

NATIONAL FOOD AUTHORITY
Quezon City

TO : ALL CONCERNED

FROM : THE NFA ADMINISTRATOR

SUBJECT : GENERAL GUIDELINES IN THE IMPORTATION OF 187,000MT, WELL- MILLED RICE FOR CY 2012 UNDER THE MINIMUM ACCESS VOLUME (MAV) BY ALL GRAINS BUSINESSMEN (INDIVIDUAL/ENTITIES INCLUDING FARMERS-ORGANIZATIONS ASSOCIATIONS/COOPERATIVES)

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Pursuant to the powers granted to the National Food Authority (NFA) under Presidential Decree No. 4, as amended, to undertake direct importation of rice or to allocate import quotas and to establish rules and regulations governing the importation of rice and in compliance to the Philippine Government's commitment to the General Agreement on Tariff and Trade-World Trade Organization (GATT-WTO) in exchange for the concessions granted, the Philippine Government agreed to import a Minimum Access Volume (MAV) of 350,000MT of rice every year. Out of which, 187,000 MT will be allowed entry into the country provided interested importers are willing to pay 40% tariff on rice imports. All rice imported under this program shall be omnibus in origin i.e. any country of origin.

In order to effect the smooth implementation of this program, a general guidelines is hereby issued for the information and compliance of all importers intending to apply for an allocation under the 187,000 MT MAV-Omnibus for CY 2012.

A. GENERAL MATTERS

1. The MAV-Omnibus shall be open to all interested rice importers who will qualify and submit the needed documents as specified in the succeeding provisions herein within the time prescribed herein.
2. Applicants must submit their application and requisite documents as stated in the said provisions herein on February 3, 2012, Friday, from 9 AM to 5 PM.
3. Only applicants who have submitted their application within the required date/time and complied with all the requirements stated herein and who have passed the verification made by the NFA shall be issued an import allocation on a pro-rata basis.
4. This Guidelines shall be published in a newspaper of general circulation. This shall also be made known to the public through the NFA website.
5. Discharge ports shall be any international port in Luzon, Visayas and Mindanao.

B. REQUIREMENTS/QUALIFICATIONS

1. All documents and requirements required herein and submitted by the applicants shall be subject to further validation and verification by the NFA and false or defective documents or requirements will result in disqualification and other penalties when necessary and may be the subject of criminal cases.
2. All applications shall be evaluated after 5PM of February 3, 2012. Upon evaluation, all applications found with incomplete requirements and documents shall be automatically rejected with finality.
3. All grains businessmen intending to avail of the privilege to engage in the business of importing rice must first secure a license for CY 2012 from the NFA as an importer including other incidental lines of business activity.
4. Basic requirements for any applicant to qualify for an allocation should possess the following documents upon application:
 - Letter of Intent detailing the importer's volume of rice to be imported and quality specifications, source country and the specific port of discharge. The LOI shall also possess the complete address, contact details (telephone/mobile/fax numbers) and e-mail address of the applicant. The specific port of discharge stated herein may not be changed without the authorization of the NFA. The NFA also reserves the right to change the importer's port of disport when the circumstances so warrant.
 - Valid and updated NFA import license for CY 2012;
 - Mayor's Permit for 2012
 - Supplier's Import Pro-forma Invoice with complete contact details such as name of the person-in-charge, telephone number, fax number, e-mail address etc. GMOD FOD shall validate all term and conditions stipulated in the supplier's pro forma invoice. In the event that the supplier disavows certain terms and facts on the invoice the application shall be disapproved and the applicant disqualified without prejudice to further blacklisting procedures.
 - Registration with the BOC's I-CARE to secure a unique 12-digit code known as Customs Client Number (CCN);
 - BIR Certificate of Registration indicating their Tax Identification Number (TIN)

Importers must when applicable to their particular business organization type must also submit/meet/accomplish the following requirements subject however to changes, amendments or revision as NFA, BOC and the accredited banks of BOC, may hereafter prescribed:

- ***Farmer-Cooperatives/Associations/Organizations***
 - a. Certificate of Registration with the Cooperative Development Authority (CDA)/appropriate registering authority;
 - b. 2012 Certificate of Accreditation as Farmers-Cooperative/Association/Organization with the NFA under IPP;
 - c. Valid and appropriate Certificate of Good Standing or continued existence from CDA/appropriate registering agency;
 - d. Board Resolution or Secretary's Certificate authorizing the representative to sign for and in behalf of the entity who shall be the Chairman/General Manager/President/CEO or member of the Board/officer of the Cooperative only;
 - e. All of the above documents must be properly certified as true copy by the authorized officer of the Cooperative.

- ***Sole Proprietorship***
 - a. Certificate of Registration from DTI;
 - b. Only the registered owner shall represent the entity;
 - c. 2011 or latest Income Tax Return (ITR) duly received by BIR or its authorized banks;
 - d. All of the above documents must be properly certified as true copy by the owner

- ***Partnership***
 - a. SEC Certificate of Registration/DTI Registration/Article of Partnership, whichever is applicable;
 - b. Name of Partners or Owners with their respective Percentage of Equity;
 - c. Certificate of Good Standing or continued existence from SEC/DTI/partner whichever is applicable;
 - d. Only the Owner or Partners stated in the Article of Partnership shall represent the entity as the sole representative to transact under this program;
 - e. 2011 or latest Income Tax Return (ITR) duly received by BIR or its authorized banks;
 - f. All of the above must be certified as true copy by the authorized individual.

- ***Joint Venture***
 - a. Certificate of Registration with the SEC or DTI for each Joint Venture partner, whichever is applicable;
 - b. Articles of Incorporation of each joint venture partner, when applicable;
 - c. By-laws and its amendments of each joint venture partner, when applicable;
 - d. Certificate of Good Standing or continued existence from SEC/DTI/partner whichever is applicable;
 - e. Copy of Joint Venture Agreement (JVA). In the absence of JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA;

- f. Board Resolution or Secretary's Certificate authorizing that the Chairman, General Manager/President/CEO of the Joint Venture partnership as the sole representative to transact under this program only.
- g. 2011 or latest Income Tax Return (ITR) duly received by BIR or its authorized banks;
- h. All of the above must be certified as true copy by the authorized individual.

□ **Corporation**

- a. Certificate of Registration from the Securities and Exchange Commission (SEC);
- b. Articles of Incorporation;
- c. Certificate of Good Standing or continued existence from SEC;
- d. Board Resolution or Secretary's Certificate authorizing the Chairman, General Manager/President/CEO of the Company as the sole representative to transact under this program only;
- e. 2011 or latest Income Tax Return (ITR) duly received by BIR or its authorized banks
- f. All of the above must be certified as true copy by the authorized individual.

In no way shall a non-member/representative/agent/broker be allowed to transact or facilitate the import activities/documentary requirements of the above-mentioned applicants except a) under special circumstances and b) subject to the approval of the NFA and c) only upon presentation of a Special Power of Attorney (SPA) properly executed and authenticated and notarized. Also in relation to the foregoing, except when authorized by the NFA no one person can represent more than one applicant.

C. IMPORT ALLOCATION

1. The final list of allocation per importer shall be announced in a major newspaper and shall be posted in the NFA website.
2. Qualified importers shall be issued a Notice of Allocation (NOA) for bank and BOC purposes.
3. The allocation shall be done through the issuance of an NFA import permit to cover the declared shipments on a per Bill of Lading (B/L) basis at a cost of P2,000.00 pesos/ permit.

D. PAYMENT/LETTER OF CREDIT

1. The mode of payment required for this program should be covered by a Letter of Credit (L/C) or any other import financial instrument issued by reputable banks accredited by the BOC in favor of their supplier, including the advance payment of duties/taxes with BOC for those who will use L/C.

