

JUL 22 2002

PPA Memorandum Circular
Number **27 - 2002**

TO : The Port District Managers, Port Managers,
Shippers, Consignees, Shipping Lines
and Cargo Handling Operators
and All Others Concerned

SUBJECT : **Guidelines in the Collection of Port Charges and
Cargo Handling Charges for Domestic Operations**

1. Authority

Sections 2f, 6a (iii), 22 and 23, PD 857

2. Scope

This Memorandum Circular shall cover collection of usage fees, stevedoring charges, wharfage dues, arrastre charges, storage fees, and fees for line handling, stripping/stuffing and other cargo handling and port related services for domestic operations in all ports nationwide.

3. Modes of Collection

3.1 Cash and Carry System is a collection system in which payment, in cash, manager's/cashier's check or PPA pre-approved company check, is made by the parties primarily liable (the Shipping Line, the Shipper or the Consignee) prior to withdrawal of cargoes from the port/loading of cargoes unto the vessel for charges against cargoes or before departure of the vessel for charges against vessel.

3.2 Cash and Carry System with Cash Revolving Deposit is a variant of the cash and carry system where the Shipper, the Consignee or the Shipping Line maintains a cash revolving deposit with PPA equivalent to one month transaction volume and replenishes the cash deposit not later than the 25th day of the month, or at anytime that the shipment can no longer be sufficiently covered by the balance of the cash deposit.

- 3.3 Centralized Collection System for Oil Companies is prescribed specifically for this industry where the oil company maintains a cash revolving deposit with PPA and both inbound and outbound wharfage dues are settled at the port of loading by replenishing its cash revolving deposit not later than the 10th and 25th of the month for companies with 15-day cash deposit or every 25th day of the month for companies with 30-day cash deposit (PPA Memorandum Circular No. 45-99).
- 3.4 Modified Cash and Carry System is an alternative collection system where the shipping line acting as representative of its client-shippers/consignees is given the privilege to pay cargo charges on a per vessel per voyage basis (instead of per Bill of Lading basis) within a period of seven (7) calendar days from date of vessel departure provided that it has complied with the posting of fixed cash/guarantee deposit equivalent to seven (7) day transaction volume and the other requirements of this system.

4. Operating Guidelines

- 4.1 A Port Charges Monitoring Logbook (Annex 1) shall be maintained and shall be used to monitor the actual date of departure of the vessel and the actual date when the charges are due and paid, which shall be the basis for the imposition of the sanctions prescribed herein.
- 4.2 All domestic wharfage dues, usage fees, storage fees, arrastre and stevedoring charges and other cargo handling and port related services fees collectible by Philippine Ports Authority shall be paid in accordance with any of the collection systems prescribed herein, viz:
- 4.2.1 Cash and Carry System
 - 4.2.2 Cash and Carry System with Cash Revolving Deposit
 - 4.2.3 Centralized Collection System as prescribed in PPA MC 45-99
 - 4.2.4 Modified Cash and Carry System
- 4.3 Collection of port charges from tramping vessels should, however, be on cash and carry basis only.
- 4.4 The Modified Cash and Carry System, the Centralized Collection System and the Cash and Carry System with Cash Revolving Deposit are privileges available to the shipper, consignee, shipping lines and other port users if the cash and carry system, which is mandated in PD 857, is operationally not feasible resulting to delay in the release of cargo and/or accumulation of unpaid fees and charges with the corresponding interest and penalty charges.

4.5 Cash and Carry System

- 4.5.1 Wharfage and arrastre charges under the Cash and Carry System shall be paid by the Shipper/Consignee following the Process Flow for Inbound Cargo-Cash and Carry System (Annex 2) and the Process Flow for Outbound Cargo-Cash and Carry System (Annex 3).
- 4.5.2 Stevedoring charges shall be collected from tramping vessels as shown in Annexes 2 and 3 while stevedoring charges due from liner vessels shall be billed by PPA and shall be paid by the shipping line within 3 calendar days from receipt of the billing from PPA.
- 4.5.3 Collection of port charges must be intensified at unmanned ports more specifically in municipal ports under the PPA Port System. Terminal Operations personnel should monitor the port of origin/destination of all vessels, particularly tramping vessels, and the corresponding port charges should be accordingly included in the PMO's Computation Sheet (Annex 4) to ensure proper collection of port charges.

4.6 Cash and Carry System with Cash Revolving Deposit

- 4.6.1 Wharfage and arrastre charges under this system shall be settled by the Shippers/Consignees following the Process Flow of Inbound Cargo-Cash and Carry System (with Cash Revolving Deposit) (Annex 2) and the Process Flow for Outbound Cargo-Cash and Carry System (with Cash Revolving Deposit) (Annex 3).
- 4.6.2 Stevedoring charges shall be collected from tramping vessels as shown in Annexes 2 and 3 while stevedoring charges due from liner vessels shall be billed by PPA and shall be paid by the shipping line within 3 calendar days from receipt of the billing from PPA or charged against the shipping line's cash revolving deposit, if there is any.
- 4.6.3 Posting of Cash Revolving Deposit
 - 4.6.3.1 The cash revolving deposit shall be posted by the shipper/consignee/shipping line at each PMO where it is being serviced.

4.6.3.2 The cash revolving deposit to be posted in each PMO should be equivalent to its average one month transaction volume which is based on the latest three months transactions at the PMO, subject to updating of the required deposit by the PMO as maybe necessary.

4.6.3.3 The cash revolving deposit shall be replenished not later than the 25th day of each month or at anytime when the remaining balance of the revolving deposit is no longer sufficient to cover the transaction in process, whichever comes first.

4.7 Modified Cash and Carry System

4.7.1 To qualify for the Modified Cash and Carry System privilege, the following are required:

4.7.1.1 Applicant shall be a liner vessel acting as representative of its client-shipper/consignee operating at the PMO.

4.7.1.2 It has filed an application to avail of the Modified Cash and Carry System (Annex 5).

4.7.1.3 It has settled all outstanding accounts with the PMO as of date of application; and

4.7.1.4 It has posted a fixed cash/guarantee deposit equivalent to its average 7-day transaction volume (total transactions for the last 30 days x 7/30) subject to updating of the required deposit by the PMO as maybe necessary.

4.7.2 Wharfage, arrastre and stevedoring charges and storage fees for the Modified Cash and Carry System shall be paid by the Shipper/Consignee's Liner Representative following the process Flow for Inbound Cargo-Modified Cash and Carry System (Annex 6), Process Flow for Outbound Cargo-Modified Cash and Carry System (Annex 7) and Process Flow for Payment of Wharfage, Arrastre and Stevedoring Charges-Modified Cash and Carry System (Annex 8).

