



**DEPARTMENT ADMINISTRATIVE ORDER NO. 17-06**

**Series of 2017**

**SUBJECT: THE NEW RULES AND REGULATIONS CONCERNING THE MANDATORY CERTIFICATION OF PORTLAND CEMENT AND BLENDED HYDRAULIC CEMENT WITH POZZOLAN**

WHEREAS, the Department of Trade and Industry (DTI) is the economic catalyst that enables innovative, competitive, job generating, inclusive business, and empowers consumers;

WHEREAS, the Bureau of Philippine Standards (BPS) [formerly known as Bureau of Product Standards] is mandated by Republic Act No. 4109, Series of 1964 to perform standards development, certification, testing, policy formulation and monitoring functions;

WHEREAS, the same mandate is reiterated in Republic Act No. 7394 or Consumer Act of the Philippines wherein it states that, "it shall be the duty of the State to develop and provide safety and quality standards for consumer products, including performance or use-oriented standards, codes of practice and methods of tests; to assist the consumer in evaluating the quality, including safety, performance and comparative utility of consumer products; to protect the public against unreasonable risks of injury associated with consumer products; to undertake research on quality improvement of products and investigation into causes and prevention of product related deaths, illness and injuries; and to assure the public of the consistency of standardized products";

WHEREAS, to implement the above-cited laws and by virtue of the rule-making power of the DTI Secretary under Executive Order 292 or the 1987 Administrative Code, Department Administrative Order (DAO) No. 4, the Rules and Regulations Concerning the Philippine Standard (PS) Quality and/or Safety Certification Mark scheme of the BPS, and DAO No. 5, entitled the New Rules and Regulations Concerning the Issuance of the Import Commodity Clearance Under the Product Certification Scheme of the BPS were issued in 2008;

WHEREAS, DAO 17-02:2017 was issued on 17 March 2017, amending DAOs No. 5:2008 and No. 4:2008. However, to clarify and resolve certain procedural issues, DAO 17-05:2017 was issued on 17 May 2017, particularly on how to facilitate processing of applications for PS Quality and/or Safety Mark License and Import Commodity Clearance without sacrificing quality and safety and giving business a fair return of investment.

WHEREAS, there is a need to amend DAO 17-05:2017 to address certain issues and concerns raised by stakeholders and to be consistent with Good Regulatory Practices.

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NOW, THEREFORE, 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, the following rules and regulations governing the BPS Mandatory Product Certification Schemes for cement products are hereby prescribed and promulgated for the compliance, information and guidance of all concerned.

#### **Rule 1. OBJECTIVE**

This DAO aims to strictly ensure that cement products meet the specified safety and/or quality requirement/s prescribed by BPS.

#### **Rule 2. SCOPE**

This Department Administrative Order prescribes the Rules and Regulations for Mandatory PS Licensing Scheme covering cement products, whether locally manufactured or imported as follows:

2.1 Portland cement covered by PNS 07:2005 - Portland Cement- Specification

2.2 Blended hydraulic cement with pozzolan covered by PNS 63:2006 - Blended Hydraulic Cement with Pozzolan - Specification

#### **Rule 3. DEFINITION OF TERMS**

For purposes of this Order, the following definitions shall apply:

3.1 **Audit** - a systematic, independent and documented process for obtaining audit evidence, and evaluating it objectively to determine the extent to which the audit criteria are fulfilled. <sup>1</sup>

3.2 **Audit criteria** – set of policies, procedures or requirements used as a reference against which audit evidence is compared. <sup>2</sup>

3.3 **Attestation** – issuance of a statement of conformity based on a decision following review of an audit report, that fulfillment of specified requirements has been demonstrated. <sup>3</sup>

3.4 **Accredited Conformity Assessment Body (CAB)** – inspection body, testing laboratory or certification body accredited under ISO/IEC 17020, ISO/IEC 17025 or ISO/IEC 17065, respectively, in its relevant updated version/edition by the Philippine Accreditation Bureau (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. Asia-Pacific Laboratory Accreditation Cooperation

<sup>1</sup> ISO 19011:2011

<sup>2</sup> Ibid.

