



DEPARTMENT ADMINISTRATIVE ORDER NO. 17-02
Series of 2017

Subject: NEW GUIDELINES FOR MANDATORY CERTIFICATION OF PORTLAND CEMENT AND BLENDED HYDRAULIC CEMENT WITH POZZOLAN COVERED BY PNS 07:2005 AND PNS 63:2006 RESPECTIVELY

Pursuant to the Philippine Constitution, Section 9, Article XVI, Republic Act (R.A.) No.4109, R.A. No. 7394, Executive Order (E.O.) No. 101, Series of 1967, EO No. 913, Series of 1983, EO No. 292, Administrative Code of 1987, Sec 10 (4), Title X, Book IV, Department Administrative Order (DAO) No. 2, Series of 2007, DAO No. 4, Series of 2008, DAO No. 5, Series of 2008, DAO 15-01, Series of 2015, the following guidelines shall be implemented:

1 SCOPE

This implementing guidelines shall cover the mandatory certification of the following:

- 1.1 portland cement covered by PNS 07:2005 – Portland Cement – Specification
- 1.2 blended hydraulic cement with pozzolan covered by PNS 63:2006 – Blended Hydraulic Cement with Pozzolan - Specification

2 DEFINITION OF TERMS

For purposes of this guidelines, the following definition of terms shall apply in addition to those provided for by DTI's DAO 2:2007, DAO 4:2008 and DAO 5:2008:

- 2.1 **Composite Sample** - A sample representative of the cement lot produced during a certain period of time which is a product of combination or mixing two (2) or more grab samples.
- 2.2 **Blending** - A process in which two or more ingredients are combined into an intimate and uniform product of finely divided dry material, as by inter-grinding or mixing, or both.
- 2.1 **BOC** - Bureau of Customs of the Department of Finance
- 2.2 **BPS** - Bureau of Philippine Standards of the Department of Trade and Industry
- 2.3 **BPS Recognized Testing Laboratory and/or Inspection Body** - a body accredited under ISO/IEC 17025 and ISO/IEC 17020 or its future amendment/s by the PAB or by an accreditation body that is a signatory to regional/international agreements entered into by the Government of the Republic of the Philippines through DTI (i.e. APLAC, ILAC), and any other testing laboratory duly recognized by BPS (i.e. under Mutual Recognition Agreements with ASEAN, APEC).

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M.A. CARLA VIETTELILARDE
Head, Records Section
Department of Trade & Industry

NEW GUIDELINES FOR MANDATORY CERTIFICATION OF PORTLAND CEMENT AND BLENDED HYDRAULIC CEMENT WITH POZZOLAN COVERED BY PNS 07:2005 AND PNS 63:2006 RESPECTIVELY

Enabling Business, Empowering Consumers

OFFICE OF THE SECRETARY
5/F Floor, Industry and Investments Building, 385 Sen. Gil J. Puyat Avenue, Makati City 1200
Telephone: (632) 899-7450 • Telefax: (632) 896-1166 • E-mail: secretary@dti.gov.ph
www.dti.gov.ph

- 2.4 DAO 2:2007** – Department Administrative Order No. 2, series of 2007 - Defining the responsibilities and liabilities of manufacturers, importers, traders, wholesalers, distributors, retailers, service providers and or their agents, with regard to products/services covered by Philippine Standard Certification Mark Schemes and prescribing for violation thereof.
- 2.5 DAO 4:2008** – Department Administrative Order No. 4, series of 2008 – The new rules and regulations concerning the Philippine Standard (PS) Quality and/or Safety Certification Mark Scheme of the BPS.
- 2.6 DAO 5:2008** – Department Administrative Order No. 5, series of 2008 – The new rules and regulations concerning the issuance of Import Commodity Clearance under the Product Certification Mark Scheme of the BPS.
- 2.7 DAO 15-01:2015** – Department Administrative Order No. 15-01, series of 2015 – Measures to facilitate the issuance of Import Commodity Clearance
- 2.8 DTI** – Department of Trade and Industry
- 2.9 Exporter/Shipper** - consignee, exporter or seller (who may be the same or different parties) named in the shipping documents as a party responsible for initiating the shipment.
- 2.10 Formal Charge** – a written statement of ultimate facts, signed and sworn to by the duly authorized officer or representative of the initiating office or agency, filed by any office or agency of the DTI, charging any person (natural or juridical) with any violation of the Consumer Act, or any Trade and Industry Law, or the Price Act and its IRR.
- 2.11 FTEB** - Fair Trade Enforcement Bureau of the Department of Trade and Industry.
- 2.12 Integrated Cement Plant** - an integrated facility that prepares the raw mix, feeds it to the pyro-processing system (kiln) to produce clinker, and then grinds the clinker from the kiln system into various cement products using cement mill(s).
- 2.13 Lot No. /Batch No.** - is an identification number permanently marked on the cement bag. This is used to identify production runs of any other product for quality control purposes. It is sometimes referred to as batch number.
- 2.14 Grab Sample** - a sample drawn at random from a conveyor, silo, production line, bulk shipment or warehouse.
- 2.15 Trade mark** – any registered visible signs capable of distinguishing goods or products.
- 2.16 Trade name** – any registered name or designation identifying or distinguishing an enterprise
- 2.17 Portland cement** - cement that is manufactured from limestone and clay and that hardens under water.

