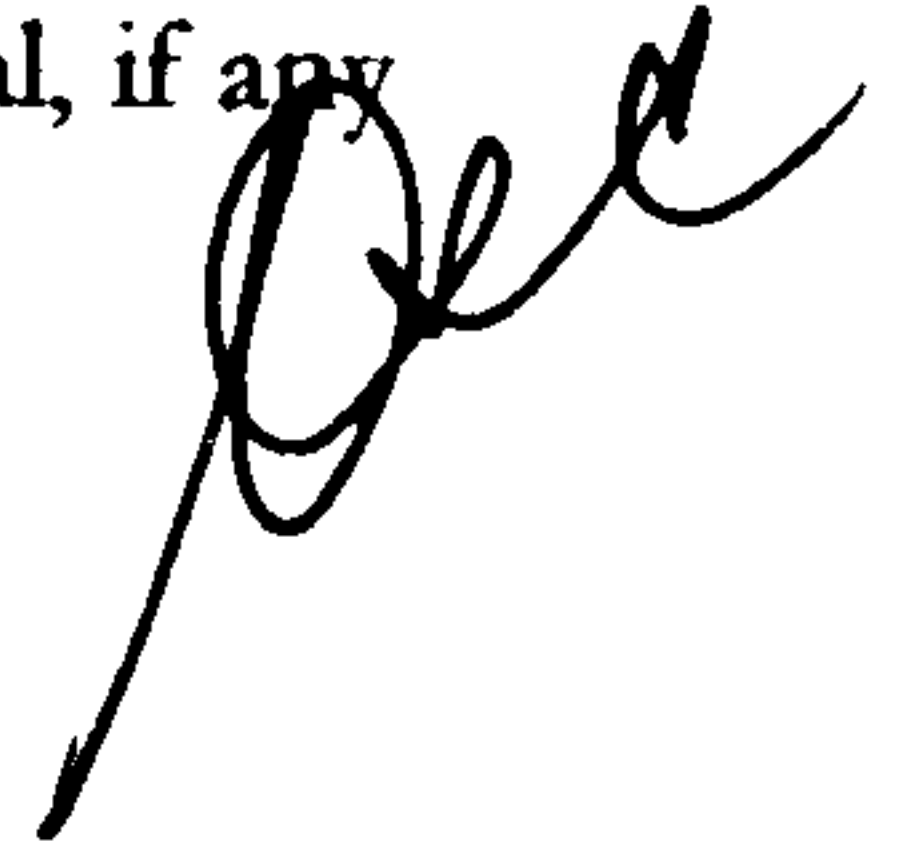
2nd Offense- Fine of Php 200.00/LKg and payment of price differential, if any

3rd Offense- Fine of Php 400.00/LKg and payment of price differential, if any and/or cancellation of Certificate of Sugar Requirement for the year and/or black-listing

5.2 Unauthorized withdrawal and/or use of homeless sugar quedans.

1st Offense- Fine of Php 100.00/LKg and payment of price differential, if any

2nd Offense- Fine of Php 200.00/LKg and payment of price differential, if any



3rd Offense- Fine of Php 400.00/LKg and payment of price differential, if any and/or suspension/revocation of license.

5.3 Unauthorized use of unused quedans of the previous crop year/s.

1st Offense- Fine of Php 100.00/LKg

2nd Offense- Fine of Php 200.00/LKg

3rd Offense- Fine of Php 400.00/LKg and/or suspension/revocation of license

5.4 Sale of any other class of sugar as "B" (Domestic) sugar other than "B" (Domestic) sugar itself.

1st Offense- Fine of Php 100.00/LKg and payment of price differential, if any

2nd Offense- Fine of Php 150.00/LKg and payment of price differential, if any

3rd Offense- Fine of Php 300.00/LKg and payment of price differential, if any and/or suspension/revocation of license.

5.5 Issuing sugarless quedan or molasses certificates without physical stock or manufacturing, fabricating or falsifying quedans or molasses certificates. The penalties are categorized as follows:

5.5.1 When the volume of sugar does not exceed 500.00 LKg.

1st Offense – Fine of Php 100.00/LKg but in no case lower than P10,000.00

5.5.2 When the volume of sugar more than 500 LKg but less than 1,000 LKg.

1st Offense – Fine of Php 150.00/LKg but in no case lower than P20,000.00

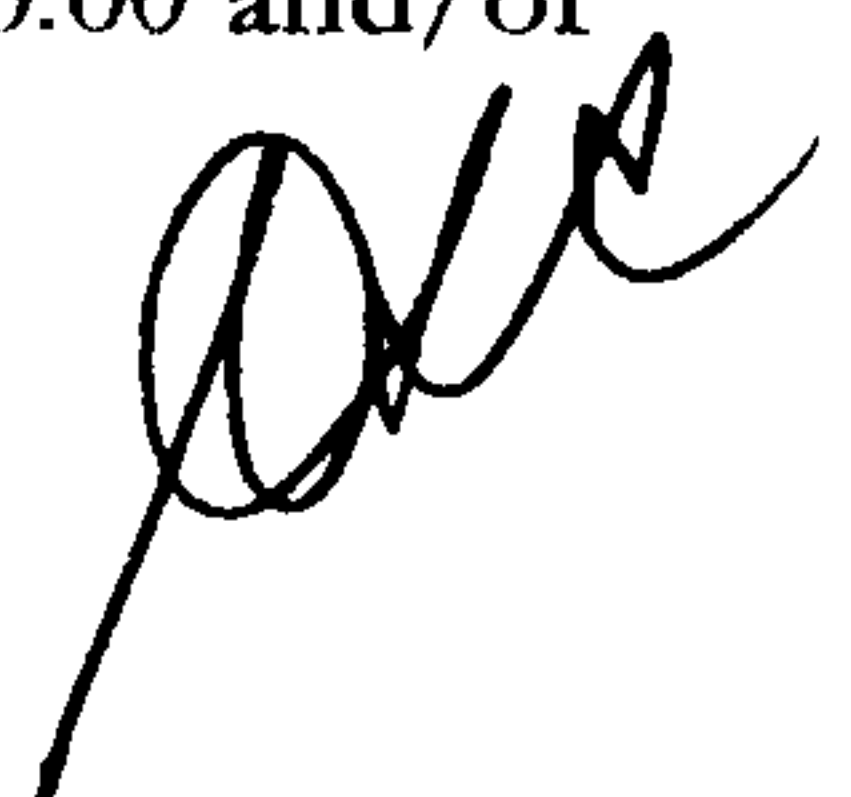
5.5.3 When the volume of sugar is 1,000 LKg or more.

1st Offense – Fine of Php 300.00/LKg but in no case lower than P30,000.00

The subsequent commission of the offense under sub-paragraph 5.5 shows a flagrant disregard for the drastic impact of this offense to the credibility and negotiability of the sugar quedans/molasses certificates. Hence to deter the further commission of the same, for the 2nd and 3rd offense, the following are the penalties regardless of the volume of the sugar involved:

2nd Offense – Fine of Php 450.00/LKg but in no case lower than P50,000.00 and/or suspension/revocation of license.

3rd Offense – Fine of Php 700.00/LKg but in case lower than P100,000.00 and/or revocation license.



5.6 Failure to replenish borrowed sugar of any class for use as sugar of another class other than the borrowed sugar by the class and volume of borrowed sugar within the prescribed period. (*With existing bond*).

1st Offense- Fine of Php 50.00/LKg and forfeiture of bond

2nd Offense- Fine of Php 100.00/LKg and forfeiture of bond

3rd Offense- Fine of Php 150.00/LKg and forfeiture of bond, and/or suspension/revocation of license

Section 6. The following are the offenses under unlicensed activities with their corresponding penalties.

6.1 Engaging in business as a sugar miller and/or refinery.

1st Offense- Fine of Php 25,000.00 and/or appropriate legal action to stop operation.

2nd Offense- Fine of Php 50,000.00 and/or appropriate legal action to stop operation, and black-listing.

6.2 Engaging in business as a sugar, molasses or muscovado trader.

1st Offense- Fine of Php 15,000.00 and/or appropriate legal action to stop operation.

2nd Offense- Fine of Php 30,000.00 and/or appropriate legal action to stop operation, and black-listing.

Section 7. The following are the offenses under **other offenses** with their corresponding penalties.