- 4.7.3 The duly accomplished Discharging/Loading Tally Sheet (DLTS) (Annex 9) and the corresponding Summary of Port Charges (SOPC) (Annex 10) shall be the basis for the payment of wharfage, arrastre, stevedoring and other cargo handling charges.
- 4.7.4 The Cargo Handling Operator (CHO) shall distribute within two (2) calendar days from date of vessel departure the accomplished DLTS and the corresponding SOPC.
- 4.7.5 Under this system, the payment of wharfage, arrastre, stevedoring and other cargo handling charges shall be made by the Shipper/Consignee's Liner Representative to PPA and CHO within seven (7) calendar days from date of departure of the vessel on a per terminal, per shipping line, per vessel, per voyage basis, duly supported by the Payment Distribution Sheet (Annex 11).
- 4.7.6 Post Billing
- 4.7.6.1 PPA shall reconcile the payment against the Bill of Lading, Final Manifest and any other container inventory record and shall issue a Bill of Charge (Annex 12) for any underpayment, or Confirmation Notice if payment is in order (Annex 13), not later than 30 calendar days from date of departure of the vessel.
- 4.7.6.2 Shipper/Consignee's Liner Representative shall pay within three calendar days from receipt of the Bill of Charge.
- 4.7.6.3 In case of over-payment, a Credit Memo (Annex 14) shall be issued by PPA upon approval of the request for refund.

5. Operating Guidelines Common to all the Prescribed Collection Systems

5.1 Usage Fee

- 5.1.1 Usage fee shall be paid by the Shipping Line prior to the approval of the departure clearance of the vessel based on the Dockage Report (Annex 15) and following the Process Flow for Payment of Usage Fees (Annex 16).

5.1.2. In case of delay in the departure of the vessel, the additional usage fees shall be paid by the Shipping Line prior to the approval of the extended departure clearance based on the Dockage Report.

5.2 Storage Fees

5.2.1 Storage fees for inbound cargo shall be collected prior to the approval of the Gate Pass/Equipment Interchange Receipt (EIR) or any similar document and before its release from the port.

5.2.2 Storage fees for outbound cargo shall be billed by PPA to the Shipping Line based on the Bill of Lading and/or Final Outward Coasting Manifest within one calendar day after departure of the carrying vessel. Payment shall be made within three calendar days after departure of the carrying vessel.

5.2.3 Storage fees for empty containers is chargeable against the Shipping Line.

5.3 Stripping or Stuffing Charges, Stand-By Time, Line Handling and other Cargo Handling and Port Related Services.

5.3.1 The Shipping Line or shipper/consignee requesting for stripping or stuffing of FCL or LCL container and other cargo handling and port related services shall secure a permit from PPA before undertaking such activity and pay the corresponding charges upon approval of the request. The Stripping/Stuffing Permit and the permit for other port related services are incorporated in this Circular as Annexes 17 and 18.

5.3.2 Container rates shall not apply to containers that are stripped or stuffed at the pier/wharf/terminal inside the port; instead, the regular or existing arrastre charges shall be applied against the cargo (contents).

5.3.3 However, charges for stripping/stuffing for LCL container, stand-by-time, line handling and other cargo handling and port related services under the Modified Cash and Carry System shall be included in the Summary of Port Charges prepared by CHO for payment by the liner representative as prescribed in this system.

5.4 Additional Arrastre Charges for Double Handling of Cargoes

When cargoes are transferred from one pier to another prior to loading or delivery outside the port regardless of whether or not they are handled by the same CHO, the additional arrastre charges shall be for the account of the shipping line.

5.5 Compliance with Tariff and Tax Regulations

Wharfage, arrastre, stevedoring and other cargo handling charges shall be computed in accordance with existing approved tariff regulations. The 10% VAT shall be imposed on revenues subject to Value Added Tax.

5.6 Imposition of Interest and Penalty Charges

For failure to pay/settle/replenish on or before due date as prescribed herein, interest and penalty charges shall be imposed in accordance with the existing Administrative Order issued by PPA for this purpose.

5.7 Accountable Forms

5.7.1 The following documents are accountable forms and should be pre-numbered:

- 5.7.1.1 Computation Sheet (CS) - Annex 4
- 5.7.1.2 Discharging/Loading Tally Sheet (DLTS) - Annex 9
- 5.7.1.3 Summary of Port Charges (SOPC) - Annex 10
- 5.7.1.4 Bill of Charges (BOC) - Annex 12
- 5.7.1.5 Credit Memo (CM) - Annex 14

5.7.2 The Cargo Handling Operator (CHO) shall distribute **within two calendar days from date of vessel departure** the accomplished Discharging/Loading Tally Sheet as follows:

- 5.7.2.1 Copy 1/Original Copy - Shipper/Consignee's
Liner Representative/SL
- 5.7.2.2 Copy 2/Blue Copy - CHO Billing
- 5.7.2.3 Copy 3/Pink Copy - PPA Terminal
- 5.7.2.4 Copy 4/Yellow Copy - CHO Main Office

6. Summary of Revenues Collected Per Vessel Per Voyage as Audit Trail

6.1 Likewise incorporated in these guidelines as Annex 19 is the "Summary of Revenues Collected Per Vessel Per Voyage" which shall be prepared by the Terminal Operations Officer and submitted within 30 calendar days after date of vessel departure to the Port Manager and RMD Manager. However, the smaller TMOs may instead prepare a "Summary of Revenues Collected Per Vessel per Day"- Annex 20, to be provided and submitted as above.

6.2 It shall be used by the PMO and the Auditors to check the accuracy of the collected port charges and cargo handling charges per vessel per voyage as covered by the particular set of pre-numbered Discharging/Loading Tally Sheets and/or the Computation Sheet.

7. Sanction

7.1 The submission of duly accomplished Discharging/Loading Tally Sheet and the Summary of Port Charges shall be strictly in accordance with the provisions of this Circular. Remiss in the performance by the CHO of its duties shall be a ground for the revocation of their contract to operate after due process.

7.2 In case of delay or non-payment by the Shipper/Consignee's Liner Representative within the prescribed period, the privilege to avail of the Modified Cash and Carry System shall be automatically withdrawn. Likewise, in case of delay or failure by the Shipper/Consignee to replenish the cash revolving deposit within the prescribed period, the privilege to avail of the Cash and Carry System with Cash Revolving deposit shall be automatically withdrawn. In both cases, it shall be a ground for PPA to order the cargo handler to deny cargo handling services and appropriate interest and penalty charges shall be imposed.

7.3 The cash deposit posted by the Shipper/Consignee's Liner Representative or the shipper/consignee/shipping line as prescribed herein, shall be applied to its unpaid port charges, cargo handling charges and applicable interest and penalty charges, upon default.

