



MEMORANDUM CIRCULAR NO. 002, SERIES OF 2020

TO : ALL EXPORTERS/IMPORTERS/TRANSSHIPPERS OF TOBACCO LEAF, TOBACCO PRODUCTS AND OTHER TOBACCO RELATED SUPPLIES, MATERIALS AND INGREDIENTS

SUBJECT : GUIDELINES AND PROCEDURES IN THE APPLICATION, PROCESSING AND ISSUANCE OF LICENSE TO IMPORT/EXPORT AND IMPORT/EXPORT/TRANSSHIPMENT COMMODITY CLEARANCE (ICC/ECC/TCC) THROUGH THE TRADENET.GOV.PH, FURTHER AMENDING FOR THIS PURPOSE THE NTA EXPORT/IMPORT RULES AND REGULATIONS

DATE : 15 OCTOBER 2020

WHEREAS, pursuant to its mandate to regulate the tobacco industry, the National Tobacco Administration (NTA) issued the Rules and Regulations Governing the Importation, Exportation and Transshipment of Tobacco Leaf, Tobacco Products and Other Tobacco Related Materials and Spare Parts, requiring all Importers, Exporters and Transshippers of tobacco leaf/tobacco products/other tobacco related supplies and materials and ingredients to secure from the NTA an Import/Export/Transshipment License and Import/Export/Transshipment Commodity Clearances (ICC/ECC/TCC).

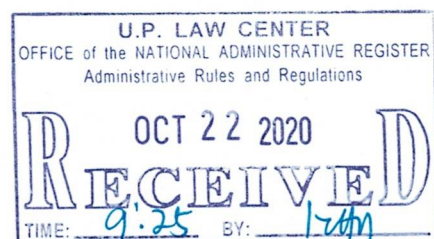
WHEREAS, under the said rules and regulations, the application, processing and issuance of License to Export/Import/Transship and Import/Export/Transshipment Commodity Clearances are done manually.

WHEREAS, it is the declared policy of the state under Republic Act No. 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018) to adopt simplified requirements and procedures that will reduce red tape and expedite business and non-business related transactions in government.

NOW, THEREFORE, for and in consideration of the foregoing premises with the end goal of integrating the NTA regulatory processes into a fully online and interoperable platform with other Trade Regulatory Government Agencies (TRGAs) and in line with Executive Order No. 482, Series of 2005 which created the National Single Window Task Force (NSW Task Force) and pursuant to the National Single Window Steering Committee Resolution No. 01-2017, these regulations are being issued to:

SECTION 1. OBJECTIVES

- 1.1 Implement the use of TradeNet.gov.ph in the application, processing and issuance of License to Import/Export/Transship and Import/Export/Transshipment Commodity Clearance (ICC/ECC/TCC) to be issued by the National Tobacco Administration (NTA).
- 1.2 Provide the revised procedures on the filing of applications, processing and issuance of License to Import/Export/Transship and ICC/ECC/TCC.



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- 1.3 Delineate the duties and responsibilities of NTA personnel in charge of reviewing the applications for and the issuance of License to Import/Export/Transship and ICC/ECC/TCC.

SECTION 2. POLICIES AND GUIDELINES

- 2.1 All applications for License to Import/Export/Transship and ICC/ECC/TCC shall be coursed through the TradeNet.gov.ph.
- 2.2 Application for ICC/ECC/TCC shall be covered by a separate application on a per shipment basis.
- 2.3 The applications for License to Import/Export/Transship shall be processed by the Senior TPRO/Supervising TPRO/Chief TPRO while the ICC/ECC/TCC shall be processed by TPRO I/TPRO III/Sr. TPRO. Accordingly, the Department Manager/Deputy Administrator for the Operations/Administrator shall be the designated approving officers.
- 2.4 The Sr. TPRO/Supervising TPRO/Chief TPRO in processing the application for License to Import/Export, while the TPRO I/TPRO III/Sr. TPRO in the processing for application of ICC/ECC/TCC, shall have the authority to require the submission of the original copies of the documentary requirements submitted in digital format;
- 2.5 The NTA shall immediately notify the applicant of the deficiency of required documents within the three (3) days from receipt of application through any fastest mode of communication. Applicant shall have 30 days to comply with the deficiency, otherwise, the application shall be disapproved; and
- 2.6 The License to Import/Export and/or ICC/ECC/TCC shall be processed and approved within three (3) business days upon receipt of the application with complete documentary requirements and payment of fees.