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MA. CARLA V. METTEL-LARDE
Head, Records Section
Department of Trade & Industry

2.18 Blended hydraulic cement with Pozzolan – are produced by blending two or more types of cementitious materials.

2.19 Seller - any wholesaler, retailer, distributor, trader etc. engaged in the sale of Portland and blended hydraulic cement with pozzolan.

2.20 Show Cause Order - a directive issued by DTI-BPS requiring an applicant/License Holder/ICC Holder to explain in writing why a certain course of action should not be taken against it. If the applicant/License Holder/ICC Holder cannot convince DTI-BPS or fails to submit a written explanation within the period prescribed, that course of action is taken.

2.21 Silo - a structure used for storing cement in bulk.

2.22 Test Sample - a product randomly drawn from the lot or batch.

2.23 Warehouse - is a secured and covered premises built purposely for storage of products/goods.

3 AUTHORITIES AND RESPONSIBILITIES OF THE DTI

3.1 For purposes of this implementing guideline, the BPS shall perform the following:

3.1.1 Conduct the final evaluation of all factory and product assessment reports, test reports and other relevant documents submitted/issued by the DTI Regional/ Provincial Offices (DTI-RO/PO) and/or BPS Recognized Auditing/Inspection/Testing Bodies.

3.1.2 Receive and process applications for PS license/certificate and ICC.

3.1.3 Approve/deny the application for license/certificate and if approved, issue the license/certificate, or recall/withdraw said issued license/certificate depending on the result of the evaluation of factory and product assessment, product testing and compliance or non-compliance with the requirements of DAO 4:2008, DAO 5:2008, DAO 15-01:2015 and other rules and regulations.

3.1.4 Recall/withdraw, cancel/revoke certificates of exemption issued by DTI-RO/PO.

3.1.5 Advise the PS licensees/ICC applicants of the following:

3.1.5.1 Any changes in the standards, BPS forms, procedures, requirements;

3.1.5.2 Result of assessment/evaluation/inspection/testing, etc.; and

3.1.5.3 Any other actions related to the application or license/certificate.

3.1.6 Coordinate with the DTI-RO/PO, FTEB and the Legal Service in identifying and implementing appropriate legal action against manufacturers and importers violating the above-stated laws, rules and regulations, department administrative orders, this implementing guidelines, the requirements of the specific standard, and its implementing memoranda and circulars.

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MA. CARLA YETTEL-LARDE
Head, Records Section
Department of Trade & Industries

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3.2 For purposes of this implementing guidelines, the DTI-RO/PO shall perform the following:

- 3.2.1 Receive and/or process applications for PS license/ICC certificate subject to evaluation by BPS;
- 3.2.2 Receive and process applications for exemption and issue the appropriate certificate;
- 3.2.3 Conduct factory and product assessment together with BPS;
- 3.2.4 Conduct product verification, inspection and sampling and submit report thereafter to BPS;
- 3.2.5 Conduct market monitoring and enforcement of standards and submit report thereafter to BPS; and
- 3.2.6 Take appropriate legal action against violators thru the issuance of Show Cause Order or filing of Formal Charge.