8. Separability Clause

If, for any reason, any section or provision of this Circular is declared to be invalid, the other sections or provisions which are not affected shall continue to be in full force and effect.

9. Repealing Clause

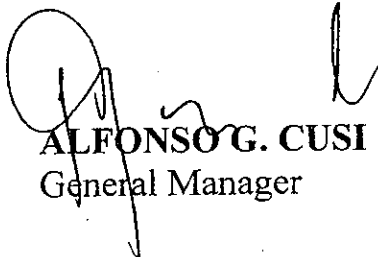
9.1 This Memorandum Circular revokes the following circulars:

- 9.1.1. PPA MC No. 06-89 - Guidelines on the Implementation of Cash and Carry System, Restricted Extension of Credit and Collection of Outstanding Accounts Receivable.
- 9.1.2. PPA MC No. 25-92 - Amendment to the Guidelines on the Implementation of Cash and Carry System, Restricted Extension of Credit and Collection of Outstanding Accounts Receivable.
- 9.1.3 PPA MC No. 40-2001 - Amended Guidelines in the Collection of Port Charges and Cargo Handling Charges in PMO North Harbor

9.2. Likewise, all rules and regulations, orders, circulars and other issuances which are inconsistent herewith are hereby repealed, amended or modified accordingly.

10. Effectivity

This Memorandum Circular shall take effect thirty (30) days after publication in a newspaper of general circulation.


ALFONSO G. CUSI
General Manager

Published in the Philippine Star - August 5, 2002

Effectivity Date - September 4, 2002 9

PHILIPPINE PORTS AUTHORITY
PMO _____
PIER _____

PORT CHARGES MONITORING LOGBOOK

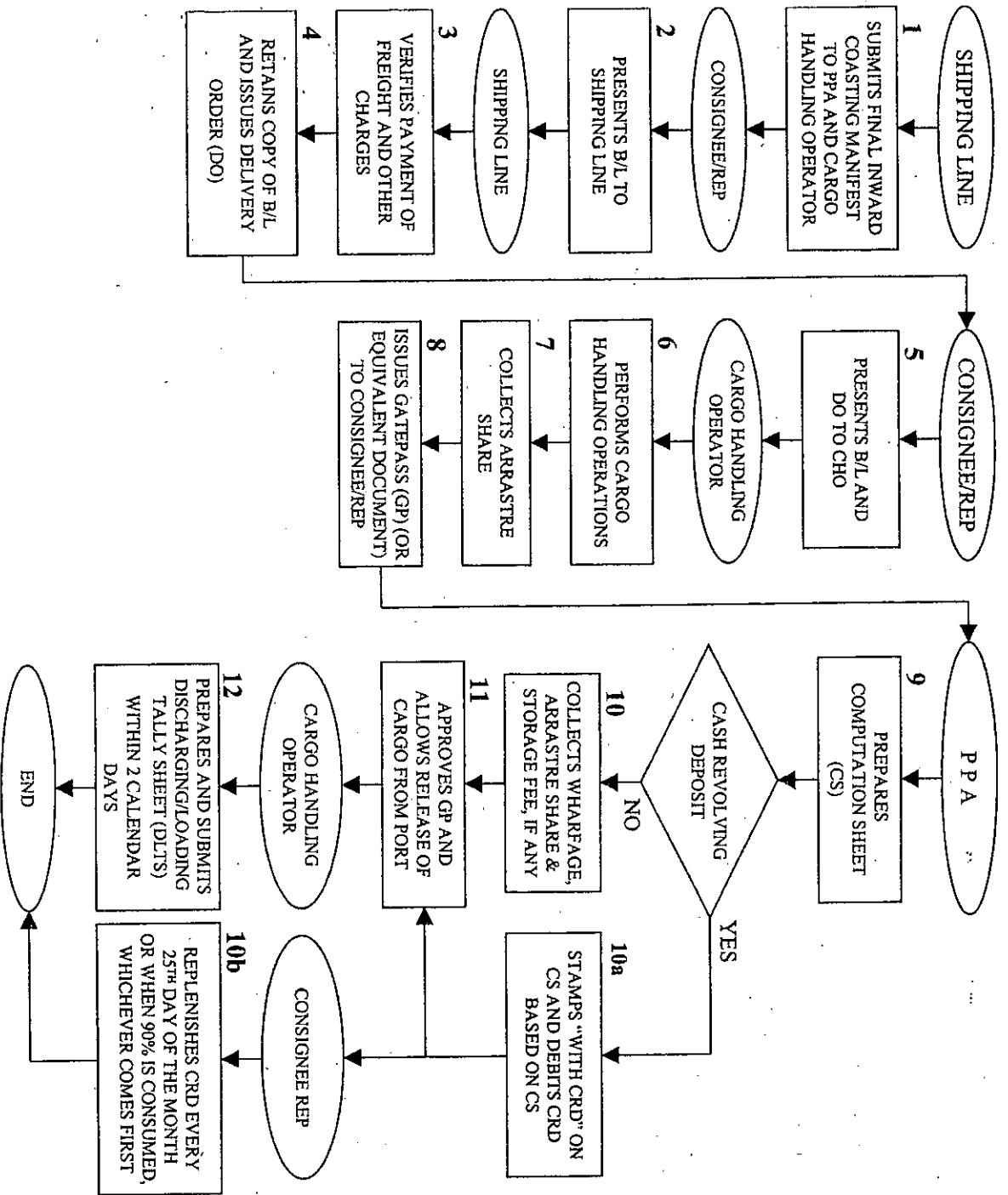
Name of Vessel	Voyage No.		GRT	ATA		ATD		Tally Sheet No./s	CS/BOC No.	Total Amount Due Per CS	Payment	
	In	Out		Date	Time	Date	Time				Date	Amount

