

MEMORANDUM CIRCULAR NO. : 20 - 19

## GRANT OF GRACE PERIOD TO FILE APPLICATIONS/SUBMIT REPORTS AND MORATORIUM ON MONITORING AND ENFORCEMENT

**WHEREAS**, Section 20, Article II of the 1987 Philippine Constitution provides that, "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments."

**WHEREAS**, Section 3(h) of Executive Order No. 514 and Philippine Shippers' Bureau Administrative Order No. 6, Series of 2005 requires the registration and accreditation of non-vessel operating common carriers, freight forwarders, cargo consolidators and breakbulk agents before they can legally engage in the said functions and/or operations.

**WHEREAS**, Sec 79(b) of the Revised Administrative Code and par. (e) of Section 3 of Act No. 2728 of the Philippine Legislature, as amended by Acts Nos. 3715 and 3969, requires that DTI issue a Certificate of Authority to Merchandise and Ship Brokers before they engage in said brokering activities.

**WHEREAS**, Sec. 5 of Presidential Decree No. 1466 cites the instances when the requirements on the use of Philippine Flag vessels may be waived through a Waiver to be issued by the Department of Trade and Industry.

**WHEREAS**, President RODRIGO ROA DUTERTE issued Proclamation No. 922 declaring a state of public health emergency throughout the Philippines thereby ordering a community quarantine, and further declaring a National State of Calamity as a result of the Covid19 incident.

**WHEREAS**, as a precautionary and preventive measure, relevant issuances were issued by the government, directing the adoption of alternative work schemes like skeletal work force and work from home, among others.

**WHEREAS**, as a consequence of the foregoing, the period of filing of applications for DTI licenses, registrations, permits and accreditation certificates of accreditation filed with the Fair Trade Enforcement Bureau is unavoidably affected.

**WHEREFORE**, foregoing considered this Memorandum Circular is hereby issued for the information and guidance of those concerned.

**Section 1. Objective.** – To ensure that businesses or enterprises currently in the list or data base of the DTI-FTEB shall continue to operate under their latest permit, license, registration or accreditation.

**Section 2. Scope.** – The provisions hereof shall apply to any and all persons, natural or juridical who are engaged in seafreight forwarding activities, merchandise and ship brokers, and those importers and/or exporters covered by PD No. 1466.



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**Section 3. Grace Period of Thirty (30) Days.** - In view of the circumstances surrounding the state of Public Health Emergency, fairness dictates that the following shall be given a period of thirty (30) days from the lifting of the Public State of Emergency and Extended Enhanced Community Quarantine within which to comply with required accreditation/licensing renewal, issuance of waiver and report submission, to wit:

- a. Holders of Seafreight Forwarding Accreditation whose date of renewal falls within the period of emergency and extended ECQ.;
- b. Holders of Merchandise and Ship Broker's Certificate which is due for renewal within the period of emergency and extended ECQ.;
- c. Applicants requesting for issuance of waiver for the use of Philippine flag vessel for shipments to be loaded within the period of the effectivity of the extended Enhanced Community Quarantine.;
- d. Accredited seafreight forwarders whose 2020 First Quarter Cargo Statistics Reports are due on the 30th day after the lapse of the quarter, pursuant to Rule VII of PSB Administrative Order No. 6, Series of 2005.

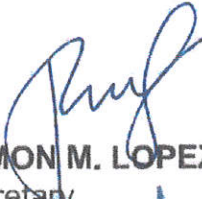
Regular surcharges as prescribed by relevant laws and rules shall be applied to applications, requests and reports filed or submitted beyond the said 30-day grace period.

**Section 4. Moratorium on Monitoring and Enforcement.** - A moratorium on monitoring and enforcement on accreditation requirement compliance shall be implemented within the 30-day grace period prescribed in Section 3 hereof. After the lapse of the 30-day grace period, FTEB monitoring and enforcement activities shall resume and be implemented in accordance with applicable laws and rules.

This Memorandum Circular shall take effect immediately.

Issued this 16<sup>th</sup> day of April 2020 in Makati City, Philippines.

Approved:

  
**RAMON M. LOPEZ**  
Secretary