4 APPLICATION FOR PS MARK OR ICC

For safety, traceability and accountability purposes, only cement sourced from foreign cement manufacturing plant(s) holding a valid Philippine Standard (PS) Quality and/or Safety Certification Mark License(s) shall be permitted to be imported into the Philippines.

An ICC shall be required for all cement importations except those imported by cement manufacturers with an operating Integrated Cement Plant(s) in the Philippines. For these manufacturers, they must use the same brand name/s as reflected in their local PS license certificate which will be subject to sampling as specified in Section 5.2.4 and tested accordingly.

Manufacturers/importers shall apply for the Philippine Standard (PS) Quality and/or Safety Certification Mark License/ICC to BPS or through the nearest DTI Regional or Provincial office. Requirements, procedures and processing of Philippine Standard (PS) Quality and/or Safety Certification Mark License/ICC application are governed by existing applicable DTI Rules and Regulations.

4.1 Philippine Standard (PS) Quality and/or Safety Certification Mark License

The application for Philippine Standard (PS) Quality and/or Safety Certification Mark License shall be processed in accordance with the following:

- 4.1.1 The application form shall be filed by a business entity (partnership/corporation) duly registered with the Securities and Exchange Commission.
- 4.1.2 If the applicant is a foreign-based manufacturer, for purposes of accountability, the application shall be filed by its local branch duly registered in accordance with Philippine laws.

4.2 Import Commodity Clearance (ICC)

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MA. CARLA V. ESTEL, LL.M.
Head, Records Section
Department of Trade & Industry
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The application for ICC shall be processed in accordance with the following:

- 4.2.1 All cement importers must be duly registered with SEC or DTI prior to receiving cement import shipments at the port of entry and have a minimum paid in capitalization of **Philippine Pesos Twenty Million (PhP 20 M)**.
- 4.2.2 Only importers duly authorized by the PS license holder shall apply for ICC on a per shipment per bill of lading basis to BPS or through the nearest DTI-RO/PO.
- 4.2.3 A surety bond shall be posted on a per application basis equivalent to **Ten percent (10%)** of the declared value of imported cement in Philippine Peso.

5 SAMPLING

5.1 All PS license holders shall on a regular basis inform the BPS or the DTI-RO/PO of their production to facilitate drawing of product samples. Sampling shall be conducted at least once a year on a per type, per brand basis either at the production, warehouse area, or at the point of sale.

5.2 For PS applications, a duly authorized representative from BPS/DTI-RO/PO/BPS Recognized Auditing Body shall draw three (3) sets of samples of cement per type, per brand name at 20 kg per set.

5.2.1 The first set shall be used for in-plant testing to include chemical and physical tests (at least 3 days compressive strength) during the conduct of audit in accordance with DAO 4:2008.

5.2.2 If the result of the in-plant testing shows conformity to the requirement of applicable PNS, the two sets of samples shall be sent for independent testing directly to the BPS recognized testing laboratory by the BPS/DTI-RO/PO/BPS Recognized Auditing Body representative within three (3) days from the date of inspection. The said laboratory shall issue acknowledgment receipt of test samples.

5.2.3 For foreign-based PS License Holders/Applicants, samples drawn shall be shipped directly to the BPS recognized testing laboratory with due notice to BPS within three (3) days from the date of inspection/audit.

5.2.4 If the result of the in-plant testing shows non-conformity to the requirement of applicable PNS, new samples shall be drawn (after corrective measures are undertaken) and tested until it conforms to the requirements of applicable PNS.

5.3 For ICC applications, sampling shall be conducted on a per shipment, per Bill of Lading, per type, per brand name basis.

5.3.1 A duly authorized representative from BPS/DTI-RO/PO/BPS Recognized Inspection Body shall draw two (2) sets of samples of cement at 20 kg per set. Two (2) sets shall be sent directly to the BPS recognized testing laboratory by the BPS/DTI-RO/PO/BPS Recognized Auditing Body representative within three (3) days from the date of inspection. The said laboratory shall issue acknowledgement of receipt of test



samples. The first set shall be subject for independent testing and the other set will be kept by the testing laboratory for re-testing or future reference purposes.

5.3.2 Test sample/s shall be drawn in the Philippines either from the port of entry area, importer's declared warehouse, or silo.