Prepared by: _____ Terminal Operations Officer

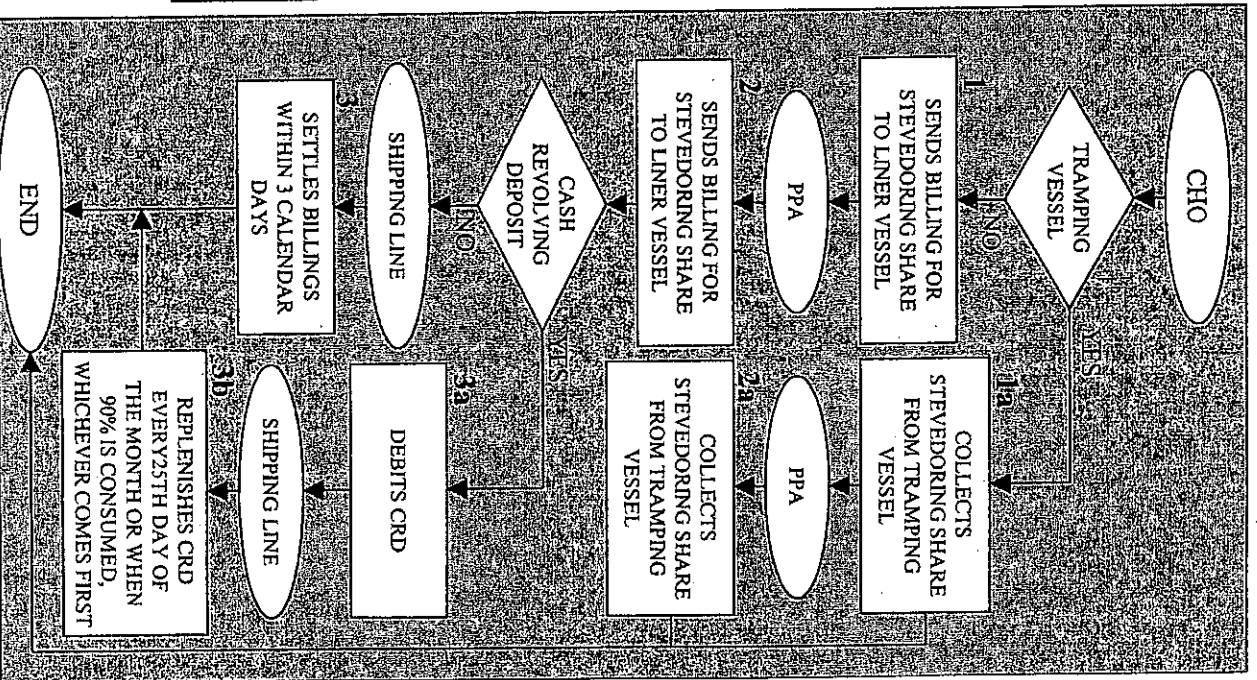
Noted: _____ Terminal Supervisor

PROCESS FLOW FOR INBOUND CARGO CASH AND CARRY SYSTEM

WHARFAGE DUES, ARRASTRE CHARGES AND STORAGE FEES

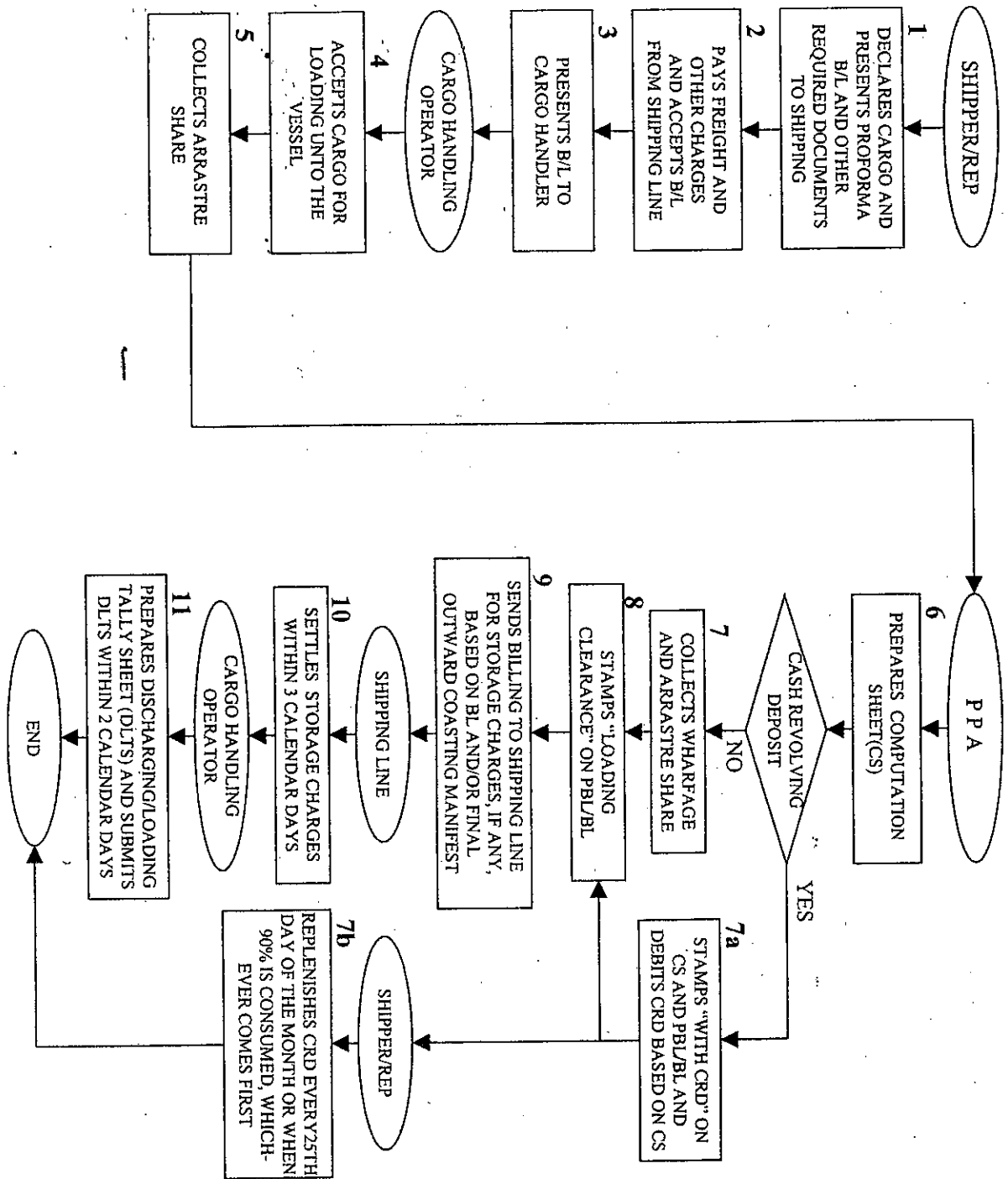


STEVEDORING CHARGES

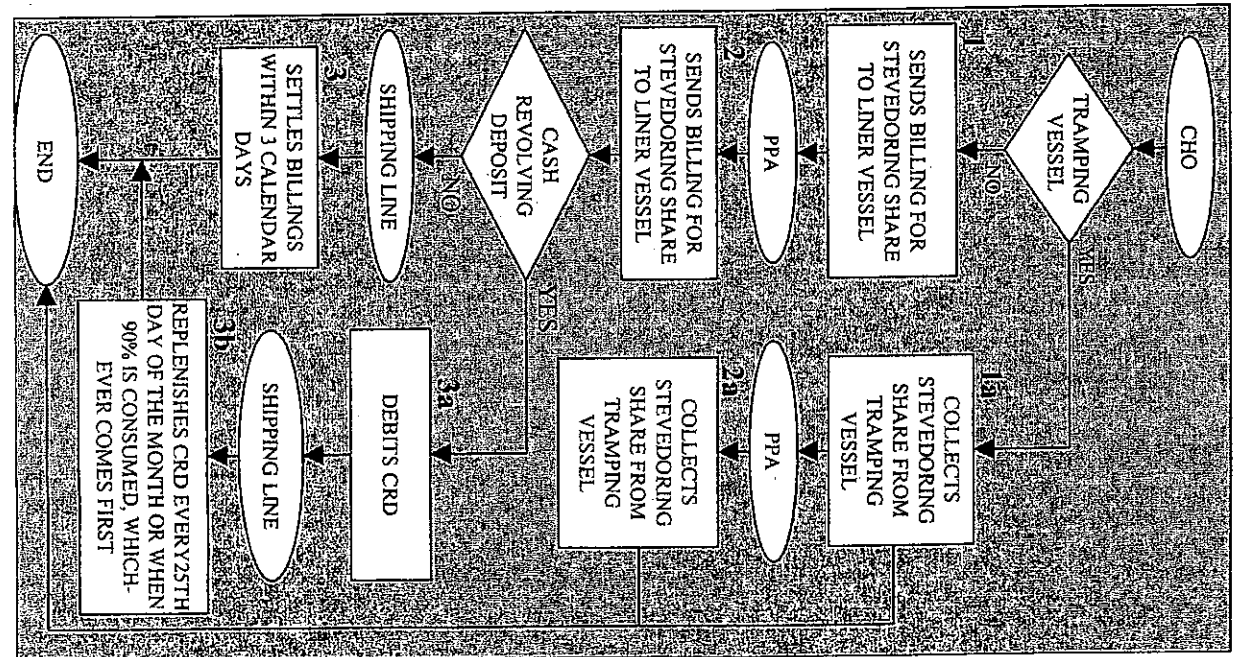


PROCESS FLOW FOR OUTBOUND CARGO CASH AND CARRY SYSTEM

WHARFAGE DUES, ARRASTRE CHARGES AND STORAGE FEES



STEVEDORING CHARGES



COMPUTATION SHEET

PAYOR		VESSEL		VOY NO.	PPA REG. NO.	B/L NO./REF.	PIER/TERMINAL
I CHARGES AGAINST CARGO							
A. Storage Fee		No. of Days	BASIS RT/MT Head bdft/etc.	RATE	AMOUNT		
B. Wharfage Fee							
1. Inbound	Outbound (for PPA-unnmanned port of PMO _____)						
2. Outbound	Inbound (for PPA-unnmanned port of PMO _____)						
C. Gov't. Share on Arrastre Income							
D. Gov't. Share on Stevedoring Income							
E. Gov't. Share on Stripping/Stuffing Charges							
F. Gov't. Share on Other Port-related Services							
II CHARGES AGAINST VESSEL							
A. Usage Fee		No. of Days	GRT				