SECTION 3. DEFINITION OF TERMS

1. **License to Export** is a written License issued by the NTA to a qualified exporter of tobacco leaf, tobacco products and other tobacco related supplies, materials and ingredients.
2. **License to Import** is a written License issued by the NTA to a qualified importer of tobacco leaf, tobacco products and other tobacco related supplies, materials and ingredients.
3. **License to Transship** is a written License issued by the NTA to a qualified transshipper of tobacco leaf, tobacco products and other tobacco related supplies, materials and ingredients.
4. **Export Commodity Clearance** is a written declaration issued by the NTA allowing the exportation of the specific commodity, class/grade and quantity in terms of kilos/cases and FOB Value (US\$).
5. **Import Commodity Clearance** is a written declaration issued by the NTA allowing the importation of the specific commodity, class/grade and quantity in terms of kilos/cases and FOB Value (US\$).
6. **Transshipment Commodity Clearance** is a written declaration issued by the NTA allowing the transshipment of the specific commodity, class/grade and quantity in terms of kilos/cases and FOB Value (US\$).



7. **Exporter** refers to a person, natural or juridical, duly authorized by the NTA to bring out from the country unmanufactured tobacco/manufactured tobacco products other tobacco related supplies, materials and ingredients.
8. **Importer** refers to a person, natural or juridical, duly authorized by the NTA to bring in to the country unmanufactured tobacco/ manufactured tobacco products/other tobacco related supplies, materials and ingredients for local manufacturing/sale/distribution.
9. **Transshipper** refers to a person, natural or juridical, duly authorized by the NTA to authorize to undertake shipment of goods or containers to an intermediate destination, then to another destination.
10. **Manufactured Tobacco** refers to any product that consists of loose tobacco that contains nicotine and is intended for use in a cigarette/cigar, heated tobacco products (HTPs), including any product containing tobacco and intended for smoking or oral or nasal use. It includes pipe tobacco, chewing tobacco, snuff, homogenized, reconstituted, cut fillers, cut-rags, snus, blended tobacco.
11. **Unmanufactured Tobacco** refers to agricultural components devised from the tobacco plant, which are processed for use in the manufacturing of cigarettes and other tobacco products. It includes tobacco prepared or partially prepared with or without the use of any machine or instruments or without being pressed or sweetened as well as fine-cut shorts and refuse, dusts, scraps, clippings, cuttings, stems and sweepings of tobacco.
12. **Other Tobacco-Related Materials, Supplies, Cigarette Making Machines and Spare Parts** refers to materials used in the manufacture and processing of tobacco products such as machines, spare parts, cigarette papers, acetate tow, adhesive tapes, collagens, cartons packaging materials, flavorings, powder, triacetin and the like.
13. **Processing Fee** refers to the fee imposed by the NTA for the services rendered in the processing, evaluation and documentation of the exportation and importation of unmanufactured leaf tobacco and manufactured tobacco products.
14. **Monitoring, Regulation, Supervision and/or Evaluation Fee** – refers to the fee imposed by the NTA for the monitoring, regulation, supervision and/or evaluation of the exportation and importation of unmanufactured leaf tobacco, manufactured tobacco products, tobacco related supplies, materials and ingredients.
15. **Inspection Fee** - refers to the fee imposed by the NTA for the inspection of unmanufactured leaf tobacco, manufactured tobacco products, tobacco related supplies, materials and ingredients for export and import.
16. **RD** – refers to the Regulation Department, which acts as the regulatory arm of the National Tobacco Administration (NTA).

