



July 17, 2017

MEMORANDUM CIRCULAR No. 001
Series of 2017

TO: All Grading Baling Establishments
All Trader-Exporters
All Class A Traders
All Processors and
All Classifiers

SUBJECT: Reiterate Chapter II, sec. 9 and Chapter V, sec. 7 of
Revised FIDA A.O. No. 1 series of 1999

In order to address the issue of rapid decline of the quantity and quality of abaca fibers being produced by the country, PhilFIDA hereby reiterates, for emphasis and strict compliance, the following sanctions and penalties for Grading Baling Establishment who intentionally or through negligence, violates the Fiber Industry Development Authority Administrative Order No. 1 dated October 16, 1999.

I. PUNISHABLE OFFENSES

- a. Failure to provide the required identification signboard and/or the necessary partition to separate the fiber from other commodities;
- b. Failure to maintain minimum facilities, equipment personnel necessary to carry out the proper grading and baling of fibers;
- c. Allowing another person to operate the licensed grading establishment except under Chapter III, Section 5 of FIDA A.O. No. 1;
- d. Changing, obliterating, or counterfeiting, in whole or in part, the official mark or the establishment's registered mark, or the letter designation of any grade, or otherwise tampering with the tag of any bale of fiber which has been duly inspected and approved, or causing or knowingly allowing another to do the same.
- e. Tampering with or altering the quality and /or quantity of the fibers contained in any bale already inspected and approved, and duly stamped as such;
- f. Counterfeiting the official grade, ICN stamps of the government or using the official government grade and ICN stamps without proper authority;

- g. Employing classifiers in the licensee's establishment without required license;
- h. Knowingly misdeclaring the province of production of fibers;
- i. Delivering/selling by GBEs of fiber that have not been inspected and approved by FIDA;
- j. Knowingly misclassifying or misgrading fibers, or knowingly consenting to do the same;
- k. Transporting/shipping fibers without Permit to Transport Fibers;
- l. Non-submission of fibers for inspection (for GBE and Class A traders) as prescribed in Chapter III; Section 7 hereof;
- m. Non-renewal of license to engage in grading and baling, trading, processing, and classifying within the prescribed period;
- n. Processing/manufacturing by industrial firms of fibers that have not been officially inspected and/or certified by the FIDA; and
- o. Refusal to allow FIDA authorized representative free access to the bodega or warehouse.

II. PENALTIES

A. Suspension/Cancellation of License

Any person/entity who commits any of the abovementioned punishable offenses shall be meted by the PhilFIDA Regional Director having jurisdiction of the area, or the PhilFIDA Executive Director as the case may be, with either Suspension or Cancellation of License.

The licensee whose license has been suspended or cancelled by PhilFIDA shall, from receipt of the order or notice of suspension or cancellation, cease and desist from grading and baling; buying and selling; sorting and classifying fibers, as the case maybe. In the case of fiber processors, the licensee shall cease and desist from buying fibers.

The suspension cancellation of the license shall be without prejudice to the imposition of the penalties provided in Chapter V, Section 7 of these rules and regulations.

B. Fines/Imprisonment

Any person/entity who violates any of the provisions of this Circular shall, aside from suspension or cancellation of license or imposition of fine not exceeding twenty thousand pesos (P20,000.00) by the PhilFIDA Regional Director having jurisdiction of the area, or the PhilFIDA Executive Director as the case may be.

Moreover, any person/entity found liable for any of the offenses in this Circular may be penalized, aside from the fines, with imprisonment of not exceeding one (1) year, taking into account the gravity of the offense and it's adverse in the Philippine Abaca Industry.

C. Persons Liable

- i. Whenever the violation is committed by a corporation, association/cooperative, partnership, the penalty shall be imposed on the president, partner, manager or principal officer/s thereof;
- ii. If the offender is an alien, he shall, after serving his sentence, be deported to his country of origin; and
- iii. If the offender is a public officer or employee found to be in conspiracy with a private person/entity, he shall, in addition to the penalty of imprisonment and/or fine prescribed herein, be dismissed from office and perpetually disqualified from holding a public office.

III. DUE PROCESS

- A. Licensee (GBEs', Trader-Exporters, Class A Traders, Processors and Classifiers) are under the supervision of the respective PhilFIDA Regional Directors having jurisdiction over the latter's area of operation;
- B. Before the imposition of any sanction, the concerned PhilFIDA Regional Director **shall** observe due process. A Licensee found to be liable for any of the offenses mentioned under this Circular shall be provided by the disciplining authority a written notice explaining therein the violation/s committed and the appropriate penalty for such violation/s. The written notice must be accompanied by all evidence available to the disciplining authority that would justify the action taken;
- C. The written notice shall be personally served by the disciplining authority to the Licensee within ten (10) days after the PhilFIDA Regional Director discovered the alleged violation/s;
- D. A Licensee aggrieved by the Decision/Findings/Report of the PhilFIDA Regional Director may appeal to PhilFIDA Office of the Executive Director within Fifteen (15) Days from receipt of the said Decision. The Office of the Executive Director may form an *Ad Hoc* Committee that will investigate the charge/s against the Licensee. The Licensee

will be allowed to submit its Answer Under Oath explaining why the Decision/Findings/Report of the PhilFIDA Regional Director should not be upheld. Thereafter, the Executive Director may hold a formal hearing if the Licensee elects to do so.

- E. The Decision of the Executive Director, after all issues have been joined and after the hearing shall be Final. Only one (1) motion for reconsideration shall be allowed.
- F. The Licensee shall be allowed have the services of counsel in all stages of the proceedings, if it elects to do so.

IV. EFFECTIVITY

This shall take effect on August 1, 2017 and shall supersede all issuances inconsistent with this Circular.



KENNEDY T. COSTALES
Executive Director III