1) Present Voyage							
2) Prior Voyage (include staying at PPA-unnmanned Port)							
B. Lay Up Fee							
C. Port Dues							
D. Dockage Fee							
E. Anchorage Fee							
III OTHER CHARGES							
A. Permit Fee (Specify)							
B. Interest Charges							
C. Penalty Charges							
D. Others: (Specify)							
IV 10% VALUE ADDED TAX (VAT)							
TOTAL							

NOT VALID AS OFFICIAL RECEIPT

PREPARED BY: _____

APPROVED BY: _____

Date : _____
Shipping Line : _____
Address : _____

**Application to Avail
of the Modified Cash and Carry System**

As the authorized representative of our client-shippers/consignees, we would like to avail of the Modified Cash and Carry System as provided in PPA Memorandum Circular No. _____.

Herewith is our cash deposit in the amount of PESOS:
_____ (₱ _____)
corresponding to our 7-day average transaction volume, subject to updating of the required deposit.

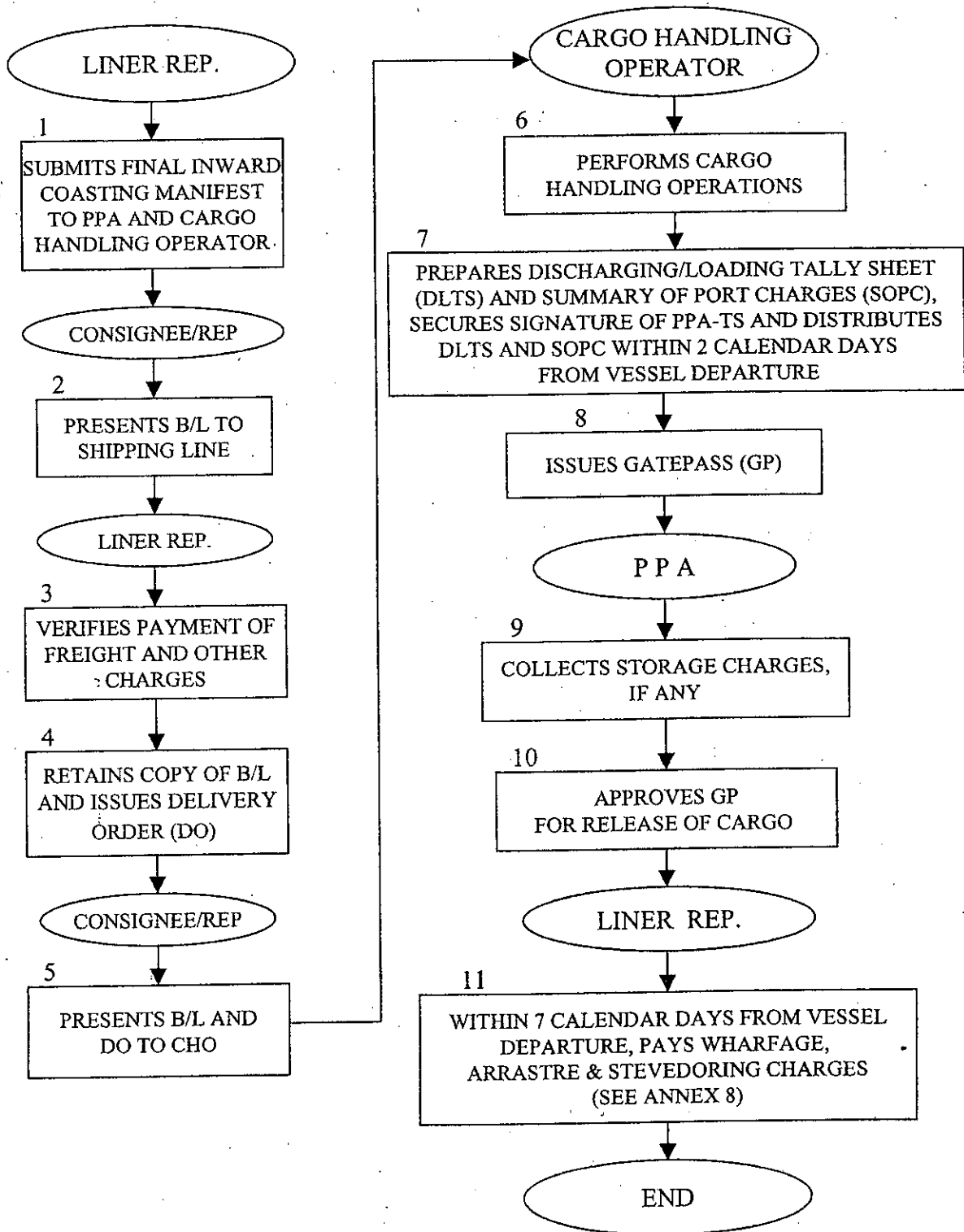
We are committing to follow strictly the provisions of the above-mentioned Circular.

