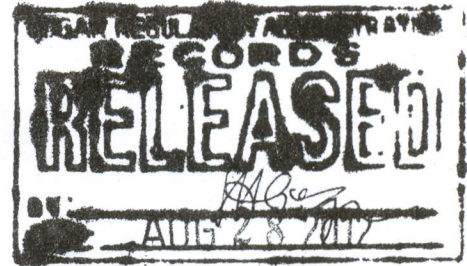




Republic of the Philippines  
Department of Agriculture  
**SUGAR REGULATORY ADMINISTRATION**  
Sugar Center Bldg., North Ave., Diliman, Quezon City  
Philippines 1101  
TIN 000-784-336



**MEMORANDUM CIRCULAR NO. 5**  
Series of CY 2011-12

**TO :** ALL INTEGRATED MILL-REFINERIES

**FROM :** *MA. REGINA BAUTISTA-MARTIN*  
MA. REGINA BAUTISTA-MARTIN  
Administrator

**DATE :** August 17, 2012

**SUBJECT :** Assessment and Collection of Advance Refining Fee

**A. Rationale**

SRA has deferred the implementation of Sugar Order No. 5, Series of 2011-2012 (Reiteration of Advance Refining Policy), in recognition of the refiner's position that their compliance therewith will adversely affect their refining operations and giving due course to the consensus that the said Sugar Order be implemented at the end of the Crop Year. Hence, the issuance of this Circular.

**B. Terms of Reference**

SRA sets forth the following:

1. Sugar mills with integrated refineries shall regularly submit their advance refining reports of A and D sugars, if any, throughout the refining period, for SRA's information and control purposes.
2. SRA shall only start collecting the assessed advance refining fee, if any, at the end of the crop year which is officially set on the 31<sup>st</sup> of August of the current year. No license to operate for the incoming CY shall be issued by the SRA to the refinery, unless the assessed advance refining fee is fully settled.



3. However, the determination of the volume of the advance refined sugar (A and D), is set at the close of the refining date of respective refinery, as reported in the SMS checked, verified and reported by the resident Regulation Officer (RO) assigned.
4. Despite a written notice from the SRA to the concerned refinery of the volume of advance refined sugar after the cut-off period, the refinery may present its own figures, comments, for reconciliation purposes with the SRA findings.
5. The reported advance refined sugar would have been qualified and authorized, per SRA regulatory rules, if such were covered by appropriate/approved swapping or replenishment documents only within the inclusive periods during refining operations.
6. The final volume of advance refined sugars (A and D) subject of advance refining fees shall be based on the SRA findings.
7. For CY 2011-2012, SRA shall assess P3.00/Lkg of A and D sugars subject of advance refining.

### C. Mechanics of Implementation

1. Cut-off period for Assessment and Determination of Advance Refined Sugars
  - 1.1. SRA has set forth the end of the refining period, as reported in the SMS as start of assessment and determination of the volume of advance refined A and D sugars.
  - 1.2. SRA justifies the cut-off period as fair enough for the refineries to qualify their advance refined A and D sugars through appropriate/approved swapping and replenishment covers
2. Determination of the Initial Volume of Advanced Refined Sugar
  - 2.1. The Regulation Departments of SRA, through their respective Sugar Regulation Enforcement Divisions (SRED), shall prepare and submit to the Administrator a report on the initial volume of advance

