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DEPARTMENT ADMINISTRATIVE
ORDER NO. 3
Series of 1995

S U B J E C T : ACCREDITATION OF EXPORTERS VIS-A-VIS
INCENTIVES UNDER THE EXPORT DEVELOPMENT ACT
(R.A. No. 7844)

Whereas, under Republic Act No. 7844, An Act to Develop Exports as a Key Towards the Achievement of The National Goals Towards The Year 2000, approved on 21 December 1994, it is the policy of the State to evolve export development into a national effort and shall champion exports as a focal strategy for a sustainable agri-industrial development to achieve Philippine Nichood towards the year 2000;

Whereas, R.A. No. 7844, also known as the Export Development Act (EDA), affords the export sector to enjoy specific incentives, in addition to incentives provided by the Board of Investments, as cited in Section 16;

Whereas, the specific incentives mentioned in Section 16 of RA 7844, shall be granted only to qualified exporters upon presentation of a BETP/appropriate Deputized Agency certification of the exporter's eligibility, as specified in its implementing rules and regulations.

NOW, THEREFORE, pursuant to the mandate mentioned in the R.A. No. 7844 Series of 1994 and its implementing rules and regulations, the following are hereby promulgated for the compliance, guidance and information of all concerned:

1. SCOPE :

This Department Administrative Order shall provide the policies, rules and procedures in accreditation of exporters who want to avail of the incentives provided by R.A. No. 7844. Rules and procedures set forth herein shall likewise apply to those instances wherein a certification or accreditation of an exporter is otherwise required, for any purpose imposed under other laws, rules and/or regulations.

2. DEFINITION OF TERMS :

For purposes of this Department Administrative Order, the following definition shall apply :

2.1 BETP - shall refer to the Bureau of Export Trade Promotion, Department of Trade and Industry

2.2 Deputized Agency - shall refer to the concerned

government agencies and private institutions, particularly the Philippine Economic Zone Authority (PEZA) / the Board of Investments (BOI)/the Garments and Textile Export Board (GTEB)/the Subic Bay Metropolitan Authority (SBMA) / the Clark Development Corporation (CDC) / the Philippine Exporters Confederation, Inc. (PHILEXPORT)/ the Philippine Chamber of Commerce and Industry (PCCI)/ other offices or authorities deputized by the BETP to accredit exporters.

2.3 EDC - shall refer to the Export Development Council

3. PROCEDURE FOR ACCREDITATION OF EXPORTERS

The following steps shall be observed:

3.1 The exporter shall file the duly notarized accomplished Application Form for Accreditation with the BETP / Deputized Agency together with the following documents, as applicable:

3.1.1 An affidavit of compliance with the Minimum Wage and SSS Laws;

3.1.2 For companies falling under the supervisory or regulatory functions of the BOI, CDC, GTEB, PEZA and/or SBMA, and applying for accreditation with said agencies, a summary report of export revenue/sales for the immediately/preceding taxable year.

Unless otherwise required by said agencies, the company applying for accreditation with any of said agencies, need not submit any supporting document to show its normal operating revenue and export sales/export revenue for the preceding taxable year;

3.1.3 For companies not covered the supervisory or regulatory functions of the BOI, CDC, GTEB, PEZA and/or SBMA, and/or applying for accreditation with the BOC, BETP, PCCI and/or PHILEXPORT, audited financial statements to show normal operating revenue for the immediately/preceding taxable year;

3.1.4 For direct exporters, bank certification of export sales/revenue for the immediately preceding taxable year, or an affidavit from the exporter attesting and certifying to his export revenue/export sales for the preceding taxable year with enclosures of listing of commercial documents (i.e. Export Declarations,

Commercial Invoices, etc.) in support of such certification, or copies of bank certificates of inward remittances arising from export transactions.

For service exporters, an additional copy or proof of international contract, is required.