Authorized Signatory
Position: _____
(Signature Over Printed Name)

Approved:

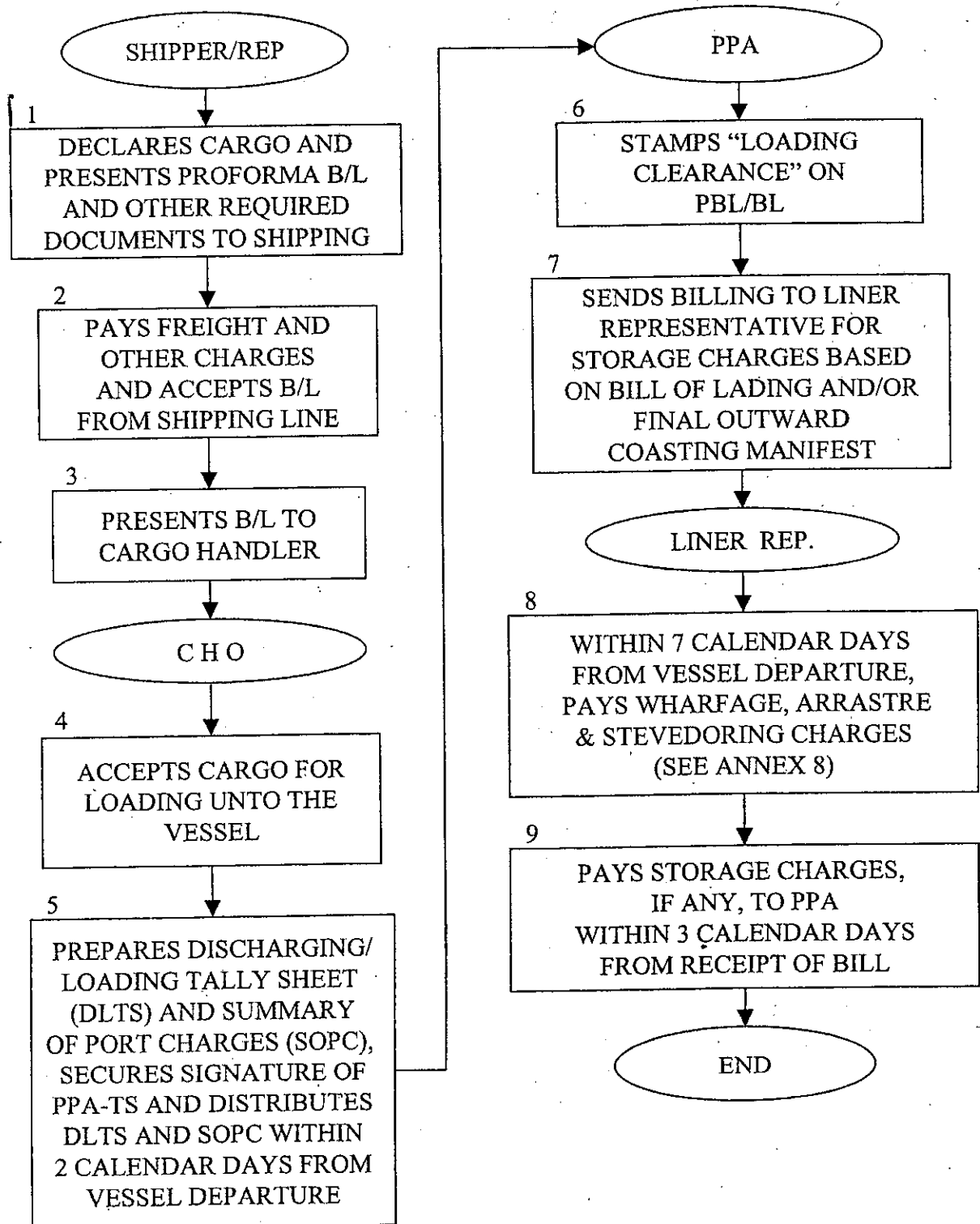
Port District Manager
PDO _____

**PROCESS FLOW FOR INBOUND CARGO
MODIFIED CASH AND CARRY SYSTEM**

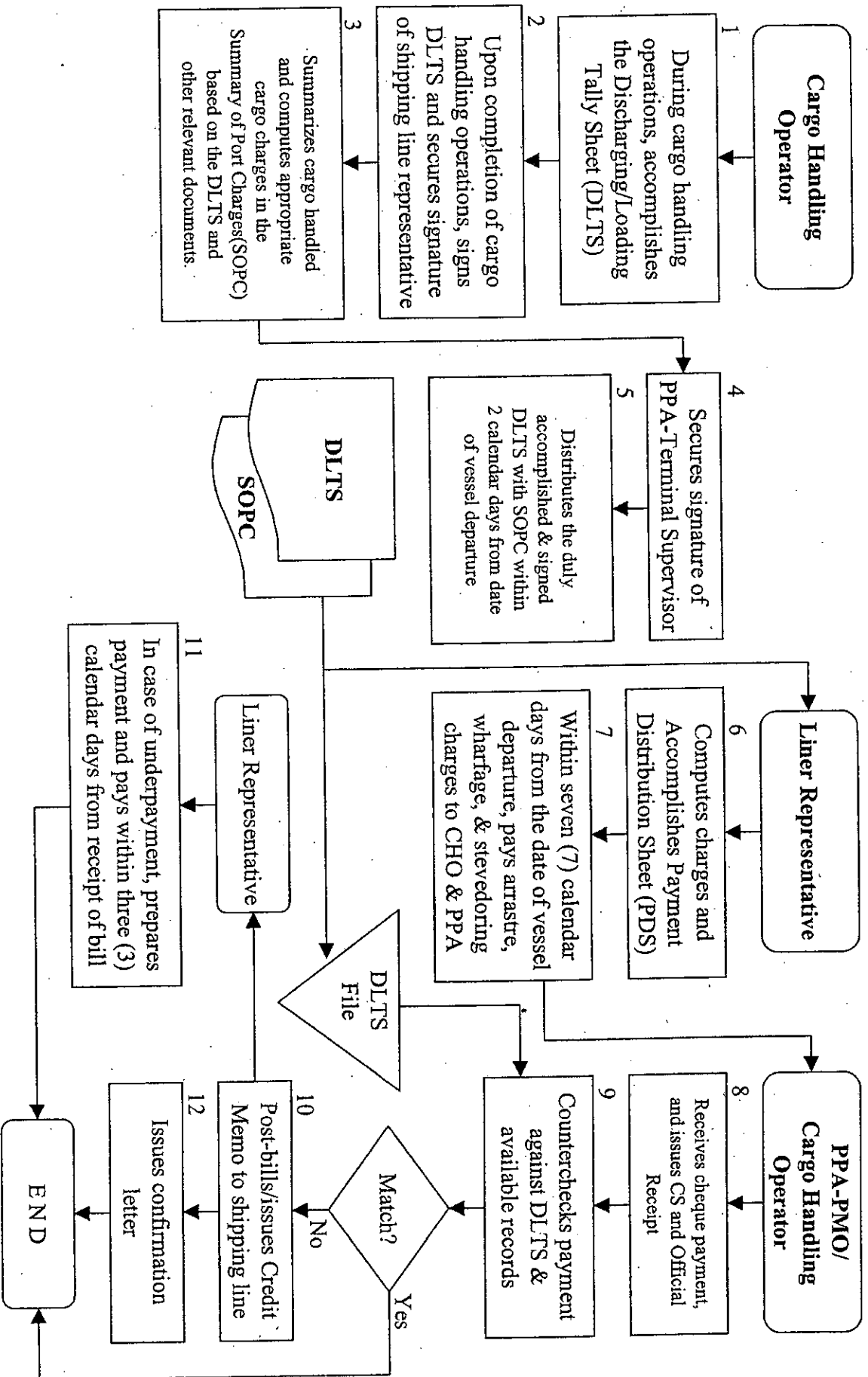


**PROCESS FLOW FOR OUTBOUND CARGO
MODIFIED CASH AND CARRY SYSTEM**

Annex 7



PROCESS FLOW FOR PAYMENT OF WHARFAGE, ARRASTRE AND STEVEDORING CHARGES
FOR MODIFIED CASH & CARRY SYSTEM



Date: _____

No. 0001

SUMMARY OF PORT CHARGES
Modified Cash and Carry System

VESSEL: _____ VOYAGE NO.: _____ TALLY SHEET NO. _____

TYPE OF CHARGE CARGO TYPE	VAN STATUS	QTY/ RT	WHARFAGE		ARRASTRE		STEVEDORING	
			RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT
MAJOR CHARGES:								
VAN SIZE								
10 ft	MT							
	LD							
20 ft	MT							
	LD							
40 ft	MT							
	LD							
OTHERS	MT							
	LD							
GENERAL CARGO								
LCL								
BREAK BULK								
SUB-TOTAL								
OTHER CHARGES:								
LINE HANDLING								
STRIPPING/STUFFING for LCL Container								
OTHERS (Specify)								
SUB-TOTAL								
TOTAL								
10% VAT								
GRAND TOTAL								

Prepared by:

Verified by:

Received by:

CHO
Signature Over Printed Name

PPA TS/TOO/STOO
Signature Over Printed Name

SHIPPING LINE
Signature Over Printed Name

DATE: _____
TIME: _____

Shipping Line

PAYMENT DISTRIBUTION SHEET

Vessel _____ Voyage No. _____
 Tally Sheet No. _____ to _____

Kind of Charges	PPA	CHO	SL	TOTAL
Wharfage:				
Containerized				
General Cargo				
*Arrastre:				
Containerized:				
FCL				
LCL				
