



**MEMORANDUM CIRCULAR NO. 001, SERIES OF 2023**

**TO :** ALL CIGAR/CIGARETTE MANUFACTURERS/PROCESSORS OF TOBACCO PRODUCTS

**SUBJECT :** AMENDMENT OF RULES 1, 2, 3 AND 4, REGULATION XII (COMPETITIVENESS ENHANCEMENT FEE) OF THE 2018 REVISED RULES AND REGULATIONS GOVERNING TRADING AND REDRYING OF LOCALLY GROWN LEAF TOBACCO

**DATE :** 03 July 2023

**WHEREAS**, the National Tobacco Administration (NTA), pursuant to Executive Order No. 245, has issued the 2018 Revised Rules and Regulations Governing Trading and Redrying of Locally Grown Tobacco Leaf (**2018 Trading Rules and Regulations (2018 TRR)** for brevity).

**WHEREAS**, the 2018 TRR provides for the procedures for the recording, reporting and billing of Competitiveness Enhancement Fee (CEF) for every kilogram of locally grown leaf tobacco actually delivered to domestic cigar/cigarette manufacturers (CMs) for the purpose of developing the locally produced tobacco to be competitive in the global market.

**WHEREAS**, to attain a more efficient and effective monitoring, reporting and validation of actual volume of tobacco deliveries to CMs, there is a need to amend CEF provisions of the 2018 TRR.

**NOW, THEREFORE**, for and in consideration of the foregoing premises and by virtue of the powers vested into the NTA, Rules 1, 2, 3 and 4 of Regulation XII, 2018 TRR, are hereby amended to be read as follows:

“x x x.

**Rule 1, Regulation XII. Competitiveness Enhancement Fee - There shall be a Competitiveness Enhancement Fee (CEF) for every kilogram of tobacco, excluding stems, delivered to local CM, which shall be collected from and paid by the local CMs based on the following weight categories:**

Purchased/Accepted (kgs)	Amount (Php)
<b>A. Competitive Enhancement Fee (CEF):</b>	
1. Green/Fresh Weight	0.75/net kg*
2. Pack Weight	1.20/net kg*
3. Dry Weight	2.00/net kg*

\* - amended as per Memorandum Circular No. 002, series 2018

REGULATION DEPARTMENT  
 CERTIFIED TRUE COPY  
 BY:   
 SIGNATURE  
 AUG 15 2023  
 DATE/TIME

**Rule 2. Basis of the CEF - The basis of the CEF shall be the Summary of Received Tobacco From Local Supplier/s to CMs (Appendix “i” rev 01) which shall form part of the Semestral Reports (January – June and July – December) or Report of Inspection by the Concerned NTA Branch Offices of local tobacco deliveries/purchases, excluding stems, to be submitted by the CMs to the NTA, through the Regulation Department,**







Republic of the Philippines  
DEPARTMENT OF AGRICULTURE  
NATIONAL TOBACCO ADMINISTRATION

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copy furnished the Branch Office concerned where the manufacturing plant of the CM is located, whichever is higher.

**Rule 3. Billing and Collection of CEF** - The Central/BO where the accepting CM is located shall be responsible for the billing and collection of the CEF, based on the consolidated report of the Regulation Department (RD). The NTA Finance Manager/Branch Manager shall prepare the Notice of Billing of CEF within three (3) working days upon receipt of the consolidated report from the RD.

**Rule 4. Payment of CEF** - The CM shall pay the CEF fees to the Central Office/NTA BO where such CM is located, within thirty (30) calendar days from receipt of the notice of billing. Late payments of CEF shall be subject to the provisions of paragraph (c.3.6), Regulation XIV hereof.

x x x.”

**Effectivity and Miscellaneous Provisions.** This Memorandum Circular shall take effect immediately starting with the 1<sup>st</sup> Semestral Report for CY 2023. Copy of this Memorandum Circular shall be filed with the Office of the Administrative Registrar (ONAR), U.P. Law Center and/or published in a newspaper of general circulation.

**Repealing/Amending Clause.** All previous Memorandum Circulars, other issuances and/or notices issued by the NTA which are inconsistent or conflicting herewith are hereby repealed or amended accordingly.

For the guidance and compliance of all concerned.

**APPROVED UNDER BOARD RESOLUTION NO. 094, S. 2023 DATED JUNE 27, 2023.**

**BY AUTHORITY OF THE NTA GOVERNING BOARD:**

  
**BELINDA S. SANCHEZ**  
Administrator and CEO

Attachment: Appendix "I" rev 01 Form



**Note: Published in the Manila Standard on August 1, 2023, page B2.**



