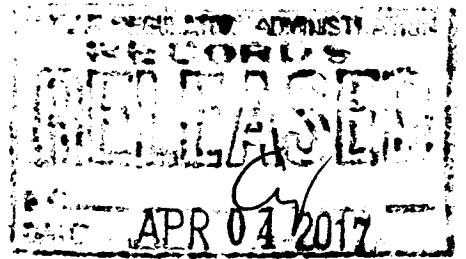




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336



MEMO-REG-OTM-2017- Mar.- 029

CIRCULAR LETTER NO. 27
Series of 2016 – 2017

To: **Sugar Mill Companies**
Sugar Planters Associations/Cooperatives
Sugar Traders
Quedan Owners/holders
Quedan Assignees/Trustees

SUBJECT: IMPLEMENTING RULES AND REGULATIONS (IRR) OF SUGAR ORDER NO. 4, SERIES OF 2014-2015 RE: VALIDITY AND EXPIRATION OF SUGAR QUEDANS

Pursuant to Section 3, Sugar Order No. 4, Series of 2014-2015 otherwise known as the "Validity and Expiration of Sugar Quedan", the following Rules and Regulations (IRR) are hereby promulgated to administer and implement the provisions of the said Sugar Order and to ensure its compliance by the stakeholders of the Sugar industry.

Section 1. General Provisions. The following rules shall be applicable to all classes of sugar covered by this Sugar Order.

Section 2. Validity of Sugar Quedan. All sugar quedans are valid for a period of one (1) year from its issuance. After the lapse of the one-year period, sugar quedans are considered expired except when its validity is extended in accordance with the succeeding sections.

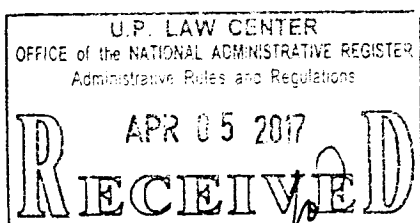
Section 3. Re-validation of Sugar Quedan. The validity of sugar quedan may be extended by the owner or holder to another crop year by applying for re-validation with SRA Regulation Department (either in Quezon City or Bacolod City) within two (2) months prior to its expiry date.

No application for re-validation of a re-validated quedan shall be accepted by SRA.

Section 4. Re-validation Fee. All owners or holders of expired quedan applying for re-validation shall pay a re-validation fee of Php5.00 per quedan.

All application for re-validation of quedan filed within two (2) months prior to its expiry date shall not be charged with re-validation fee.

Section 5. Documentary Requirements. All applicants for re-validation of quedan shall submit the following documentary requirements:



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Diliman, Quezon City

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- a. Letter request for revalidation of quedans
- b. List of sugar quedans arranged in chronological order by week ending per crop year;
- c. Certification from the Mills that quedans are outstanding (not yet surrendered for withdrawal) and supported by physical stocks;

Section 6. Expired Quedan. All expired quedans cannot be negotiated, sold, disposed, mortgaged or encumbered and its corresponding physical sugar cannot be withdrawn from the mill.

Section 7. Compulsory Disposition. All sugar covered by expired quedan shall be subjected to compulsory disposition in accordance with the agreement of the quedan holder/owner with the warehousemen / mill. In the absence of any agreement, the compulsory disposition shall be done in accordance with the Warehouse Receipt Law.

The mill shall dispose the said sugar within 15 days from replacement of quedan but not later than August 31 of each Crop Year the revalidation of the quedan lapsed.

Section 8. Procedure in Compulsory Disposition

1. The warehousemen / mill shall inform SRA in writing of the compulsory disposition of sugar with expired quedan 7 days before the scheduled bidding. The said notice shall be accompanied by the following documents:

- a. An updated list of outstanding expired quedans (indicating the serial number arranged in chronological order, per crop year, per class, the date of issuance, the number of bags covered and the corresponding itemized liens) counter-signed by both the representatives of the Planters and SRA.

An undertaking to deliver all outstanding quedans included in the list;

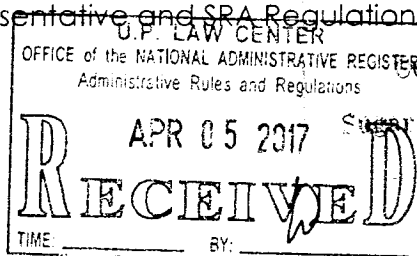
- b. Proof of payment of all warehouseman's cost/claims.
- c. Proof of payment of all liens.
- d. Schedule of bidding.

2. Warehousemen / Mill shall conduct bidding in accordance with Sections 33 and 34 of Act 2137, otherwise known as the Warehouse Receipt Law.

3. Warehousemen / Mill shall observe the required notices within the period prescribed period in the said Act.

4. Only SRA-licensed sugar traders shall be eligible to bid for "B" sugar and, SRA-licensed sugar exporters for "A" and "D" sugar.

5. A Certificate of Award shall be issued by the Mill, attested by the Planters Association representative and SRA Regulation Office.



6. After the conduct of the bidding, the Warehousemen / miller shall request in writing SRA for the issuance of consolidated quedan.

7. The warehousemen / miller shall submit the following documentary requirements for the issuance of replacement/consolidated quedan within seven (7) days from the conduct of bidding:

8. Upon compliance with all the requirements of SRA, a consolidated quedan shall be issued **per class** of sugar (original classification unless ordered by another Sugar Order) **per crop year** in the name of the winning bidder and indicating therein the total liens.

9. Accordingly, quedan forms of the current crop year shall be used which must be signed by the warehousemen / mill representative, countersigned by the planters' representative and witnessed by the Regulation Officer.

10. The expired quedans shall be considered cancelled and must be surrendered to SRA upon issuance of consolidated/replacement quedan.

11. The warehousemen / mill, upon issuance of the replacement quedans, shall enter in the quedan registry the new quedans and write off all those outstanding expired quedans being replaced.

12. The withdrawal of the physical sugar covered by this Sugar Order and Circular Letter shall follow the same procedure as the regular sugar of the same class. Physical stocks shall be withdrawn on or before August 31 of every year.

13. Issuance of the replacement quedans and the subsequent withdrawals shall be reflected in the appropriate SMS reports.

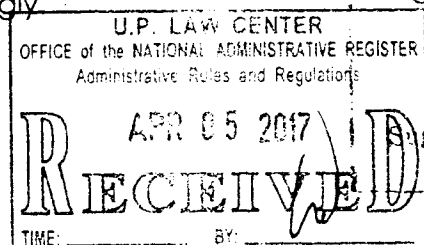
Section 9. Functional Responsibilities of the SRA (Regulation Department)

The SRA shall:

1. Verify the list of outstanding quedans.
2. Attest to the conduct of bidding.
3. Supervise the replacement of quedans and affix signature thereon.

Section 10. Penal Provisions. All warehousemen / mill which fail to dispose sugar subject to compulsory disposition within the period prescribed by this Circular shall be fined in an amount equivalent to the prevailing value of the undisposed sugar.

Section 11. Repealing Clause. Orders, circulars and other issuances that are not consistent with this Circular ~~are hereby repeated, revoked or amended~~ accordingly. Certified Reproduced Copy



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Bulman, Quezon City

Section 12. Effectivity. This Circular shall be filed with UP Law Center upon its issuance and it shall be published in Official Gazette or newspaper of general circulation. This Circular shall take effect fifteen (15) days after the date of its publication.


Approved this 4th day of April, 2017.


ANNA ROSARIO V. PANER
Administrator


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Administrative Rules and Regulations

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