<sup>3</sup> ISO/IEC 17000

(APLAC), International Laboratory Accreditation Cooperation (ILAC), International Accreditation Forum (IAF)]

**3.5 Blended hydraulic cement with Pozzolan** – are produced by blending two types of cementations materials.

**3.6 BPS** – Bureau of Philippine Standards of the Department of Trade and Industry

**3.7 BPS Recognized Conformity Assessment Body (CAB)** – the Accredited CAB (inspection body, testing laboratory, or certification body) duly qualified by BPS to have the accredited scope and competence to conduct activities relevant to the requirements set forth by BPS, to include but not limited to, CABs recognized by BPS under the Association of South East Asian Nations Mutual Recognition Arrangement (ASEAN MRA), Asia-Pacific Economic Cooperation (APEC) MRA and other regional and bilateral MRAs entered into by the Government of the Philippines through the Department of Trade and Industry. BPS shall issue Recognition Certificate upon completion of all requirements for application for recognition.

**3.8 Certification Body** – third party conformity assessment body operating a certification scheme.

**3.9 Confirmation** – an action, declaration, document, or statement that corroborates, ratifies, verifies, gives formal approval, or assures the validity of something.<sup>4</sup>

**3.10 Conformity Assessment Body (CAB)** – a third party inspection body, testing laboratory and certification body operating within its scope of competence.

**3.11 Conformity** – fulfillment of a requirement.<sup>5</sup>

**3.12 Critical Testing** – verification testing of cement product's conformance to the 7-day compressive strength and Chemical Composition requirements only.

**3.13 DTI** – Department of Trade and Industry

**3.14 Determination** – include assessment activities such as testing, measuring, inspection, design appraisal, assessment of services, and auditing to provide information regarding the product requirements as input to the review and attestation functions.

**3.15 Evaluation** – systematic examination of the extent to which a product, process, or service fulfills specified requirements.<sup>6</sup>

**3.16 International Standard** – a standard developed under the WTO principles for international standards development such as those developed by international bodies like the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC), International Telecommunication Union (ITU) and those developed by foreign standards bodies under these principles.

**3.17 Inspection** – examination of a product, process, service, or installation or their design and determination of its conformity with specific requirements, or, on the

<sup>4</sup> Webster's New World Law Dictionary

<sup>5</sup> ISO/IEC 17000

<sup>6</sup> Ibid.

basis of professional judgment, with general requirements.<sup>7</sup> This includes inventory and sampling.

- 3.18 **Inspection body** – a body that performs inspection.<sup>8</sup>
- 3.19 **ISO** – International Organization for Standardization
- 3.20 **ISO/IEC 9000** – Quality Management System – Fundamentals and Vocabulary
- 3.21 **ISO/IEC 9001** – Quality Management Systems – Requirements
- 3.22 **ISO/IEC 17020** – Conformity assessment – Requirements for the operation of various types of bodies performing inspection
- 3.23 **ISO/IEC 17025** – General requirements for the competence of testing and calibration laboratories
- 3.24 **ISO/IEC 17065** – Conformity assessment – Requirements for bodies certifying products, processes and services.
- 3.25 **ISO 19011** – Guidelines for Auditing
- 3.26 **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.
- 3.27 **PAB** – Philippine Accreditation Bureau of the Department of Trade and Industry
- 3.28 **Philippine National Standards (PNS)** – Standards promulgated by the BPS.
- 3.29 **Portland Cement** – cement that is manufactured from limestone and clay and that hardens under water.
- 3.30 **Product Certification** – the provision of impartial third-party attestation that fulfillment of specified requirements have been demonstrated.<sup>9</sup>
- 3.31 **PS License** – authority given by BPS to a local/foreign manufacturer, authorizing the use of the Philippine Standard (PS) Certification Mark on its product.
- 3.32 **Review** – verification of the suitability, adequacy and effectiveness of selection and determination activities, and the results of these activities, with regard to fulfillment of specified requirements.<sup>10</sup>
- 3.33 **Sampling** – a method of getting a representative sample of a product shipment according to a specified procedure.
- 3.34 **Silo** – a structure used for storing cement in bulk.
- 3.35 **Statement of Confirmation (SOC)** – a document assuring that the imported cement product was sourced from a cement manufacturer with a valid PS License

<sup>7</sup> ISO/IEC 17020

<sup>8</sup> Ibid.

