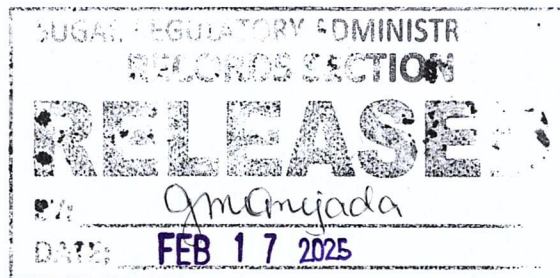




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MEMO-REG-STD-2025-FEB-009

February 14, 2025



MEMORANDUM CIRCULAR NO. 1

Series of 2025

TO : **ALL CONCERNED**

SUBJECT : **GUIDELINES FOR THE IMPLEMENTATION OF
SUGAR ORDER NO. 2, SERIES OF 2024-2025**

This has reference to Sugar Order No. 2, Series of 2024-2025, or the "Voluntary Purchase of Crop Year 2024-2025 Locally Produced Farmers' Share Sugar to Avail of Allocation for the Next Import Program."

Pursuant thereof, the following are the guidelines pertaining to the mandatory requisites relative to the acceptance of applications, reclassification of approved volumes, as well as submission of relevant statutory documentary requirements, among other directives and acts, that the Sugar Regulatory Administration is inherently capacitated to perform, under this program.

For your guidance and strict compliance.



GUIDELINES FOR THE IMPLEMENTATION OF SUGAR ORDER NO. 2, SERIES OF 2024-2025, KNOWN AS THE "VOLUNTARY PURCHASE OF CROP YEAR 2024-2025 LOCALLY PRODUCED FARMERS' SHARE SUGAR TO AVAIL OF ALLOCATION FOR FUTURE IMPORT PROGRAM"

I. Requirements for Acceptance of Applications for Reclassification

Pursuant to Section 3.5 of Sugar Order No. 2, Series of 2024-2025, the SRA shall accept applications for reclassification only upon submission with the Regulation Department in Quezon City or Bacolod City of the complete and validly executed documentary requirements, including, to wit:

- a) Original or certified true copy of SRA License to Operate as Domestic or International Trader for Crop Year 2024-2025;
- b) Notarized Application Letter for Reclassification of locally produced Farmers' Share Sugar duly signed by the President/Chief Executive Officer, Chief Operating Officer, Partner or Owner, indicating the volume, and mill marks of the purchased sugar. This is without prejudice to compliance with additional requirements under Section 5 of the Sugar Order;
- c) Physical copy of the original or duly endorsed Farmers' Share Raw Sugar Quedans or Refined Sugar Quedans originating/resulting from Farmers' Share Raw Sugar Quedans, and Listings indicating the Mill Mark, Volume, and Week Ending consonant with Section 3.4 of the Sugar Order; and
- d) Duly executed Affidavit of Ownership of the submitted Quedans and the volume covered, without prejudice to the application of pertinent provisions of existing laws, regulations and jurisprudence on the Negotiable Instruments Law.

For purposes of applying the first come first served basis stated under item 3.5 of the Sugar Order, an application for reclassification shall be deemed "submitted" only upon acknowledgment by the Regulation Department of receipt from the applicant of all requirements stated in the Sugar Order and in items I(a) to I(d) hereof. The acknowledgment above-referred to shall be in writing and shall state the date and time of the issuance thereof as well as the documents submitted, and shall be accordingly numbered and recorded in a logbook.

II. Application Period

Consonant with Section 3.4 of Sugar Order No. 2, Series of 2024-2025 and in compliance with Sections 3.5, 3.6, and 3.7 thereof, applications for reclassification from "B" to "C" of Quedans shall be as follows, to wit:

- a) for farmers' share raw sugar quedans issued on or after the week ending December 22, 2024 but not later than the week ending February 23, 2025 and for refined sugar quedans originally covered by farmers' share raw sugar quedans

issued on or after the week ending December 22, 2024 but not later than the week ending February 23, 2025, eligible participants may apply for reclassification with the Regulation Department in Quezon City or Bacolod City immediately upon the effectivity of this "Guidelines", strictly between 8:00 AM and 5:00 PM, Monday to Friday, but not later than March 17, 2025. It is understood that the total volume covered under this provision shall not exceed 120,000 Metric Tons;

In the event that the total volume of sugar covered by this provision is less than 120,000 MT, the remaining volume may be availed of by sugar covered by farmers' share raw sugar quedans/ refined sugar quedans originally covered by farmers' share raw sugar quedans issued not later than the week ending June 8, 2025.

- b) for Quedans issued not later than the week ending June 8, 2025, eligible participants may apply for reclassification with the Regulation Department in Quezon City or Bacolod City not later than June 16, 2025.