7.1 Misdeclaration of imported sugar, or pre-mix commodities or its content.

1st Offense- Fine of Php 100.00/LKg but in no case lower than P10,000.00

2nd Offense- Fine of Php 200.00/LKg but in no case lower than P20,000.00

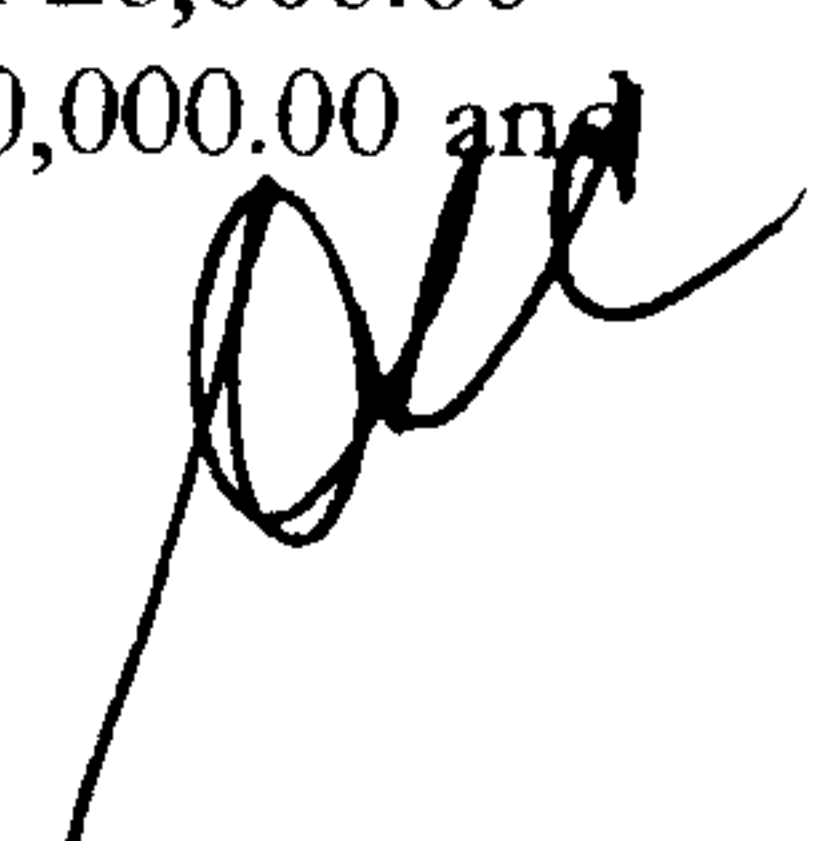
3rd Offense- Fine of Php 400.00/ but in no case lower than P30,000.00 and black-listing of said importer/consignee.

7.2 Providing or submitting samples of imported sugar, or pre-mix commodity, or pre-mix sugar for laboratory analysis other than the correct/true representation of the actual imported sugar, or pre-mix commodity or pre-mix sugar itself or substitution of sugar, or premix commodity, or pre-mix sugar for laboratory analysis purposes. (*SRA authorized representative shall do the sampling unless the same is waived.*)

1st Offense- Fine of Php 100.00/LKg but in no case lower than P10,000.00

2nd Offense- Fine of Php 200.00/LKg but in no case lower than P20,000.00

3rd Offense- Fine of Php 400.00/ but in no case lower than P30,000.00 and black-listing of said importer/consignee.



7.3 Misrepresentation or falsifying and/or use of falsified SRA documents in order to facilitate sugar movement or transactions.

1st Offense- Fine of Php 100.00/LKg

2nd Offense- Fine of Php 150.00/LKg

3rd Offense- Fine of Php 200.00/LKg and/or suspension of license

Section 8. Shortage of sugar stocks as compared to the verified Sugar Monitoring System Report shall be deemed that the same was withdrawn without authority (unauthorized withdrawal) unless the concerned party proves otherwise.

Section 9. The above penalties is without prejudice to the imposition of other penalties – civil, criminal, or otherwise, including seizure and forfeiture of bond, as maybe allowed under existing laws, rules and regulations.

Section 10. Nothing herein shall impair the power of the Sugar Board to modify or reduce the penalties provided for in Section 2, 3, and 4, and sub-paragraphs, above stated, for good cause and justifiable reasons.

BOOK TWO: RULES OF PROCEDURE

Section 1. Complaint. The complaint is a pleading, letter, or report alleging the cause or causes of action of the complaint against the person/s complained of, the respondent/s.

1.1 The complaint, if made by a person other than the Administrator of SRA or his duly authorized representative, should be under oath.