SECTION 4. APPLICATION AND ISSUANCE OF LICENSE TO EXPORT, IMPORT AND TRANSSHIP LEAF TOBACCO, TOBACCO PRODUCTS, OTHER TOBACCO RELATED SUPPLIES, MATERIALS AND INGREDIENTS



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1. **Qualifications.** – Any person of legal age and having the legal capacity to enter into a contract, a corporation, partnership, company, cooperative, or any other juridical entity, and duly licensed to manufacture/sell/distribute tobacco leaf, tobacco products, other tobacco related supplies, materials and spare parts may apply with the NTA for the issuance of an License to Import or Export or Transship tobacco leaf, tobacco products, heated tobacco products, other tobacco related supplies, materials and spare parts.

2. **Requirements.** – Application for an License to Import or Export or Transship shall be filed with TradeNet.gov.ph, supported by the following documents:

- a. Duly accomplished application form (NTA-RD-F-016 rev 01);
- b. Information Sheet of Applicant (NTA-RD-F-002 rev 02);
- c. Name of the Company's officers, their designation and Nationalities (NTA-RD-F-043-A rev 00) and official designation of authorized representative/s to apply for a Permit and/or Commodity Clearance, signed by the corporate Secretary or Owner/President (NTA-RD-F-043 rev 02);
- d. DTI Certificate of Business Name Registration for Single Proprietorship, for corporations or partnerships (*if new*);
- e. Copy of Latest Income Tax Return and/or Audited Financial Statement; and
- f. Certified Photocopy of the latest Mayor's Permit issued by the Municipality/City where the business is located or Certification as Registered Locator for applicants operating within PEZA-register or Freeport Zones and/or proof of payment of fees to the concerned agencies if the permit/certificate has not been issued.

3. **License Fee.** – The applicant shall pay a non-refundable fee for the processing and issuance of a License to Import/Export/Transship in the amount of Php16,200.00, per application.

4. **Validity.** – The License to Import or Export shall be valid until December 31 within the calendar year of issuance.

SECTION 5. APPLICATION AND ISSUANCE OF ICC/ECC/TCC

1. **Application for ICC/ECC/TCC.** – For every shipment, importers/exporters of tobacco leaf, tobacco products, heated tobacco products and other tobacco related materials and ingredients shall secure from the NTA an ICC/ECC/TCC (NTA-RD-F-017 rev 02/018 rev 02) at least three working days prior to the date of unloading/loading of the commodity. The applicant shall provide the following information upon application:

- a. Name, address and telephone number of Importer/Exporter;
- b. Name and address of consignor/consignee;
- c. Name of shipper;
- d. Country of origin/destination;
- e. Description, class/grade, quantity in kilos/cases and value freight on board (FOB US\$) of the commodity.

The application must be supported by any of the following documents:

- a. Export Declaration; or
- b. Purchase/Sales Invoice; or
- c. Bill of Lading/Waybill; or
- d. Packing List.



2. **Processing fee.** – The processing fees for every application of ICC/ECC/TCC are:

- | | |
|--|--------------|
| a. ICC/ECC/TCC | PhP 2,400.00 |
| b. ECC with Certificate of Authenticity (for locally grown leaf tobacco) | PhP 3,600.00 |
| c. Transshipment of Tobacco Leaf Within economic zones | PhP 4,200.00 |
| d. Transshipment of Tobacco Product | |
| a. In-Bound | PhP 1,200.00 |
| b. Out-Bound | 1,200.00 |
| c. Port to Port | 1,200.00 |
| d. Vessel to Vessel | 2,400.00 |