Stripping				
Stuffing				
General Cargo				
Stevedoring:				
Containerized				
General Cargo				
Line Handling				
Other Charges:				
Stand-by Time				
Shifting				
Equipment Rental				
Others:				
10% VAT on Arrastre, Stevedoring & other Cargo Handling Charges				
TOTAL				

*Arrastre Charge for FCL is based on 4.1 of the Schedule of Cargo Handling Tariff under PPA MC No. 05-2000

PPA: 100% Wharfage
 _____% Arrastre
 _____% Stevedoring

CHO: 58.5% Arrastre for Containerized Cargo
 _____% Arrastre for General Cargo
 _____% Stevedoring

SL: 31.5% Arrastre for Con-
 tainerized Cargo

Prepared by:

Certified Correct:

 Signature Over Printed Name

 Signature Over Printed Name



REPUBLIC OF THE PHILIPPINES
PHILIPPINE PORTS AUTHORITY



ANNEX 12

PORT OF _____
 DATE _____

Port User:
 Address:

Address:

BILL OF CHARGES
 NO. _____

TYPE OF CHARGES	COMPUTATIONS	UNIT	RATE	AMOUNT OF CHARGES	VESSEL
WHARFAGE FEE					REG. NO.
BERTHING FEE					GRT.
ANCHORAGE FEE					ARRIVAL DATE
USAGE FEE					DEPART DATE
LAY-UP FEE					CARGO
STORAGE CHARGES					ENTRY NO.
ARRASTRE					TONNAGE
STEVEDORING					DISCHARGE DATE
RENTAL					DELIVERY DATE
INTEREST					REFERENCE OF PAYMENTS
PENALTIES					OR NO.

I HEREBY AGREE TO THE ABOVE COMPUTATION AND BILL OF CHARGES

BY _____
 PRINT NAME: _____ POSITION: _____ SIGNATURE: _____

PORT USER/AUTHORIZED REPRESENTATIVE

PRINT NAME / SIGNATURE _____
 CHECKED BY: _____ APPROVED BY: _____

PREPARED BY _____

INTEREST AND PENALTIES SHALL BE CHARGED AGAINST LATE PAYMENTS IN ACCORDANCE WITH EXISTING GUIDELINES.

