

MEMORANDUM CIRCULAR NO. 187
Series of 2003

T O : ALL SHIPPING COMPANIES, SHIPOWNERS/SHIP OPERATORS/CHARTERERS AND OTHER MARITIME ENTITIES ENGAGED IN PUBLIC SERVICE AND ALL CONCERNED

SUBJECT : REVISED RULES ON ANNUAL SUPERVISION FEE

Pursuant to P.D. 474, E.O. 125, as amended and the Public Service Act, as amended, the following revised rules on annual supervision fee (SF) are hereby prescribed:

I. OBJECTIVES:

1. To provide a more equitable basis for the assessment of the Annual SF;
2. To provide a more favorable investment and operating climate in public services;
3. To simplify and accelerate the collection and/or timely payment of annual SF; and
4. To enable the Authority to effectively and efficiently administer, supervise and regulate public services.

II. COVERAGE:

This Circular shall apply to all shipping companies, shipowners/ship operators/charterers and other maritime entities which are granted a Certificate of Public Convenience (CPC)/Provisional Authority (PA)/Special Permit (SP) to operate a public service as defined under the Public Service Act, as amended.

III. GENERAL PROVISIONS:

1. A uniform basis of assessment of annual SF for liner and tramp operators to be based on Gross Tonnage shall be adopted.
2. Annual SF shall become due and payable on 30 September of each year.
3. The Annual Report of Finances and Operations for 2003, and thereafter, shall be in accordance with the new chart of accounts which can be secured from the MARINA.

4. The terms and conditions of previously issued CPC/PA/SP insofar as it prescribes the basis of annual SF and the corresponding penalties and sanctions for non-payment thereof are hereby amended or modified accordingly.

IV. SCHEDULE OF ANNUAL SUPERVISION FEE:

Year/s Covered	Basis of Annual SF Assessment	Due Date
2002	P25.00/GT or a minimum of P400.00	30 September 2003

Provided, however, that in no case shall the increase in annual SF exceed fifty-percent (50%) of the assessment for 2001.

V. SANCTIONS AND PENALTIES:

Following the summary procedure under Memorandum Circular No. 74-A, the following fines and penalties shall be imposed on the shipping company/shipowner/ship operator/charterer who fails to pay the annual supervision fees on or before 30 September of each year:

First Offense	Non-acceptance of application/s for issuance/extension/renewal of CPC/PA/SP or suspension of valid CPC/PA/SP of the <u>total fleet</u> until full payment of the annual SF due plus surcharge of 50% and for fees or balance not paid within 60 days from due date, an additional 1% interest for every month of delinquency.
Second and Succeeding Offenses	Cancellation of all CPC/PA/SP of the total fleet plus full payment of the annual SF due without prejudice to the filing of the appropriate civil and/or criminal actions against the shipowner/ship operator plus surcharge of 50% and for fees or balance not paid within 60 days from due date, an additional 1% interest for every month thereafter of delinquency.

VI. TRANSITORY PROVISION:

Any unpaid balance of annual SF due from liner and tramp operators for 1998-2001 as prescribed under Memorandum Circular Nos. 77 and 107, respectively shall be paid, as follows:

Date Due	SF for 1998 (1)	SF for 1999 (2)	SF for 2000 (3)	SF for 2001 (4)	Total SF due for each year (5)
Every 30 th of September starting 2003 up to 2007	20% of total SF due	20% of total SF due	20% of total SF due	20% of total SF due	(5)= (1)+(2)+(3)+(4)

Failure to settle the foregoing arrearages within the prescribed period shall result to the imposition of the fines and penalties under Rule V hereof.

VII. REPEALING CLAUSE:

Memorandum Circular Nos. 77 and 107 are hereby expressly repealed. All other rules and regulations, Circulars, Decisions or Orders inconsistent herewith are hereby modified/amended accordingly.

VIII. SEPARABILITY CLAUSE:

Should any provision or part of this Circular be declared by the competent authority to be invalid and unconstitutional, the remaining provisions or parts thereof shall remain in full force and effect and shall continue to be valid and effective.

IX. EFFECTIVITY

This Memorandum Circular shall take immediately after its publication once in a newspaper of general circulation in the Philippines.

09 July 2003 at Manila, Philippines.

BY AUTHORITY OF THE BOARD:

(Sgd.) ATTY. OSCAR M. SEVILLA
Administrator

SECRETARY'S CERTIFICATE

This is to certify that this Memorandum Circular 187 has been approved during the 164th Regular Meeting of the Maritime Industry Board held on 09 July 2003.

(Sgd.) **ATTY. GLORIA J. VICTORIA-BANAS**
Director II/CESO V
Franchising Office
Corporate Board Secretary

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