<sup>9</sup> ISO/IEC 17065

<sup>10</sup> ISO/IEC 17000

and that the imported cement product appeared to be compliant with specified requirements after undergoing inspection and verification, and which should contain the batch number and manufacturing date of the imported cement.

- 3.36 Surveillance** – a systematic iteration of conformity assessment activities as a basis for maintaining the validity of the statement of conformity.<sup>11</sup>
- 3.37 Test Report** – a document that presents test results and other information relevant to a test.
- 3.38 Testing Laboratory** – a laboratory which measures, examines, or determines the characteristics of performance of material or products. It may also be a laboratory that calibrates inspection, measuring and test equipment.
- 3.39 Third Party** – a body that is independent of the organization that provides the product/service and is not the user of the product/service (testing, inspection, and sampling).<sup>12</sup>
- 3.40 Trade mark** – any registered visible signs capable of distinguishing goods or products.
- 3.41 Trade name** – any registered name or designation identifying or distinguishing an enterprise
- 3.42 Verification** – confirmation, through the provision of objective evidence, that specified requirements have been fulfilled.<sup>13</sup> This may include product testing.
- 3.43 Warehouse** – secured premises built purposely for storage of products and to preserve the quality and integrity of the products.

#### **Rule 4. THE PHILIPPINE STANDARD (PS) QUALITY AND/OR SAFETY MARK**

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

- 4.1. The Philippine Standard (PS) Quality and/or Safety Mark Licensing Scheme** – the Philippine Standard (PS) Quality and/or Safety Mark Licensing Scheme (PS Licensing Scheme for brevity) shall be available to both local and foreign manufacturers selling or distributing cement products in the Philippine market. The License to use the PS Certification Mark shall be granted to a company found to be compliant with the requirements. To ensure compliance of the certified products, regular surveillance activities as per existing DTI rules shall be conducted as follows, as may be applicable:

**4.1.1 Local companies holding a valid PS license**

- 4.1.1.1 Annual system and product audit at the factory; and  
4.1.1.2 Regular product audit at the warehouse/market

**4.1.2 Foreign companies holding a valid PS license**

<sup>11</sup> ISO/IEC 17000

<sup>12</sup> Ibid.

<sup>13</sup> ISO/IEC 9000

- 4.1.2.1 Annual system and product audit at the factory; and
- 4.1.2.2 Regular product audit per shipment

## **Rule 5. DOCUMENTARY REQUIREMENTS AND PROCEDURES FOR THE PS LICENSING SCHEME**

### **5.1 Application for PS Licensing Scheme shall be supported with the following:**

- 5.1.1 Duly accomplished application form, subscribed and sworn to by the applicant, or his duly authorized management representative. In case of an overseas applicant, the application form shall be duly authenticated by the Philippine Consulate in the country where the manufacturing plant to be audited is located. The requirement of authentication may be waived subject to reciprocity arrangements between the Philippines and the exporting country;
- 5.1.2 For a sole proprietorship: latest Tax Declaration and permit issued by the local government unit having jurisdiction, submitted once a year unless an amendment has been made within the current year; or  
  
For a corporation or partnership: SEC Registration and Articles of Incorporation and By-Laws, submitted once within the validity period of the License, unless an amendment has been made;
- 5.1.3 Quality Management System (QMS) Manual covering the product being applied for PS License, including the product/s' production process; and
- 5.1.4 Oath of undertaking to abide by the Terms and Conditions of the License, respectively signed by the manufacturer/ local office or agent/ importer prior to the approval and release of the PS License.

