PPA Memorandum Circular
Number   15   -   2015

T O   :   The Port Managers
                                The RC Heads Concerned
                                All Shipping Lines/Shippers/Consignees
                                All Cargo Handling Operators
                                And All Other Port Users Concerned

SUBJECT   :   Amended Guidelines on Decentralized
                                Revolving Fund Payment Scheme

1. Authority

    Section 6.a)(iii) Presidential Decree No. 857

2. Rationale

    As a general rule, the Authority collects its fees and charges on a "Cash and Carry Basis". The exception to the cash and carry rule is the maintenance of a REVOLVING FUND (RF) to address the concerns of port users in the payment of fees and charges, such as, to facilitate the clearance of cargoes and vessel; to avoid incurrence of late charges and/or penalties; and to avoid the risks in carrying/handling substantial amount of cash; among others.

3. Coverage

    These guidelines shall cover the privilege granted to port users for the decentralized payment of their invoices/billings for cargo and/or vessel charges.

4. General Policies

    4.1.   The Decentralized RF Facility is open to all port users for payment of their invoices/billings for cargo and/or vessel charges.

    4.2.   RF Customers availing of the Decentralized RF facility shall be required to maintain with PPA (or the servicing PMO, as applicable) a minimum cash deposit equivalent to its average 15-day transaction volume.

    4.3.   The Decentralized RF shall be replenished every week or when the RF balance reaches 20% of the required minimum deposit to ensure that their transactions are adequately covered by the Decentralized RF deposit balance.

    4.4.   An RF Invoice shall not be created in the System if the Decentralized RF balance is below the 20% threshold. In this case, the RF Customer will be automatically treated as Cash Basis Customer where transactions shall be required to be paid in cash.

4.5. The Decentralized Revolving Fund privileges shall be restored only when replenishment is made and the minimum required Decentralized RF balance is met.

5. Registration of the Decentralized RF Account

5.1. A customer availing of the decentralized RF facility shall accomplish a "Customer Registration Form (CRF)" (Annex A) and shall choose or indicate Decentralized RF Facility.

5.2. The RF Customer availing of the Decentralized RF facility shall be assigned a Debtor Code for each area of operation or Servicing PMO and shall maintain separate RF per servicing PMO.

5.3. The duly accomplished registration form shall be submitted to the Servicing PMO.

5.4. The concerned Operating Unit (OU)/Servicing PMO shall forward the accomplished CRF by fax or e-mail to HO-MISD to be enrolled into the system and assign RF Customer's Debtor Code.

5.5. The approved CRF indicating the Decentralized RF Customer's Code shall be sent by HO-MISD to the Servicing PMO, copy furnished RF Customer.

6. Mechanics

6.1. Initial Deposit to the RF Account

6.1.1. Upon approval of the Customer Registration Form (CRF), a port user with decentralized RF facility shall deposit the minimum maintaining balance of RF at any Servicing PMO for credit to its centralized account.

6.1.2. A port user with decentralized RF facility shall make the deposit to all its RF accounts in each and every enrolled area of operation or Servicing PMOs.

6.1.3. The Operating Unit (OU) shall issue a "Non-VAT Official Acknowledgment Receipt" evidencing the initial deposit made by the RF Customer and treated in the books as guaranty deposit under Guaranty Deposits Payable-Revolving Fund.

6.2. Creation of RF Invoice/Billing

6.2.1. Each servicing PMO shall create, generate and transmit the RF invoices to its RF Customer

6.2.2. RF invoices issued at an NCP port should be handled separately from the other NCP transactions utilizing the template. RF Template should be e-mailed within two days to the PMO for uploading into the FIRST OU Accounting Module, as detailed in the "Procedures on Loading of NCP Invoice Template", to keep the RF account always at its current balance.

6.3. Application/Charging of RF Invoice Against the Revolving Fund

6.3.1. The RF Invoice shall be created per transaction and charged/applied against the Decentralized Revolving Fund of the RF Customer.

6.3.2. The RF Customer, duly designated by BIR as Withholding Agent in its BIR Certificate of Registration is authorized to withhold 2% EWT, hence, upon the issuance and charging of the RF Invoice against the Decentralized RF, the corresponding 2% EWT shall be deducted and recorded in the books as Prepaid Tax-EWT.

6.3.3. The OU can view the Decentralized RF balances in the "RF Summary by Debtor" or "Listing of RF transactions" by OU and RF Customer.