3. **Monitoring, Regulation, Supervision and/or Evaluation of the Commodity** – The following monitoring, regulation and/or evaluation fee for tobacco leaf, tobacco products, other tobacco related materials, spare parts and ingredients:

a. **For Legitimate Local Manufacturers Not Buying Locally Grown Leaf Tobacco:**

a.1 Manufactured Tobacco

a.1.1 Export

- | | |
|--|----------------|
| a. Cigarette/HTPs | PhP 12.00/case |
| b. Cigar | 0.12/pc |
| c. Snuff/Cheroot/Chewing and the likes | 0.12/pc |
| d. Other Tobacco Related Materials, Supplies and Ingredients | 0.10/kilo |

a.1.2 Import

- | | |
|--|----------------|
| a. Cigarette/HTPs | PhP 30.00/case |
| b. Cigar | 0.24/pc |
| c. Snuff/Cheroot/Chewing/Snus and the likes | 0.24/pc |
| d. Other Tobacco Related Materials, Supplies And Ingredients | 3.00/kilo |

a.2 Unmanufactured Tobacco

a.2.1 Export

- | | |
|-------------|-------------|
| a. Raw Leaf | 0.12/net kg |
|-------------|-------------|

a.2.2 Import

- | | |
|--|-------------|
| a. Raw Leaf | 1.02/net kg |
| b. Partially Processed Tobacco | 3.60/net kg |
| c. Unmanufactured & wholly and/or partially processed leaf tobacco Legitimate Local Tob. Products Mftr/ Processors who are not buying Locally Produced Tobacco | 0.30/net kg |

b.1 Manufactured Tobacco

b.1.1 Export

- | | |
|---|----------------|
| a. Cigarette | PhP 12.00/case |
| b. Cigar/Snus/Snuff/pipe/chewing/and the likes | .24/pc |
| Other Tobacco Related Materials, Supplies and Ingredients | 0.10/kilo |



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b.1.2 Import		
a.	Cigarette/HTPs	30.00/case
b.	Cigars/Snus/Snuff/Pipe/Chewing and the likes	0.12/pc
c.	Other Tobacco Related Materials, Supplies and Ingredients	0.10/kilo

b. For PEZA Locators

c.1 Manufactured Tobacco

c.1.1 Export

a.	Other Tobacco Related Materials, Machine/Spare parts and Ingredients	PhP 0.10/kilo
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c.1.2 Import

a.	Cigarettes	PhP 12.00/case
b.	Other Tobacco Related Materials, Machine/Spare parts and Ingredients	0.50/kilo

c.2 Unmanufactured Tobacco

c.2.1 Import

a.	PEZA-registered locators (semi-processed) Excluding local manufacturers	0.60/kilo
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4. **Inspection Requirements.** – Within three (3) working days after the filing of the application, the Regulation Department (RD) shall conduct an ocular inspection of the subject commodity. However, tobacco commodities prepared and packed in the areas under the jurisdiction of NTA-Branch Offices shall not be subjected to inspection by the NTA Central Office-based Inspector/Regulation Officer, provided that the same is accompanied by a local inspection certificate duly signed by an NTA-Branch Office Inspector and attested/certified by the concerned NTA Branch Office Manager.

All expenses to be incurred in the commodity evaluation/inspection procedures, cost of storage, demurrage, cartage, labor and delays incident to inspection shall be borne by the importer/exporter/transshipper.

The following fees shall apply for commodities subject for inspection, to wit:

<u>DESTINATION/INSPECTION SITE</u>		<u>INSPECTION FEES</u>
1.	Subic Bay Freeport Zone -	PhP 5,750.00
2.	Clark Field Economic Zone-	4,750.00
3.	Bacolor, Pampanga -	4,600.00
4.	Cavite Economic Zone	
	a. Dasmariñas, Cavite-	2,850.00
	b. Rosario, Cavite -	2,800.00
5.	Laguna -	3,400.00
6.	Parañaque/Pasay/Las Piñas-	1,300.00
7.	Manila -	1,300.00
8.	Quezon City -	1,300.00
9.	Rizal/Pasig/Marikina-	1,700.00
10.	Camanava Area -	2,000.00
11.	Manila Airport -	2,700.00
12.	Antipolo* -	1,300.00
13.	San Miguel, Bulacan-	3,200.00
	Surcharge for rescheduling of previously confirmed inspection	1,000.00



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For inspection conducted using air/sea transportation, the actual expenses for air/sea fare, terminal fee and travelling allowance shall be shouldered by the company concerned.