### **5.2 PS License Application Process**

- 5.2.1 Processing of application under this scheme shall replace the PS Scheme under DAO 4:2008 subject to the requirements and transitory provision stated herein.
- 5.2.2 The application shall be site-specific, brand/s-specific, and local office/agent-specific. For foreign manufacturers, only one local importer per license shall be allowed. As such, a separate PS application shall be filed by the local office/agent if needed. Likewise, separate PS application shall be required for all bagging facilities located at site/address other than the specific address indicated in the PS License.
- 5.2.3 Conduct of Factory and Product Audit
  - 5.2.3.1 Assessment on conformity of Quality Management System to PNS ISO 9001 and product specifications to specific PNS shall be conducted upon submission of complete documentary requirements and evaluation that an applicant has satisfactorily complied with requirements herein;

- 5.2.3.2 Audit work shall be undertaken by either the BPS, DTI Regional/Provincial Office, or BPS recognized auditing bodies in accordance with the established procedure on the conduct of the audit. Only those appearing in the BPS official list may be designated as auditors; and
- 5.2.3.3 During the audit, samples shall be drawn for in-plant and independent testing. Samples for independent testing shall be submitted to the BPS recognized testing laboratory. Samples to be drawn shall cover all types being applied for certification.
- 5.2.4 The PS License shall only be issued upon satisfactory results of evaluation of the factory audit report and after determination of product conformance to specific PNS based on pertinent test reports;
- 5.2.5 The applicant may outsource some of its production process provided that the plant to which it will be outsourced has a valid PS license, accountability under the PS License's terms and conditions shall remain solely with the former;
- 5.2.6 If the applicant is a foreign-based manufacturer, the application shall, for purposes of accountability, be filed by its local branch or representative office or representative agency duly registered in accordance with Philippine laws;
- 5.2.7 The PS License shall take effect from the date of its issuance and shall be in full force and effect for a period of three (3) years, subject to the surveillance audits prescribed herein. License can be suspended, withdrawn or cancelled for cause;
- 5.2.8 The PS License holder shall coordinate with BPS or the DTI Regional/Provincial Office through a written notice of the schedule of the re-certification audit submitted at least six (6) months before the expiration date to facilitate the renewal of the PS License. Otherwise, the PS License shall be considered expired immediately after the end period of its validity.

#### **Rule 6. FILING / PROCESSING OF APPLICATION FOR STATEMENT OF CONFIRMATION OF IMPORTED CEMENT**

6.1 To ensure that the imported cement was sourced from a manufacturer holding a valid PS License and consistently conforms to the requirements of the Standards, the importer shall apply for Statement of Confirmation (SOC) on a per product, per shipment, per Bill of Lading basis. The duly accomplished and subscribed application form shall be supported with the following:

- 6.1.1 For sole proprietorship registered with DTI, the application shall be accomplished and signed by the owner/importer, and/or filed by the owner/importer or by a representative with at least a managerial/supervisory position duly authorized by virtue of a notarized Special Power of Attorney (SPA); or

For Corporation/Partnership registered with SEC, the application shall be accomplished and signed, and/or filed by any officer or organic employee with at least a managerial position, duly authorized by virtue of a notarized board/partnership resolution or Secretary's Certificate.

- 6.1.2 Packing List;
- 6.1.3 Commercial Invoice;
- 6.1.4 Bill of Lading;
- 6.1.5 Summary of the production batch/lot and the corresponding manufacturing dates duly certified by the manufacturer's Quality Management Representative or Quality Manager;
- 6.1.6 Production records reflecting the shipped production batch/lot verifiable during surveillance audits duly certified by the manufacturer's Quality Management Representative or Quality Manager;
- 6.1.7 DTI Business Registration Certificate for sole proprietorship or Latest SEC Registration Certificate and Articles of Incorporation/Partnership for corporation/partnership;
- 6.1.8 For single proprietorship, notarized Special Power of Attorney in cases where the application is filed by a person other than the owner/importer/authorized representative as defined herein clearly setting forth the authority of the representative dealing with the Bureau of Philippine Standards;  
  