6.4. Replenishment of Revolving Fund

6.4.1. An RF Customer shall make a deposit or replenishment of its Decentralized RF at least every week to ensure that their transactions are adequately covered by the RF balance.

6.4.2. For easier monitoring and reconciliation, replenishment shall be by batch of invoices.

6.4.3. The batch of invoices to be replenished shall be reflected in the List of Invoices by RF Customer as shown below:

Philippine Ports Authority

PMO
List of Invoices by RF Customer
Date Covered: From _____ To _____

Customer Code: _____
Customer Name: _____

Date Generated: Run Date
Page ___ of ___

Sequence No.	Transaction Date	Invoice Number	Port Charges		VAT Amount	EWT Amount	Total Amount
			Type	Amount			
1.							
2.							
3.							
4.							
5.							
6.							
Total							

This List of Invoices by RF Customer is system generated and does not require signature.

This electronic transmission is confidential. If you are not the addressee, you may not copy, forward, disclose or use any part of it. If you have received this message error, please delete it and all copies from your system and notify the sender immediately by return e-mail.

6.4.4. The Servicing PMO shall ensure that the BIR Form 2307 corresponding to the Expanded Withholding Tax in the "List of Invoices by RF Customer, which has been deducted and recorded during invoicing, shall be secured from the RF Customer.

6.4.5. The OU shall issue an "Official Receipt" for the replenishment. This will be used by the RF Customer for claiming their Input VAT.

6.4.6. For this purpose, the replenishment will also be recorded as Guaranty Deposits Payable Revolving Fund. However, the system will replicate in the Official Receipt "Payment Summary the EWT, the VAT Sales and VAT Amount/Zero Rated Sales/VAT Exempt Sales as indicated in the RF Invoices issued and charged against the Revolving Fund; recorded in the books; and summarized in the "List of Invoices by RF Customer".

6.4.7. The Servicing PMO shall periodically verify the RF balance of their respective RF Customers to ensure that it complies with the minimum maintaining balance.

7.   Repealing Clause

This Memorandum Circular amends PPA Memorandum Circular No. 03-2010 and all orders, circulars, rules and regulations and other issuances inconsistent herewith are hereby repealed.

8.   Effectivity

This Memorandum Circular takes effect 30 days after publication in a newspaper of general circulation.

For strict compliance.

JUAN C. STA. ANA
General Manager

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Effectivity Date January 3, 2016

PHILIPPINE PORTS AUTHORITY

CUSTOMER REGISTRATION FORM
(For TRADE ACCOUNT)

Reminders:

1. Please see reverse for the general Instructions on how to fill out the form.
2. Asterisks (*) mandatory fields, fill-up.
3. Shaded items , no need to fill-up.
4. Accomplish one (1) copy per Customer.
5. Submit accomplished Customer Registration Form to Accounting Processor (for HO and PDO) or _____ (for PMO)
6. Attach required supporting documents with this form.

* Action: ☐ [C] Create / [R] Revise / [D] Delete

Customer Code : (System Generated)

To be filled out by Customer

Customer Details

*1. Customer Name:

*2. Short Name:

*3. DTI Registration Number:

*4. Address:

5. Postal/Zip Code:

6. Country: P H   Philippines

*7. TIN:

8. Communications

*Contact Name:

*Contact Position:

*Telephone 1:   Fax No. :

Telephone 2:   E-mail :

9. Prepared by: _____   **Date:** _____

For PPA Accounting Use Only

*1. PPA Office: _____

* Customer Group: (check groups that apply)

☐ Ancillary Services ☐ Cargo Handling Operator ☐ Port Users ☐ Lessee ☐ Special Takeover Unit ☐ Government ☐ Others

2. Surcharge Indicator:	☒ Yes ☐ No	6. Bank Guarantee:	☐ Yes ☒ No
3. Surcharge Code:	INT – 12% PENALTIES – 25%	7. Tax Code:	01 – Output VAT
4. E-Port:	☐ Yes ☒ No	8. Control Account:	8-71-000 – Receivable – Trade
5. Account Category:	☒ Cash ☐ Credit/ With Revolving fund	9. Payment Terms:	C000 – CASH
	☐ Centralized RF ☐ Decentralized RF	10. Currency Type:	PHP – Philippine Peso

11.

Prepared By/Date:	Authorized By/Date:	Encoded By/Date:	Checked By/Date:

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