5. **Validity** – The Import/Export Commodity Clearance shall apply to a particular import/export declaration and valid only within Ninety (90) days from the date of issuance.

SECTION 6. REGISTRATION WITH THE TRADENET.GOV.PH

A. Registration with TradeNet.gov.ph

1. Creation of Log-In Account and Profile
 - a. In order to access and use the trade regulatory functions with TradeNet.gov.ph, the applicant must create a Log-In Account and Profile.
 - b. For the creation of a TradeNet.gov.ph Log-In Account and Profile, the applicant must fill up the necessary information requested in the sign-up page. A valid email address must be used in the creation of an account.
 - c. The applicant will be notified that TradeNet.gov.ph has accepted the submitted information. The applicant must then activate the account through the link sent to the nominated email address.
 - d. After activation, the applicant must complete a TradeNet.gov.ph Profile.
 1. For the creation of a TradeNet.gov.ph Profile classified as a corporation, the applicant must upload the following requirements in “.pdf”, “.jpeg” or “.png” formats:
 - a. Securities and Exchange Commission (SEC) Certificate of Registration;
 - b. Local Government Unit Mayor/Business Permit;
 - c. Import Clearance Certificate from the Bureau of Internal Revenue;
 - d. Certification from the Bureau of Customs - Account Management Office; and
 - e. Other documents required by involved agencies.

B. Application for License to Import or Export or Transship

1. The applicant shall fill out the application for License to Import or Export or Transship provided by Tradenet.gov.ph and upload digital copies of the documents stated in Section 4.
2. After submission of the application, the same will be processed through TradeNet.gov.ph. Notifications will be received by the applicant from time to time as regards the progress of the application.
3. Once the application has been verified by the Evaluator, the applicant will receive a notification to pay the necessary fees to be deposited to the account name **NTA TRANSHIPPER ACCOUNT** under **current account number 0232-1140-29** maintained at the Land Bank of the Philippines - West Avenue Branch, Quezon City. After payment, the applicant must upload the copy of bank validated deposit slip to TradeNet.gov.ph.



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4. Once the application is approved, the applicant will receive an electronic notification.

C. Processing of applications for License to Import or Export

1. Evaluator

- a. The duly accomplished application for (NTA-RD-F-017 rev 02/NTA/RD-F-018 rev 02) and the supporting documents shall be assessed and evaluated by the Evaluator through TradeNet.gov.ph.
- b. If the application is complete, the Evaluator shall notify the applicant to pay the necessary fees.

2. Supervising TPRO, Chief TPRO, Department Manager

- a. The Supervising TPRO, Chief TPRO or Department Manager shall review the application, perform risk assessment management and recommend approval or rejection through TradeNet.gov.ph.
- b. If the Department Manager III or Chief TPRO is satisfied that the application is complete and that the ICC/ECC/TCC may issue, he/she shall recommend the approval of the application.

3. Deputy Administrator for Operations (DAOP) or Administrator

- a. The DAOP or Administrator will approve or reject the application through TradeNet.gov.ph.
- b. If the DAOP or Administrator is satisfied that the application is complete and that the License to Import or Export may issue, and upon the recommendation of the Supervising TPRO, Chief TPRO, Department Manager, he/she shall approve the application.

If the application does not satisfy the requirements for the issuance of the License to Import or Export or Transship applied for, and upon the recommendation of the Supervising TPRO, Chief TPRO, Department Manager, the Deputy Administrator or Administrator shall deny the application.

D. Applications for ICC/ECC/TCC

1. The applicant shall fill out the application for issuance of ICC/ECC/TCC (NTA-RD-F-017/018 rev 02) provided by Tradenet.gov.ph and upload digital copies of the documents stated in Section 4.
2. After submission of the application, the same will be processed through TradeNet.gov.ph. Notifications will be received by the applicant from time to time as regards the progress of the application.
In the event that the applicant receives a notification prompting to perform an action, the applicant must execute the same for the application process to continue.
3. Once the application has been verified by the Evaluator and an inspection has been conducted, the applicant will receive a notification to pay the necessary fees. After payment, the applicant must upload the Official Receipt to TradeNet.gov.ph.
4. Once the application has been approved, the applicant will receive a notification. The ICC/ECC/TCC shall then be issued and automatically forwarded to the Bureau of Customs (BOC).