E. IMPORT PERMIT

1. The NFA shall issue an import permit on a per B/L basis and shall be valid until **December 31, 2012.**
2. All requirements shall be properly accomplished, attaching all documentary attachments pertaining for such particular shipment.
3. The importer shall submit the following documents to the GMOD-FOD to facilitate issuance of an import permit, to wit:
 - a. Bill of Lading
 - b. Commercial Invoice
 - c. Certificate of Origin
 - d. Certificate of Fumigation
 - e. Phytosanitary Certificate
 - f. Certificate of Weight and Inspection of the quality and weight of rice and the condition of bags.
 - g. Inspection Certificate as to the Condition of the vessel
 - h. Packing List

Incomplete set of documents shall not be accepted for processing of the import permit

4. The import permit shall contain the following information:
 - a) Import Permit Control Number;
 - b) Name of Importer and Business Address;
 - c) Tax Identification Number (TIN);
 - d) Volume in metric tons (MT);
 - e) Arrival period;
 - f) Port of Origin;
 - g) Discharge port;
 - h) Name of Surveyor;
 - i) Bill of Lading Number and Date;
 - j) Commercial Invoice Number;
 - k) Validity of NFA Import Permit;
5. The import permit shall comprise of two (2) copies:
 - a) Original
 - b) Duplicate

6. Once the permit has been signed by the Administrator or his authorized signatory, the importer shall be required to pay a P2,000.00 permit fee per BL at the Cash Division of the BTFMD. All original receipts shall be presented by the importer to GMOD-FOD prior issuance of the original import permit. GMOD-FOD shall retain a copy of all ORs for future reference.
7. The original import permit shall be returned to GMOD-FOD within fifteen working days from the arrival of the vessel by the importer otherwise issuance of import permit for succeeding BL/shipment shall not be facilitated.

F. OTHERS

1. Per BOC CAO No.3-2010 dated 12 May 2010, all rice importers whose cargoes are in break bulk must be inspected at the loading port by BOC accredited surveyors for the account of the importer/supplier depending on their agreement.
2. All importation shall be subject to the payment of 40% duties/tariff/taxes and other fees that may be required by the Bank and the Bureau of Customs (BOC). Final assessment of duties and taxes of the rice shipment shall be done by BOC.
3. Each applicant is required to pay a non-refundable participation fee of P5,000.00 to the NFA.
4. The imported rice stocks should arrive not later **December 31, 2012**. All imported rice arriving beyond December 31, 2012 shall be subject to appropriate penalties as may be imposed by the NFA.
5. Importers/designated licensed broker must submit to NFA through GMOD-FOD within fifteen (15) working days from the last arrival of shipment, the certified true copy of processed Import Entry and Internal Revenue Declaration (IEIRD), assessment notice/Automated Systems of Customs Data (ASYCUDA), BOC clearances, proof of payment/official receipt of duties and taxes, arrastre, wharfage, other related fees and disport surveyors report.
6. **Submission of the above mentioned documents is mandatory on the part of the importer or his/her designated licensed broker.**
7. Milled rice contained in small or big package/containers shall strictly conform with the Philippine Grains Standards (PGS) on packaging and labeling. Non-compliance to the prescribe packaging and markings shall be subject to the sanctions/penalties under the PGS.
8. Aside from the penalties mentioned above, the offender shall also be subject to administrative proceedings where the penalty of suspension and/or cancellation of its NFA license shall be imposed.

9. As much as possible, the rice to be imported should be fortified with iron micro nutrients in compliance with the **Philippine Food Fortification Law** under Republic Act 8976.
10. All payments shall comply with the requirements and provisions of the Anti-Money Laundering Act.
11. The NFA reserves the right to reject any or all offers, to waive any defects of informalities found therein and accept only such offers which in its judgment are most reasonable and advantageous to the Government.

G. REPEALING CLAUSE

All rules and regulations, circulars, directives and/or orders or parts thereof, inconsistent with any of the provisions of these guidelines are hereby repealed, modified and/or amended accordingly.

H. EFFECTIVITY

These guidelines shall take effect upon approval.

APPROVED:

(Sgd.) ANGELITO T. BANAYO
Administrator
National Food Authority

Date Approved: January 27, 2012