



November 26, 2020

**PPA MEMORANDUM CIRCULAR
NO. 42 - 2020**



TO : Shipping Operators/Shipowners
Port Managers
Department Managers
All Concerned

SUBJECT : **Guidelines on the Grant of Financial Assistance for the Critically-Impacted Maritime Sector under Republic Act (RA) No. 11494**

1. Legal Bases

- 1.1 RA No. 11494, also known as the "Bayanihan To Recover As One Act" (Bayanihan Act 2).
- 1.2 DOTr Memorandum dated 12 September 2020 on the Submission of Guidelines for the Waiving and Provision of Discounted Fees to Critically Impacted Sector in Maritime Transport
- 1.3 Commission on Audit (COA) Circular 94-013 dated December 13, 1994 on the Rules and Regulation in the Grant, Utilization and Liquidation of Funds Transferred to Implementing Agency.
- 1.4 Item 3.0 of COA Circular 2012-001 dated June 14, 2012 as amended by COA Circular No. 2016-002 and 2017-002 dated May 31, 2016 and October 25, 2017, respectively, on the Revised Guidelines and Documentary Requirements for Common Government Transactions.

2. Objectives

- 2.1 To reduce the adverse effect of COVID-19 to the shipping industry which has been critically affected through the provision of financial assistance.
- 2.2 To prescribe the eligibility requirements and terms and conditions for the shipping companies/operators who can avail of the financial assistance.
- 2.3 To provide the procedures to be observed in the grant, management, utilization and liquidation of funds to be transferred by the Department of

Transportation (DOTr), as source agency, to the Philippine Ports Authority (PPA), as implementing agency.

- 2.4 To ensure that the transferred funds are used only for the intended purposes, and that proper accounting and reporting are made on the utilization and liquidation of the funds.

3. Coverage

This Circular shall apply to all Philippine-registered ships operating in the domestic trade and calling at government ports under the jurisdiction of PPA.

4. Scope

This Circular shall govern the implementation of the assistance for the maritime sector under RA No. 11494 or Bayanihan Act 2 to be financed out of the funds transferred by DOTr as source agency to PPA as the implementing agency.

5. General Guidelines

- 5.1 The funds that DOTr shall transfer to PPA are not in the form of subsidy to PPA's operations but correspond to DOTr's budget under the Bayanihan Act 2 in the amount of Php250 Million which shall be treated as financial assistance to be utilized in subsidizing the fees being collected from domestic shipping owners, specifically, Dockage (domestic) and Lay-up Fee (domestic).
- 5.2 The applicable provisions embodied in COA Circular No. 94-013 and Item 3.0 of COA Circular No. 2012-001, as amended, shall govern the grant, utilization and liquidation of funds transferred by the DOTr to PPA under the Bayanihan Act 2.
- 5.3 In no case shall the funds be used other than the purpose/s for which such assistance is granted to the maritime transport sector. Any excess fund shall be refunded to DOTr upon completion of the program.

6. Eligibility Requirements and Conditions for Availment

- 6.1 Only shipping companies/operators who meet the following requirements are eligible to avail of financial assistance under this Circular:
- a. Holder of a valid Certificate of Public Convenience (CPC), Provisional Authority (PA), or Special Permit (SP) issued by the Maritime Industry Authority (MARINA); and,
 - b. Holder of a valid Accreditation Certificate issued by PPA. Shipping companies/operators who have pending applications for accreditation are considered to have met this requirement unless otherwise said application has been denied by PPA.

6.2 The availment of financial assistance shall be on a "first come first served" and per vessel, per transaction bases.

7. Responsibilities of concerned PPA offices

7.1 The Treasury Department shall:

7.1.1 Open a separate account where the cash/money to be transferred by DOTr shall be deposited, clearly identifying that the account is exclusively for DOTr's assistance to PPA under the Bayanihan Act 2.

7.2. The Controllership Department shall:

7.2.1 Record cash/money received from DOTr under the special account "Trust Liability – DOTr's Assistance to Maritime Transport Sector". It shall monitor the proper accounting of the fund in accordance with COA Circular 94-013 and other applicable government accounting and auditing rules and regulations.

7.2.2 Submit monthly Report of Disbursements and other related supporting documents as proof of liquidation corresponding to the amount utilized for the period based on the reports submitted by the Port Management Offices (PMOs), duly certified by the Port Managers and other responsible officers.

7.3 The Information and Communication Technology Department shall:

7.3.1 Create a customer name "For the Account of DOTr" in the Oracle Accounting and Financial Management System (AFMS) in relation to the receipt and disbursement of funds in the form of assistance to the maritime transport sector.

7.4 The PMOs shall:

7.4.1 Identify and compute the amount to be subsidized based on actual transactions of all domestic shipping vessels that entail the assessment and collection of Dockage (domestic) and Lay-Up Fee (domestic).

7.4.2 Continue to observe the existing process of assessing the amount to be paid as dockage and lay-up fees. However, instead of collecting the full assessed amount from the vessel owners, it shall be charged against the DOTr fund.

7.4.3 Prepare the Official Receipt (OR) to be issued to DOTr as the customer which corresponds to the actual amount subsidized by and chargeable against the DOTr fund. The OR shall be supported by the official assessment identifying therein the vessel charges that are subsidized, either dockage or lay-up fees.

7.4.4 Prepare and submit the Weekly Report of Charges Against the DOTr Fund (Annex A) and copies of official receipts to the Controllership Department for transactions charged against the said fund.

8. Duration

Unless DOTr shall provide a different period on the duration of the financial assistance, it shall commence on 1 December 2020 until 19 December 2020 or until such time that the fund assistance shall have been depleted, whichever comes earlier.

9. Repealing Clause

All PPA orders, rules and regulations, policies or circulars which are inconsistent herewith are hereby repealed or amended accordingly.

10. Effectivity

This Order shall take effect immediately after its publication.


JAY DANIEL R. SANTIAGO
General Manager

Published in the Philippine Star on November 29, 2020

Date of Effectivity : November 30, 2020

Name of Port Management Office (PMO) _____
 Monthly Report of Collection for the the Account of DOTr
 For the Month of: _____

Date	Customer Name	Type of Domestic Vessel Charges (Dockage-domestic/ Lay-Up Fee- domestic)	Amount
Total			

Certified by:

Approved by:

 Finance Manager

 Port Manager