5.4 All cement products imported by manufacturers with an operating Integrated Cement Plant/s (ICP) in the Philippines where no ICC is required, shall apply for exemption per shipment per Bill of Lading basis on or before the arrival of the shipment.

5.4.1 It shall be subject to random sampling at the point of sale in the Philippines, to be carried out by BPS/DTI-RO/PO/BPS Recognized Inspection Body by drawing two (2) sets of samples of cement per type, per brand name at 20 kg per set.

5.4.2 Two (2) sets shall be sent directly to the BPS recognized testing laboratory by the BPS/DTI-RO/PO/BPS Recognized Inspection Body representative within three (3) days from the date of inspection. The said laboratory shall issue acknowledgment of receipt of test samples. The first set shall be subject for independent testing and the other set will be kept by the testing laboratory for re-testing or future reference purposes.

5.5 The BPS/DTI-RO/PO/BPS authorized inspector or auditor shall ensure that the drawn samples shall be traceable to the particular lot/batch where it was drawn.

5.6 Test samples drawn shall be packed/sealed and signed in the presence of a BPS/DTI-RO/PO/BPS authorized representative or BPS designated auditor/inspector. The BPS/DTI-RO/PO/BPS authorized representative or BPS designated auditor/inspector shall ensure that Request for Test form is properly filled-up, signed and issued to the manufacturer or importer properly received by the BPS Recognized Testing Laboratory.

6 INDEPENDENT TESTING

6.1 All samples drawn shall be tested by a BPS recognized testing laboratory in accordance with the requirements and test methods prescribed in the applicable PNS, to wit:

6.1.1 Testing shall be conducted on a per type per brand name basis.

6.1.2 All test results shall be held strictly confidential by the BPS designated/recognized testing laboratory concerned. Copies of test report furnished to the manufacturers/importers are for product certification purposes only. This provision is subject to existing laws/rules governing freedom of information.

7 EVALUATION OF TEST RESULTS AND CERTIFICATION DECISION

7.1 For PS, if in the determination of the BPS, the samples drawn showed conformity to the requirements of the PNS, the PS license shall be issued/renewed/allowed continued use.

7.2 For PS, if in the determination of the BPS, the samples drawn under 5.2.4 failed to conform to the requirements of the standard, the PS License Holders/Applicants will be advised by the BPS to undertake remedial measures subject to the following:

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Head, Records Section
Department of Trade & Industry



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7.2.1 For new PS Applications and Recertification, processing thereof shall be suspended pending undertaking of remedial measures. Only after reassessment and subsequent product compliance shall BPS issue/renew the PS license.

7.2.2 For existing PS License Holders, the use of the PS license is suspended. Only after reassessment and subsequent product compliance shall BPS allow continued use of the PS license.

7.3 For ICC, if in the determination of the BPS, the test samples showed conformity to the requirements of the PNS, ICC certificate shall be issued.

7.4 For ICC, if in the determination of the BPS, the test samples showed non-conformity to the requirements of the PNS, the application shall be denied and the non-conforming products shall be disposed of according to existing rules and regulations.

8 DISPOSITION OF SAMPLES

8.1 All remaining samples for monitoring and testing purposes shall be returned to the manufacturer/importer provided there are no negative findings found.

8.2 Samples which failed to comply with the requirements of the standards shall be stored at the concerned testing laboratory for future reference until final certification decision is rendered.

8.3 BPS and the testing laboratory shall not be liable for whatever damage/s sustained by the test samples during transport and testing. The manufacturer/importer shall have one (1) month from receipt of notice of disposal of test samples, within which to arrange for the schedule and pick up of samples from the concerned testing laboratory. After said period, the testing laboratory shall, with due notice to BPS, dispose the samples in a manner deemed appropriate in accordance with existing accounting and auditing rules.

9 RESPONSIBILITES OF THE PS LICENSEES AND ICC HOLDERS

9.1 The PS licensee shall abide by the Terms and Conditions of the PS license, this implementing guidelines, existing applicable DTI Rules and Regulations. Any violation by the licensee or its exporter, importer, shipper or any of its agents shall result in legal action against the licensee.

9.2 The ICC Holder or any of its agents shall abide by the Terms and Conditions of the ICC, this implementing guidelines, existing applicable DTI Rules and Regulations. Any violation by the importer or any of its agents shall constitute forfeiture of the surety bond without prejudice to the filing of legal action against the importer.

