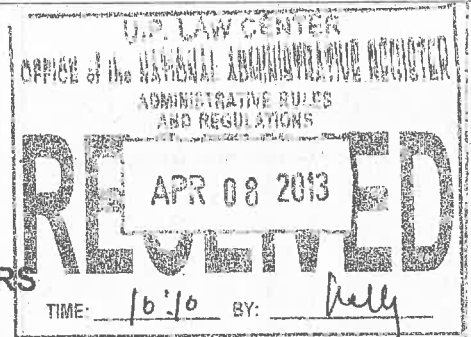




Republic of the Philippines
DEPARTMENT OF AGRICULTURE
NATIONAL TOBACCO ADMINISTRATION

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Tel. No. (02) 374-3987 Fax No. (02) 374-2505



MEMORANDUM CIRCULAR NO. 001, SERIES OF 2013

TO : ALL TOBACCO TRADING CENTERS
WHOLESALE TOBACCO DEALERS
FIELD REPRESENTATIVES
CIGAR/CIGARETTE MANUFACTURERS

SUBJECT : ADDENDUM TO THE RULES AND REGULATIONS GOVERNING
THE LOCAL TRADING OF LEAF TOBACCO, PROVIDING THE
PROCEDURE IN THE DISPOSAL OF TOBACCO SWEEPINGS
AND PROHIBITING THE SALE OF TOBACCO SWEEPINGS TO
ANY PERSON/ENTITY AND PROVIDING PENALTIES FOR
VIOLATIONS

DATE : 06 FEBRUARY 2013

WHEREAS, the NTA is the sole government agency mandated to regulate the tobacco industry and has specific powers to conduct agricultural and industrial researches;

WHEREAS, the NTA, in aggressive pursuit of finding other industrial uses of tobacco has explored and developed the alternative use of tobacco as molluscicide cum fertilizer for aquaculture/fishpond application, which product was successfully registered with the Fertilizer and Pesticide Authority (FPA) as per FPA Accreditation No. 1-2LF-1136 dated January 22, 2012 and Control No. 01-1480-10;

WHEREAS, the NTA has established its Tobacco Dust Processing Plant (TDPP) at Sto. Tomas, La Union, as the center for the processing of Tobacco Dust Plus for commercial use to cater the needs of fishpond operators for Regions I, II and III and other neighboring regions;

WHEREAS, in order for the TDPP to be effectively utilized and operated in its minimum capacity, there is a need to augment the volume of raw materials to be processed as tobacco dust, which volume can be sourced from the sweepings from the tobacco trading centers, WTD warehouses, Manufacturing Plants and tobacco storage areas of Field Representatives;

WHEREAS, the tobacco sweepings are bought by individuals/entities from the TCs, WTDs, Field Representatives and Cigar/Cigarette Manufacturers and are sold to fishpond operators at a very low price and without proper registration and/or undergoing any quality control procedures; which greatly affects the marketing of the NTA Tobacco Dust Plus;

WHEREAS, to prevent the proliferation of low quality tobacco dust in the market and to protect the interest of the NTA Tobacco Dust Plus as a registered product, there is a need to issue an addendum to the rules and regulations governing local trading of leaf tobacco, providing the procedures for the disposal of tobacco sweepings and further prohibiting its sale to any person/entity and providing penalties/sanctions for violations thereof.

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NOW, THEREFORE, for and in consideration of the foregoing premises and pursuant to the powers vested in to the NTA, the following addendum to the Rules and Regulations Governing the Local Trading of Leaf Tobacco, as follows:

Section 1. Coverage – The tobacco sweepings hereinafter referred to shall mean all unusable tobacco refuse as a result of handling/classifying/processing of tobacco leaf. This shall include sweepings from tobacco leaves, either locally produced or imported.

Section 2. Disposal of Tobacco Sweepings – Tobacco Sweepings from TCs, WTDs, CMs and Field Representatives shall be exclusively disposed of in favor of the NTA to be used as raw materials in the production/processing of Tobacco Dust Plus as molluscicide cum fertilizer for aquaculture/fishpond application. All TC/WTD/CMs/Field Representatives are hereby mandated to provide all their tobacco sweepings to the NTA.

Section 3. Manner of Acceptance – The NTA may either receive the tobacco sweepings at a cost or by donation the terms and conditions of which shall be stipulated in a separate agreement by the NTA and the concerned TC/WTD/CMs/Field Representatives. The NTA shall provide to the TC/WTD/CM/Field Representative the necessary storage containers/bags/sacks for tobacco sweepings and shall be collected on a schedule to be determined by the NTA.

Section 4. Prohibition in the Disposal of Tobacco Sweepings to Any Person/Entity – Except in favor of the NTA, all TCs/WTDs/CMs/FRs are prohibited from disposing their tobacco sweepings to any person/entity. Any person/entity, not authorized by the NTA, is hereby prohibited from purchasing/selling/dealing with any tobacco sweepings or dusts in any manner and for whatever reason.

Section 5. Minimum Volume of Tobacco Sweepings/Dusts – The NTA shall set a minimum volume of sweepings/dusts that is mandated to be delivered by the TC/WTD/CM/FR based on their respective historical data of tobacco acceptances. The specific minimum volume of tobacco sweepings that is mandated to be delivered shall be made known in a separate issuances by the NTA.

Section 6. Sanctions and Penalties – Any TC/WTD/CM/FR who violates the foregoing addendum to the Rules and Regulations Governing the Local Trading and any person/entity who purchases/sells/deals with tobacco sweepings/dusts without authority from the NTA shall, after due notice and hearing, suffer the following penalties/sanctions, either simultaneously or successively:

1. **First Offense:** Censure, Reprimand and Warning;
2. **Second Offense:** Suspension of License or Permits for not less than thirty (30) days but not more than six (6) months, with confiscation of any volume of tobacco dust in possession or under the control of the violator;
3. **Third Offense:** Confiscation, Cancellation and/or Non-Renewal and Perpetual Disqualification to apply for any NTA License/Permit/Authority to Buy/Sell/Manufacture Tobacco and Tobacco Products, with confiscation of any volume of tobacco dust in possession or under the control of the violator;


Section 7. Amendatory Clause and Separability Clause – This Addendum shall supplement the provisions of the Rules and Regulations Governing the Local Trading and any rules and regulations or memorandum circulars which are inconsistent herewith are hereby amended accordingly. Any provision of this Addendum which is declared unconstitutional shall not affect the other provisions hereof.

Section 8. Effectivity – This Addendum shall take effect after fifteen (15) days from publication in a newspaper of general circulation and filing with the Office of the National Administrative Register (ONAR).

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SIGNATURE DATE

BY AUTHORITY OF THE NTA GOVERNING BOARD:



EDGARDO D. ZARAGOZA
Administrator and Vice Chairman
NTA Governing Board 

**APPROVED UNDER BOARD RESOLUTION NO. 306-2013 DATED 06 FEBRUARY
2013**

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 4-5-13
SIGNATURE DATE