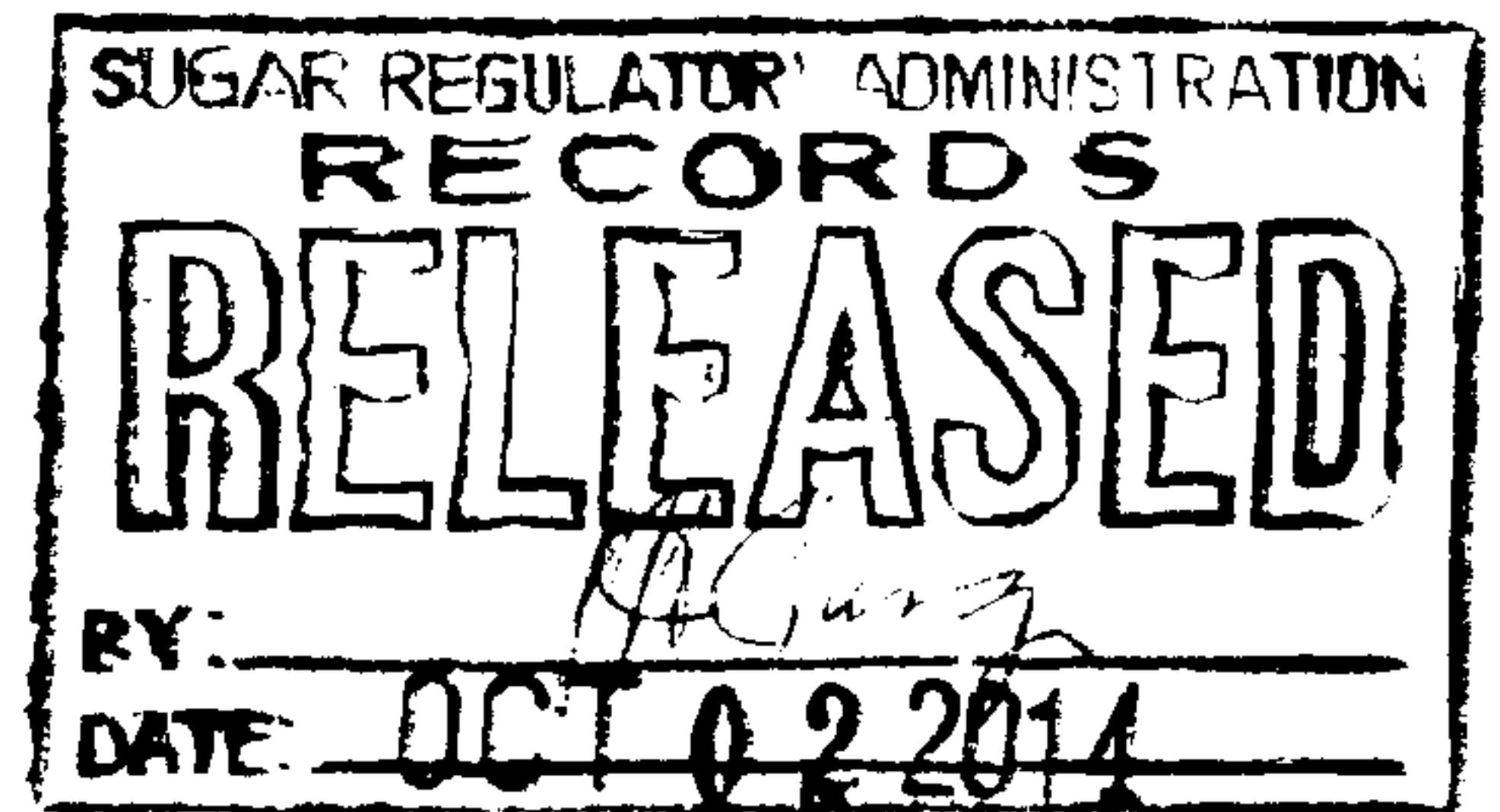




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Araneta Street, Singcang, Bacolod City
Philippines 6100
TIN 0000-784-336



October 1, 2014

CIRCULAR LETTER NO. 6
Series of 2014-2015


**TO : ALL SUGAR MILLS
ALL SUGAR PLANTERS' FEDERATIONS AND ASSOCIATIONS**

**SUBJECT: COMMENT ON SETTING UP AN EXPIRATION ON THE VALIDITY
OF SUGAR QUEDANS AND ITS REVALIDATION**

To strengthen SRA's quedan monitoring, the Sugar Board is deliberating on issuing a sugar order setting up an expiration of validity of sugar quedans (with provisions for revalidation) in order to trace the ownership of outstanding quedans. In this connection, and as part of stakeholders' consultation, the SRA invites your comments to the attached draft sugar order.