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5. The applicant shall not be required to present a printed copy of the Import/Export/Transshipment Commodity Clearance to the BOC. The applicant may, however, download or print a copy of the approved ICC/ECC/TCC for reference purposes.

E. Processing of applications for ICC/ECC/TCC

1. Evaluator

- a. The application and the supporting documents shall be assessed, evaluated, and the validity of the license checked by the Evaluator through TradeNet.gov.ph.
- b. If the application is complete, the Evaluator shall endorse the application to the Inspector.
- c. If the application is incomplete, the Evaluator may: (1) reject the application, or (2) prepare a remark regarding the same and return the application to the applicant for completion.

2. Inspector

- a. The designated Inspector shall conduct an ocular inspection of the subject commodities.

3. Supervising TPRO, Chief TPRO, Department Manager

- a. The Supervising TPRO, Chief TPRO or Department Manager shall verify the application and recommend approval or rejection through TradeNet.gov.ph.
- b. If the Supervising TPRO, Chief TPRO, Department Manager is satisfied that the application is complete and that the ICC/ECC/TCC may issue, he/she shall recommend the approval of the application.

If the application is incomplete and/or otherwise does not satisfy the requirements for the issuance of the ICC/ECC/TCC applied for, the Department Manager III or Chief TPRO may: (a) prepare a remark regarding the same and return the application to the applicant for completion, if the deficiency may be complied by the applicant, or (b) recommend the rejection of the application, if the deficiency may not be complied by the applicant.

4. Deputy Administrator for Operation (DAOP) or Administrator

- a. The DAOP or Administrator will approve or reject the application through TradeNet.gov.ph.
- b. If the DAOP or Administrator is satisfied that the application is complete and that the ICC/ECC/TCC may issue, and upon the recommendation of the Supervising TPRO, Chief TPRO, Department Manager, he/she shall approve the application.

If the application does not satisfy the requirements for the issuance of the ICC/ECC/TCC applied for, and upon the recommendation of the Supervising TPRO, Chief TPRO, Department Manager, the DAOP or Administrator shall deny the application and shall provide the reason for such.



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SECTION 7. EXEMPTION IN THE FILING OF COMMODITY CLEARANCE FOR EXPORTATION/IMPORTATION/TRANSSHIPMENT

1. Tobacco commodities, other tobacco related materials, ingredients and spare parts, e-cigarettes and e-juices are exempted from the filing of commodity clearance for the following volume or net weight, for personal consumption, to wit:
 - a. Cigarettes/HTPs - not exceeding 5 reams (50 packs), per Passenger/consignee
 - b. Cigars - not exceeding 20 sticks, per passenger/consignee
 - c. Snus - not exceeding 10 tins or maximum of 200 pcs, per passenger/consignee

2. Tobacco-free commodities are exempted from the application of NTA commodity clearance, whether for export/import/transshipment, to wit:
 - a. Snus not containing tobacco
 - b. E-Cigarettes not containing tobacco nicotine
 - c. E-liquid/Pod not containing tobacco nicotine
 - d. Other similar tobacco-free products and atomizers

SECTION 8. REPEALING CLAUSE

All memorandum circulars, rules and guidelines inconsistent herewith are hereby amended or repealed accordingly.

SECTION 9. EFFECTIVITY

This Memorandum Circular shall take effect fifteen (15) days upon publication in a newspaper of general circulation and shall be filed with the Office of the National Administrative Register (ONAR), U.P. Law Center.

For the guidance and compliance of all concerned.

APPROVED UNDER BOARD RESOLUTION NO. 2009-2020 DATED 13 OCTOBER 2020

BY AUTHORITY OF THE NTA GOVERNING BOARD:

ROBERT VICTOR G. SEARES, JR.
Administrator/Chief Executive Officer
and Vice-Chairman, NTA Governing Board

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