ORIGINAL PAYOR

DATE: _____

AMOUNT: _____

COLLECTING UNIT _____

PHILIPPINE PORTS AUTHORITY
PMO _____

Date

Shipping Line : _____
Address : _____

Confirmation Notice

This is to confirm that your payment amounting to PESOS:
_____ (P : _____)
for port charges and cargo handling charges for Vessel:
_____ Voyage No. _____ covered by Tally
Sheets No. _____ to _____ has been verified and found
correct and complete.

RMD Manager

PHILIPPINE PORTS AUTHORITY
PMO _____

CM # _____

Date

CREDIT MEMO

To: _____

We credit your account for your excess payment/s indicated below:

_____	_____
_____	_____
_____	_____
Total Amount Due	_____
Amount paid per OR # _____ date _____	_____
(through _____ Check)	_____
Amount Refundable	_____

Claim Reviewed & Certified
as valid/proper:

Approved: Based on "Approved Claim
for Refund" No. _____)

RMD Manager

Port Manager

Philippine Ports Authority
 PMO _____

Date: _____

DOCKAGE REPORT

Pier/Terminal: _____

VESSEL _____ VOY. NO. _____ REG. NO. _____ GRT _____
 COMPANY _____ LOA _____ BEAM _____ NRT _____
 ARR. DRAFT _____ DEP. DRAFT _____ DWT _____
 LAST PORT OF CALL _____ NEXT PORT OF CALL _____

BERTH ALLOCATED	DOCKED		UNDOCKED		NO. OF DAYS
	DATE	TIME	DATE	TIME	
ANCHORAGE					
PIER BERTH					

Additional Usage:
 From Date: _____ to Date: _____

TOTAL _____

Prepared by: _____

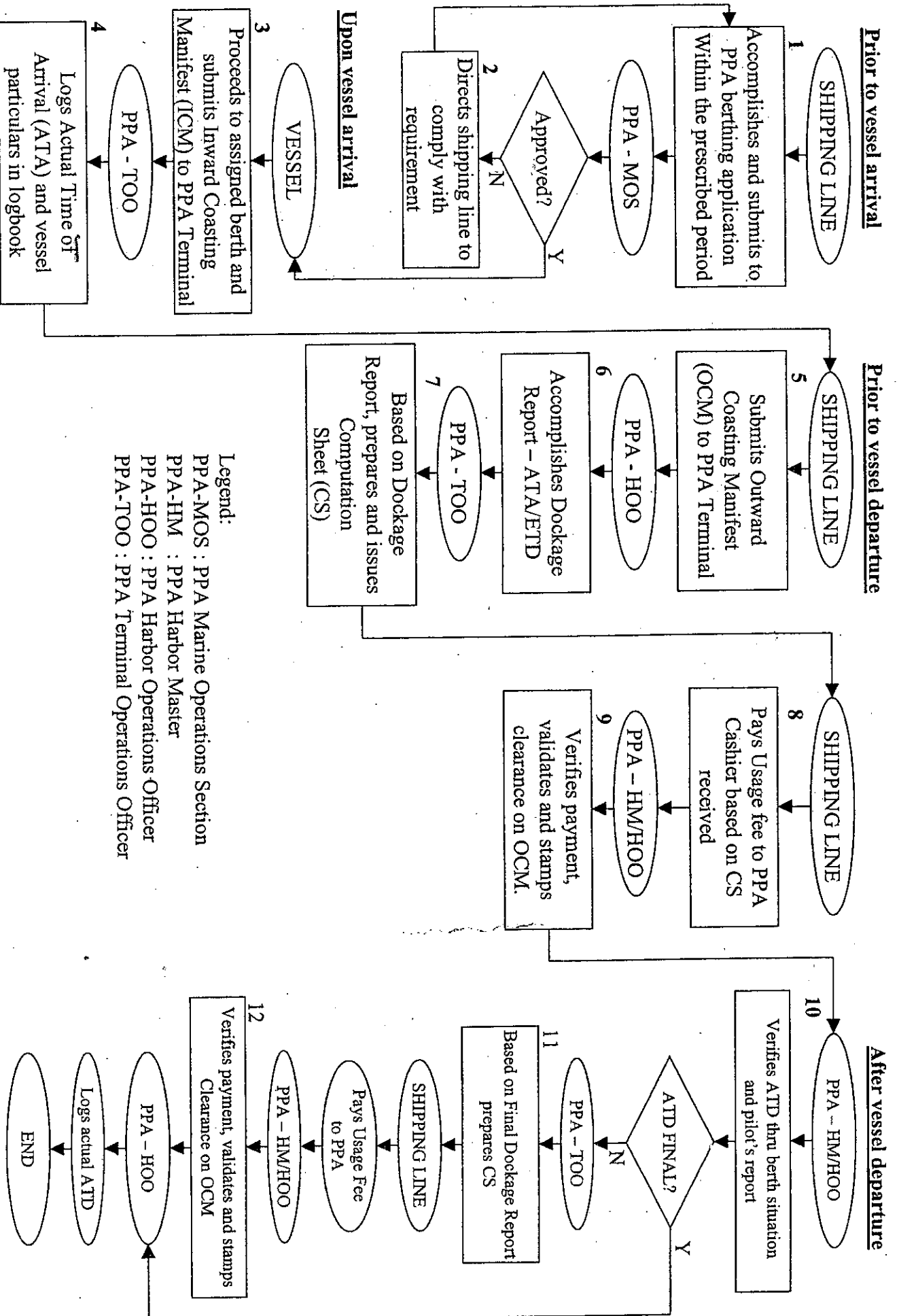
VERIFIED/CHECKED: _____

 Shipowner/Agent

 Harbor Master/Harbor Operations Officer

OR # _____
 CS # _____
 Amount ₱ _____
 Date _____
 Control No. _____

PROCESS FLOW FOR PAYMENT OF USAGE FEE



PHILIPPINE PORTS AUTHORITY
PMO _____

Control No. _____

PERMIT TO LOAD PROVISIONS ON BOARD VESSELS

Date _____

FOR : The Port Manager

Sir:

Application for Permit to Supply Provisions on Board Vessel is hereby made

VESSEL NAME	COMPANY/AGENT
QUANTITY/UNIT	Location (Please check box)
<input type="checkbox"/> Fresh Water	<input type="checkbox"/> Pier <input type="checkbox"/> Slip
<input type="checkbox"/> Bunker Fuel	<input type="checkbox"/> Berth # <input type="checkbox"/> Anchorage
<input type="checkbox"/> Others	Services to be rendered by Name of Co.
	<input type="checkbox"/> Tanker Barge
	<input type="checkbox"/> Tanker

APPROVED:

PREPARED BY:

By: _____

By: _____

PSD Manager/Harbor Master

SHIP AGENT
Printed Name and Signature

O.R. No. _____

CS No. _____

Amount Paid _____

Date _____