We will appreciate receiving your comments on or before October 15, 2014.

Signed:


MA. REGINA BAUTISTA MARTIN
Administrator





Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Araneta Street, Singcang, Bacolod City
Philippines 6100
TIN 0000-784-336

DRAFT

Date: _____

SUGAR ORDER NO. _____

Series of 2014-2015

SUBJECT: VALIDITY AND EXPIRATION OF SUGAR QUEDANS

WHEREAS, Executive Order No. 18 empowers the Sugar Regulatory Administration (SRA) "to institute, implement and regulate an orderly system of quedanning, disposition and withdrawals of various forms of sugar from warehouses" (Sec. 3, B);

WHEREAS, the SRA, in the exercise of its monitoring function, has observed the existence of outstanding quedans of previous crop years (whose ownership may no longer be traced) which, despite the lapse of a considerable length of time, remain unwithdrawn, unshipped (in the case of "A" and "D" sugar) or homeless, rendering it valueless due to storage costs;

WHEREAS, due to the perishable nature of sugar, there is a need to ensure that sugar being traded in and outside the Philippines are of good quality, thus creating a necessity for SRA to strictly monitor the outstanding quedans of previous years;

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

Section 1. VALIDITY OF QUEDANS. For purposes of monitoring, sugar quedans shall have a validity period as follows:

- A. **OLD CROP QUEDANS.** All sugar quedans of Crop Year 2013-2014 and previous years shall remain valid until March 31, 2015); Thereafter it shall be considered expired (non-negotiable, non-marketable and no longer valid and its corresponding physical sugar cannot be withdrawn from the mill);
- B. **CY 2014-2015 AND SUBSEQUENT CROPS.** Sugar quedans of Crop Year 2014-2015 and the subsequent crop years shall remain valid one (1) year after its date of issuance. Thereafter, it shall be considered expired, non-negotiable, non-marketable and no longer valid (its corresponding physical sugar cannot be withdrawn from the mill).

Section 2. REVALIDATION OF QUEDANS. To prevent the expiration of sugar quedans, holders of such quedans shall cause the validity of quedans to be extended by applying for revalidation for another crop year with the SRA Regulation Department (Quezon City or Bacolod City) within two months prior to its expiry date.

Sugar OrderNo. 01



Quedans which have not yet expired by virtue of this order (those re-validated within two months prior to its expiration) shall not be imposed any re-validation fee. However, sugar quedans which have expired by virtue of this order (those not re-validated two months prior to its expiration) may still be re-validated subject to a re-validation fee of P5.00 per quedan.

After the expiration of the re-validated quedans under this order, sugar quedans shall be subjected to compulsory disposition under the Warehouse Receipt Law and existing SRA rules. Sugar quedans shall remain in their original classification unless otherwise allowed by a new sugar order. This however does not bar sugar mills to opt for a yearly compulsory disposition if allowed under the Warehouse Receipt Law.

Section 3. ISSUANCE OF IRR. The SRA shall issue a circular letter as Implementing Rules and Regulations (IRR) of this sugar order.

Section 4. REVOCATION OF SUGAR ORDER NOS. 6 and 6-A, Series of 2013-2014. Sugar Order Nos. 6 and 6-A, Series of 2013-2014, providing for a 90-day validity for clearances are hereby revoked. Henceforth, quedans must be valid before it is accepted for transactions such as swapping, export, etc.

Section 5. CONSISTENCY. Provisions of Sugar Orders, Circular Letters, and/or other rules and regulations contrary to or inconsistent with this Sugar Order, are hereby amended, modified or revoked accordingly.

Section 6. EFFECTIVITY. This Order shall take effect immediately and shall be published in a newspaper of general circulation;

BY AUTHORITY OF THE SUGAR BOARD:

MA. REGINA BAUTISTA MARTIN
Administrator