3.1.5 For indirect exporters, sales invoices and certification from the direct exporter that the goods were purchased from the indirect exporter and that the same were actually exported.

3.1.6 In case of importations, a statement under oath from the exporter that the items to be imported shall be used primarily for the production of export goods.

3.2 The exporter shall pay an application fee per the following schedule to the BETP / Deputized Agency:

<u>Export Value Per Year</u>	<u>Application Fee</u>
\$ 1M - Max.	P 1,000.00
Above \$ 1M - 5M Max.	2,000.00
Above \$ 5M - 10M Max.	3,000.00
Above \$10M - 15M Max.	4,000.00
Above \$15M	5,000.00

3.3 Review and approval by the BETP / Deputized Agency.

3.3.1 The BETP / Deputized Agency shall review the applications for accreditation, to determine their completeness and authenticity. Applications with insufficient supporting documents will be returned by the BETP/Deputized Agency to the exporter-applicant for completion.

3.3.2 If upon evaluation by the BETP/Deputized Agency, the exporter-applicant appears to have complied with the applicable export requirements set forth in R.A. 7844, the BETP/Deputized Agency approves the application.

3.3.3 Upon approval, the BETP / Deputized Agency shall issue a corresponding Accreditation Number to the exporter together with an Accreditation Certificate in the name of the exporter, which shall contain the exporter's accreditation number.

- 3.4 The Accreditation Certificate shall be ready for release to the exporter after it has been signed by the BETP Director / Head of Deputized Agency or by its duly authorized representative/signatory.
- 3.5 The Deputized Agencies shall submit to the BETP their respective lists of accredited exporters at the end of each month, to be submitted within the first ten (10) days of the month. The BETP however shall be notified within twenty four (24) hours on denied applications and the reasons therefor.
- 3.6 The BETP shall submit to the EDC and Department of Finance a monthly list/report of accredited exporters, for notation and reference.

4. MONITORING BY THE BETP /DEPUTIZED AGENCY

- 4.1 It shall be the responsibility of the BETP and the deputized agencies to monitor their respective accredited exporters on compliance to the requirement set forth in Republic Act No. 7844, Section 4A.
- 4.2 When necessary, at the end of the taxable year the Accredited exporter shall submit to the BETP / Deputized Agency, duly certified and notarized summary reports of its export sales, with copies of supporting documents to prove that export sales exceed 50% of total annual revenue for the preceding taxable year. The BETP /Deputized Agency may likewise require the submission of additional books/reports/documents as it may deem necessary. These reports/documents shall be used by the BETP/ Deputized Agency in monitoring and determining compliance therewith.
- 4.3 The BETP/ Deputized Agency may likewise coordinate with, or request for the assistance of other government agencies concerned such as the Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), and Bangko Sentral ng Pilipinas (BSP) for purposes of determining compliance.
- 4.3.1 In the event that the export performance of the Accredited exporter for the preceding taxable year falls below the export requirement, the exporter's export performance over the last three (3) years shall be averaged for purposes of determining compliance.
- 4.3.2 Failure of the Accredited exporter to comply

with the requirements shall result in the cancellation of accreditation and the revocation of its Accreditation Certificate. Further, the BETP / Deputized Agency shall inform the exporter of such cancellation/ revocation.

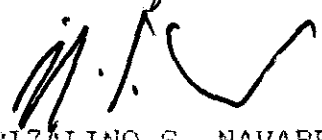
5. **VALIDITY OF ACCREDITATION:**

The accreditation with the BETP / Deputized Agency shall be valid for a period of one (1) year from issuance of the Certificate of Accreditation. Upon expiration of accreditation period, the exporter shall re-apply, submit the corresponding documents required under Item 3.1 hereof, and pay the prescribed application and accreditation fees.

6. **EFFECTIVITY**

This Order shall take effect immediately after its publication in two newspapers of general circulation.

Makati, Metro Manila, this 10th day of May, 1995


RIZALINO S. NAVARRO
Secretary