The Regulation Department shall not accept or shall deny/reject any and all application for reclassification that has not complied with all the mandatory requirements or procedures stated in the Sugar Order or in this "Guidelines", including but not limited to a) applications with incomplete documentary requirements, b) applications covering volumes in excess of that stated in Section 3.4 of the Sugar Order, and c) applications lodged with the Regulation Department beyond any of the periods stated in the Sugar Order or in this "Guidelines".

III. Reclassification from "B" to "C" Sugar

Once the Regulation Department has acknowledged receipt of an application with complete requirements and the reclassification has been approved by the SRA Board, an Order of Payment shall be issued to the applicant for the reclassification from "B" to "C" sugar.

After the reclassification fee has been paid and the receipt of payment submitted to the Regulation Department, the Sugar Transaction Division of the Regulation Department shall then stamp the quedans as "C" or Reserve Sugar as per Sugar Order No. 2, Series of 2024-2025. The stamping of quedans shall be attested to and signed by authorized representatives or signatories of the SRA Regulation Department.

A Certificate of Reclassification from "B" to "C" shall then be issued to the applicant indicating the volume of Quedans with Mill Marks, and the date of approval of Reclassification.

In contemplation of the period stated under Section 3.8 of the Sugar Order, taken together with Section 3.6 thereof, the Regulation Department shall endorse to the SRA Board all "submitted" applications for the reclassification of locally produced farmer' share sugar, up to a total volume of 500,000 Metric Tons.

IV. Request for Reclassification of "C" or Reserve Sugar to "B" or Domestic Market Sugar

Consonant with the period stated under Section 3.8 of the Sugar Order, eligible participants may apply for reclassification of their allowed volumes, this time, from "C" or Reserve Sugar to "B" or Domestic Sugar.

A certification as to the availability of physical stocks, attested to by the Regulation Officer assigned at the mill where the sugar sought to be reclassified is stored, is indispensable.

A reclassification fee of Php 3.00 per Lkg-Bag shall be imposed. Only after the reclassification to "B" sugar can the raw/refined sugar be released to the domestic market.

V. Warehousing and Monitoring

SRA issuances on the storing of raw/refined sugar and on the payment of liens shall be observed for sugar purchased under this Sugar Order. Violation of SRA issuances on the matter shall subject the erring party/parties to penalties under Sugar Order No. 10, Series of 2009-2010, or the Codified Violation of SRA Regulations and Sugar Orders Providing for Penalties and Procedures for the Disposition of Cases Related Thereto.

Once reclassified as "B" or Domestic Sugar, warehouses storing sugar purchased under this Sugar Order shall each maintain an onsite a ledger that shall record, among others, dates of withdrawals of the sugar from the warehouses. Sugar Mills' weekly SMS report shall likewise reflect withdrawals from the mill's warehouses of sugar covered by Sugar Order No. 2, Series of 2024-2025.

Sugar Release Order (SRO) must be issued by the sugar mill/s concerned, after presentation of SRA official receipts by eligible participants as proof that the corresponding liens have been paid.

To expedite withdrawals/transfers of sugar from the mill to warehouses, the Mill Regulation Officer may allow the withdrawal of the sugar from the mill through the corresponding SRO issued by the concerned sugar mill.

SRA Regulation personnel shall be allowed to inspect the warehouses, physical stocks, ledgers and other related documents on sugar covered under the Sugar Order or this "Guidelines" during reasonable office hours of any working day, pursuant to its inherent mandate to inspect stocks as reflected in the milling license of sugar mills. Non-compliance with the above warehousing rules shall be subject to fines as determined by the SRA.

Further, submission of misleading or false information or documents, non-compliance or violation of any provision of the Sugar Order or this "Guidelines" or any orders, resolutions or circulars of SRA shall result in the disqualification to participate in future sugar import programs of SRA. This is without prejudice to other penalties as

provided in the SRA Book of Penalties and existing laws such as of the Agricultural Anti-Smuggling Act, etc.

VI. Advance Refining

Licensed Sugar Traders in good standing may apply for advance refining of sugar enrolled under Sugar Order No. 2, Series of 2024-2025, subject to the approval of the Sugar Board.

VII. Shipping Permit

Any coastwise movement or transport of the sugar, whether for warehousing or consumption, shall require a shipping permit from SRA with corresponding fee of Php3.00 per LKg-bag.

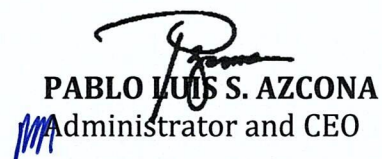
VIII. Effectivity

This "Guidelines" shall take effect immediately upon its posting in the SRA website, upon which the SRA shall commence acceptance of applications for reclassification.

Prepared by:


ATTY. GUILLERMO C. TEJADA, III
Deputy Administrator II for Regulation

Approved:


PABLO LUIS S. AZCONA
Administrator and CEO