10 REQUIRED MARKINGS

For traceability and verification purposes, the imported and/or manufactured product subject of the application shall contain the following markings:

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CARLA WATTEL LARDE
Asst. Records Section
Dept. of Trade & Industry

10.1 For Portland cement:

- 10.1.1 Name and address of manufacturer
- 10.1.2 Name and address of importer, if applicable
- 10.1.3 Country of Origin
- 10.1.4 Type of Portland cement
- 10.1.5 Trade name or brand name
- 10.1.6 Trademark
- 10.1.7 Net mass of cement in kg
- 10.1.8 PS mark
- 10.1.9 Batch identification number and manufacturing date intelligible to the consumers
- 10.1.10 Red color band with dimensions prescribed by PNS 07

10.2 For Blended hydraulic cement with Pozzolan:

- 10.2.1 Name and address of manufacturer
- 10.2.2 Name and address of importer, if applicable
- 10.2.3 Country of Origin
- 10.2.4 Product classification, specification and application prescribed by PNS 63
- 10.2.5 Trade name or brand name
- 10.2.6 Trademark
- 10.2.7 Net mass of cement in kg
- 10.2.8 PS mark
- 10.2.9 Batch identification and manufacturing date intelligible to the consumer
- 10.2.10 Bright yellow color band with dimensions as required by applicable PNS

11 PROHIBITED ACTS

The prohibited acts are stipulated in DAO 02:2007, DAO 04:2008, and DAO 05:2008.

12 MONITORING AND MARKET SURVEILLANCE

Monitoring and market surveillance shall be in accordance with existing applicable DTI Rules and Regulations.

13 PENALTIES

Any violation of this Order shall be subject to the administrative actions and penalties as provided for by the applicable DTI Rules and Regulations or Orders.

Furthermore, the BPS may blacklist any manufacturer/importer whose products repeatedly failed to comply with existing rules and regulations.

14 TRANSITORY PROVISION

14.1 PS Licenses (local and foreign) issued under DAO 4:2008, prior to the effectivity of this DAO shall remain valid until the date of expiration thereof unless sooner revoked and

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Head, Records Section
Department of Trade & Industry



subject to the same terms and condition stated therein.

14.2 PS applications received (local and foreign) prior to the effectivity of this DAO shall be processed in accordance with DAO 4:2008.

15 OVERRIDE POWER OF THE DTI SECRETARY

The Secretary, under Section 4 of RA 4109, (AN ACT TO CONVERT THE DIVISION OF STANDARDS UNDER THE BUREAU OF COMMERCE INTO A BUREAU OF STANDARDS, TO PROVIDE FOR THE STANDARDIZATION AND/OR INSPECTION OF PRODUCTS AND IMPORTS OF THE PHILIPPINES AND FOR OTHER PURPOSES), in the exercise of his general supervision and control powers over the BPS Director, may overrule, set aside, or override any issuance, certification or finding, if in his/her better judgement, will promote consumer interest or protection.

16 SEPARABILITY CLAUSE

Should any provision of this Order or any part thereof be declared invalid, the other provisions, so far as they are separable from the invalid ones, shall remain in force and effect.

17 REPEALING CLAUSE

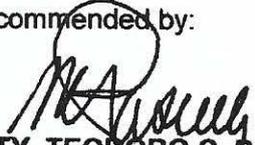
Provisions of DTI Rules and Regulations that are inconsistent herewith shall be considered repealed/amended.

18 EFFECTIVITY

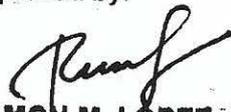
This Order shall take effect immediately seven (7) days after its publication in a national newspaper of general circulation.

Done in the City of Makati this 17th March day of in the year 2017.

Recommended by:


ATTY. TEODORO C. PASCUA
Undersecretary, CPG

Approved by:


RAMON M. LOPEZ
Secretary

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MMR CARLA YVETTE L. ILARDE
Head, Records Section
Department of Trade & Industry
1701 Alabang Road, Alabang, Muntinlupa City, Philippines
Tel. (02) 8865 6000
Fax (02) 8865 6001
www.dti.gov.ph

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