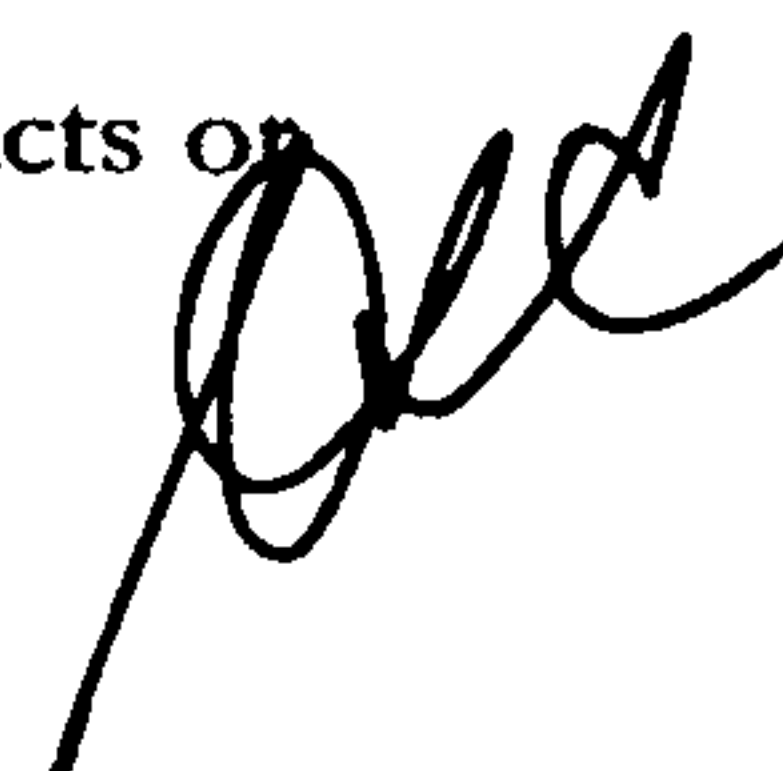
1.2 The complaint should be written in a clear, simple and concise language and in a systematic manner as to appraise the respondent/s concerned of the nature and cause of the accusation against him and to enable him to intelligently prepare his defense or answer.

1.3 The complaint shall contain the following:

1.3.1 Full name and address of the complainant.

1.3.2 Full name and address of the person complained of, as well as his office and position.

1.3.3 A narration of the relevant and material facts which shows the acts or omissions allegedly committed by the respondent.



1.3.4 Copies of documentary evidence and affidavits of his witnesses, if any.

1.3.5 Certification or statement of non- forum shopping.

1.4 The complaint shall be addressed to or filed with the Office of the Administrator.

Section 2. Answer/Counter-Affidavit and Preliminary Investigation. Preliminary investigation involves the ex-parte examination of records and documents submitted by the complainant and the person complained of.

2.1 Within five (5) days from receipt of the complaint, the Administrator or his duly authorized representative shall refer the complaint to the legal department for preliminary investigation by the head of said department or any of said department's lawyers.

2.2 In the event the investigator finds no probable cause that an offense was committed, it shall recommend the dismissal of the complaint. However, if the investigator finds probable cause that an offense has been committed, it shall furnish the defendant a copy of the complaint with an order to answer.

2.2 Within ten (10) days from service of the complaint, the defendant shall submit his answer/counter-affidavit to the complaint to the Legal Department.

Section 3. Proceedings before the investigator.

3.1 In said investigation, the parties are given the opportunity to submit additional documentary evidences and affidavits and counter-affidavits, under oath, and position paper if so required or desired. Failure of the person complained of to submit his counter-affidavit and/or answer shall be considered as a waiver thereof.

3.2 Thereafter, if necessary, the parties may be summoned to a conference where the investigator may propound clarificatory and other relevant questions.

3.3 A fact-finding investigation may be conducted further prior to the preliminary investigation for the purpose of ascertaining the truth. A preliminary investigation necessarily includes a fact-finding.

3.4 Upon submission of additional evidences and/or position paper, the investigator shall determine whether or not there is a need for a formal investigation and/or hearing. If the investigator finds that there is no need for such formal investigation or hearing, the investigator will consider the case submitted for resolution based on evidence on record.

3.5 However, should the investigator find that based on the allegations of the complaint and the answer of the respondent, including the supporting



documents of both parties, the merits of the case cannot be decided judiciously without conducting such investigation or hearing, a formal investigation shall be conducted.

3.6 At the commencement of the formal investigation or hearing, the Board may conduct a pre-hearing conference for the parties to appear, consider and agree on any of the following:

- 3.6.1 Stipulation of facts
- 3.6.2 Simplification of issues;
- 3.6.3 Identification and marking of evidences of the parties.
- 3.6.4 Waiver of objections to admissibility and their names.
- 3.6.5 Limiting the number of witnesses, and their names
- 3.6.6 Date of subsequent hearings; and
- 3.6.7 Such other matters as may aid in the prompt and just resolution of the case.

3.7 The parties may submit the case for resolution based on the result of said pre-hearing conference without any need for further hearings.

