



Republic of the Philippines
SUGAR REGULATORY ADMINISTRATION
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TIN 000-784-336-000



June 14, 2007

SUGAR ORDER NO. 12
Series of 2006-2007

**SUBJECT: RULES AND REGULATIONS ON
IMPORTATIONS OF FOOD PREPARATIONS
UNDER AHTN CODE 2106.90.52**

WHEREAS, the Secretary of Finance issued a ruling dated 18 April 2007 classifying under AHTN Code 2106.90.52 certain food preparations, particularly, powdered mixtures or concentrates that are in the nature of finished products for simple dilution with water to make beverages;

WHEREAS, while said ruling adopted the opinion of the World Customs Organization in its letter dated 17 November 2005 to the Tariff Commission and aligned the country's tariff classification policy with those of other countries in the ASEAN with respect to the above products, it also emphasized the power of the Sugar Regulatory Administration (SRA) by virtue of Executive Order No. 295, related executive issuances (such as Presidential Memorandum Order No. 134 and Executive Order No. 18), and implementing SRA rules, to continue to monitor and regulate all importations of sugar, sugar products, or articles containing the same, applying the 65% sugar content threshold, independently of their tariff classification;

WHEREAS, Sugar Order No. 7 (series of 2003-2004), as amended, provides for the monitoring and regulation by the SRA of importations of food preparations classified under AHTN Codes 2106.90.51, 2106.90.52, 2106.90.54, 2106.90.59, 2106.90.83, 2106.90.95, and 2106.90.99, including the enforcement of clearance procedures as well as the imposition of sugar liens thereon when applicable;

WHEREAS, in view of the above-mentioned classification ruling of the Secretary of Finance, there is a need to provide for new monitoring and clearance procedures that will be applicable specifically to the products that are covered by said ruling, and to like or similar products that fall under AHTN Code 2106.90.52, thereby excluding them from the coverage of Sugar Order No. 7, as amended;

NOW, THEREFORE, under and by virtue of the authority vested in the SRA, it is hereby ordered that:

SECTION 1. Amendment of Sugar Order No. 7. Sugar Order No. 7, as amended, is hereby further amended to exclude from its scope finished products entering the

Philippines as food preparations that fall under AHTN Code 2106.90.52 (composite concentrates for simple dilution with water to make beverages).

SECTION 2. Scope. All importations of finished products, particularly, powdered mixtures or concentrates for simple dilution with water to make beverages, classified as food preparations falling under AHTN Code 2106.90.52 shall be subject to the monitoring and clearance requirements provided in this Sugar Order.

SECTION 3. Monitoring System. All importations of products covered by Section 2 of this Sugar Order shall be monitored by the SRA at ports of entry upon their arrival or thereafter with respect to their declared classification and quantities, their dates of arrival, countries of origin, and the names of their importers or consignees. As provided in Sections 5 and 6 below, the SRA may also subject random/representative sample/s of these products to laboratory analysis.

SECTION 4. Premix Commodity Release Clearance. To facilitate the monitoring of the above importations, all importers or consignees concerned must apply to the SRA for a Premix Commodity Release Clearance (PCRC). The importer or consignee shall apply for the PCRC by submitting to the SRA, prior to withdrawal of their importations from the Bureau of Customs (BOC), copies of the following documents:

- a. Sales invoice;
- b. Bill of lading;
- c. Packing list;
- d. Inward Foreign Manifest; and
- e. Import Entry Declaration.

In addition, the importer or consignee shall submit a declaration notifying the SRA of the sucrose content of its imported product.

The PCRC shall be issued to the importer or consignee within three [3] days from submission of the documents enumerated above, and payment of the fees, and liens (if its products contain over 65% by dry weight of sugar), as provided in Section 6 hereof. A copy of the PCRC shall be immediately forwarded by the SRA to the BOC so that the products may be withdrawn therefrom.

In case the imported products are eligible for processing under the Super Green Lane (SGL) facility of the BOC, the duly accredited SGL importer or consignee may withdraw said products from the BOC even before the formal issuance of the PCRC; provided, that all the fees and liens (if its products contain over 65% by dry weight of sugar), as provided in Section 6 hereof, have been paid.

SECTION 5. Right of Inspection. If the declaration of an importer or consignee indicates that the sucrose content of its product is not more than 65%, but the SRA has reason to believe that the sucrose content is greater than 65%, said importer or consignee shall submit, upon request of the SRA, random/representative sample/s of the said product for laboratory analysis by the SRA, for the purpose of determining sugar content. If on the basis of said analysis, the importer or consignee is found to have indeed misdeclared the sugar content of its products, it shall be liable for the laboratory fee and an additional monitoring



fee in such amount as may be prescribed by the SRA, in addition to the payment of liens that are applicable to products containing at least 65% sucrose. In such cases, the period prescribed in Section 4 above for the issuance of the PCRC will not apply.

SECTION 6. Payment of Fees and Liens. An importer or consignee of products covered by this Sugar Order shall, upon filing an application for a PCRC and prior to the withdrawal of its products from the BOC, pay the clearance fee, and the sugar liens (if its products contain over 65% by dry weight of sugar), as prescribed in the afore-cited Sugar Order No. 7. If applicable, the laboratory fee for analysis of sucrose content as fixed in the General Administrative Order shall likewise be paid.

In case of failure by the importer or consignee of imported products covered by this Sugar Order to comply with the clearance requirements as prescribed in Section 4 hereof, or to pay the above fees and liens when applicable, the importer or consignee concerned shall, upon notice by the SRA, immediately pay said fees and liens, as well as an additional monitoring fee in such amount as may be prescribed by the latter.

SECTION 7. Verification of Quantities. The SRA reserves the right to verify with the Bureau of Internal Revenue and the BOC the quantities declared by the applicants for the purposes stated herein.

SECTION 8. Inter-Agency Cooperation. A copy of this Order shall be furnished to the Honorable Commissioner of Customs and the Honorable Commissioner of Internal Revenue for the purpose of requesting their invaluable cooperation to attain the purposes of this Order.

SECTION 9. Consistency. Provisions of other sugar orders, circular letters, memoranda, and/or other rules and regulations contrary to or inconsistent with this Order are hereby amended or modified accordingly. The other provisions of the afore-cited Sugar Order No. 7 not affected hereby shall remain in full force and effect.

SECTION 10. Effectivity. This Order shall take effect immediately.

BY AUTHORITY OF THE SUGAR BOARD:


JAMES C. LEDESMA
Administrator