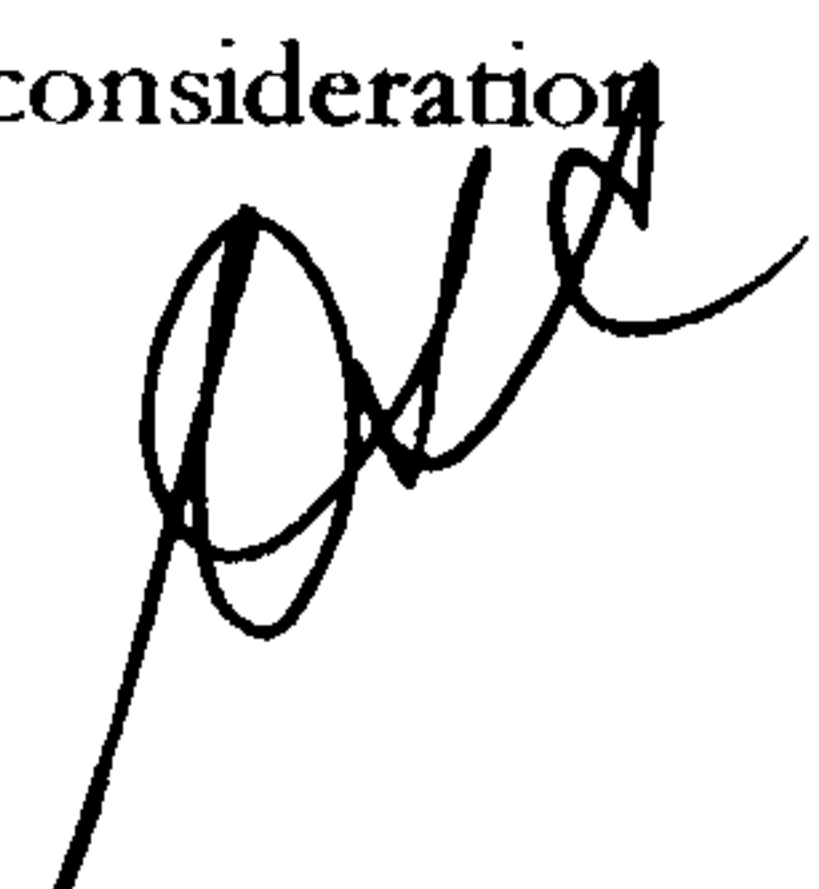
3.8 The proceedings before the investigator shall be non- litigious in nature. Subject to the requirements of due process, the technicalities of law and procedure and the rules obtaining in the court of law shall not strictly apply thereto.

Section 4. Action taken by the Administrator/ Sugar Board.

- 4.1 After submission of the case for resolution based on evidence on record or termination of the formal investigation or hearing, as the case maybe, the investigator shall submit his finding and recommendation to the Administrator for approval. If approved, the Administrator, in turn, shall submit the said findings and recommendation with his comment, to the Sugar Board for approval/ appropriate action.
- 4.2. If said findings and recommendation be finally approved by the Sugar Board, the Administrator shall cause its implementation, including the imposition of the administrative sanctions against the respondent as therein stated.

Section 5. Motion For Reconsideration and Appeal.

- 5.1 The party adversely affected by the decision may file a motion for reconsideration with the Sugar Board within *fifteen (15) days* from receipt thereof.

A handwritten signature in black ink, appearing to be a stylized name or set of initials, located in the bottom right corner of the page.

5.2 Decision of the Sugar Board maybe appealed to the Secretary of the Department of Agriculture within *fifteen (15) days* from receipt thereof. Pending appeal, the same shall be executory.

5.3 A Motion For Reconsideration or Appeal maybe entertained only on any of the following grounds:

5.3.1 Grave abuse of discretion on the part of the Board of Investigator, the Administrator, or the Sugar Board.

5.3.2 The decision is not supported by the evidence on record.

5.3.3 Serious errors in the findings of facts on application of law which if not corrected would cause grave or irreparable damage to the movant.

5.3.4 Newly discovered evidence which materials affects the decision rendered.

Section 6. . Miscellaneous and separability provisions.

6.1 If any provision or part of these rules is held invalid, the remainder of these rules shall not be affected thereby.

6.2 Generally accepted rules of procedure not otherwise specifically stated herein may be resorted to but only as suppletory to these rules and only when the circumstances so warrant.

6.3 Existing SRA rules and regulations not otherwise consistent with these Rules are deemed amended or revoked.

Section 7. Effectivity.

7.1 These rules shall take effect after three (3) days from its filing and publication with the Administrative Register of the University of the Philippines Law Center.

Done this 26th day of February 2010 at Quezon City.

BY AUTHORITY OF THE SUGAR BOARD:


RAFAEL L. COSCOLLUELA
Administrator