For a corporation or partnership, a notarized Board/Partnership Resolution or Secretary's Certificate in cases where the application is filed by a person other than the authorized representative as defined herein clearly setting forth the authority of the representative dealing with the Bureau of Philippine Standards;
- 6.1.9 Latest audited Financial Statement;
- 6.1.10 List of distributors/retailers with their complete addresses and contact details;
- 6.1.11 Proof of ownership or contract of lease of warehouse;
- 6.1.12 Import Entry (may be submitted later prior to release of the certificate);
- 6.1.13 Surety Bond;
- 6.1.14 Shipment in bulk shall be accompanied by shipping documents as prescribed by PNS 07 or PNS 63; and
- 6.1.15 Copy of pre-shipment test reports duly issued by BPS recognized testing laboratory.

**6.2 The application for Statement of Confirmation (SOC) shall be processed as follows:**

**6.2.1 Application for Statement of Confirmation with Pre-shipment Inspection and Testing**

6.2.1.1 The applicant shall submit the duly accomplished and subscribed application form and requirements to the BPS or to the nearest DTI

regional/provincial office. The application shall be filed together with the request to utilize the services of the BPS recognized inspection body and testing laboratory.

6.2.1.2 Upon receipt of the complete application and request, the BPS shall issue the written authority to conduct inspection and verification to the identified BPS recognized inspection body and testing laboratory, copy furnished the applicant;

6.2.1.3 Product inspection shall be conducted at the declared manufacturer's/exporter's warehouse by the BPS or the identified BPS recognized inspection body in accordance with the applicable provisions hereof. As part of the regular product surveillance activities, product samples shall likewise be drawn. The original copy of the inspection report shall be sent directly to the BPS by the BPS recognized Inspection Body within two (2) working days from the date of inspection.

6.2.1.4 Product testing shall be conducted by the identified BPS recognized testing laboratory in accordance with the applicable provisions hereof. The BPS recognized testing laboratory is required to submit directly to the BPS the original copy of test reports of the chemical requirements and the 3-day, 7-day, and (if applicable) the 28-day compressive strength test results.

6.2.1.5 If the result of 3-day or 7-day compressive strength meets the 28-day compressive strength requirement and the chemical composition conform to the requirements of the standards, Certificate of Conditional Release shall be issued. Upon arrival of shipment at the port of entry, the following shall apply:

6.2.1.5.1 The importer shall notify in writing the BPS or the DTI regional/provincial office that the shipment is ready for inspection and sampling.

6.2.1.5.2 Product inspection and sampling shall be conducted within 16 working hours from receipt of the written notice at the port of entry, vessel, or the importer's warehouse, whichever is applicable.

6.2.1.5.3 If inspection shows that the product shipped is consistent with the importation documents as well as with the pre-shipment inspection report submitted, SOC shall be issued by the BPS within 16 working hours from receipt of the inspection report, provided that the shipment arrives at the port of entry within 30-days from the date of product testing. Otherwise, full testing shall be conducted.

6.2.1.5.4 The drawn samples shall be submitted to the BPS recognized testing laboratory within 16 working hours from the date of inspection and sampling for the conduct of Critical Test.

6.2.1.5.5 After the release of the SOC, product distribution, retail or use may commence

6.2.1.5.6 If the result of the Critical test shows conformance, the importer shall be informed accordingly. Otherwise, full re-test shall be conducted and the applicable provisions hereto shall apply.

6.2.1.6 If the result of 3 or 7-day compressive strength testing shows conformance but failed to meet the 28-days compressive strength requirements, as well as the chemical composition conforms to the requirements of the standards, Certificate of Conditional Release shall be issued. Upon arrival of shipment at the port of entry, the following shall apply:

6.2.1.6.1 The importer shall notify in writing the BPS/DTI regional/provincial office that the shipment is now ready for inspection and sampling. The shipment may be transferred to any warehouse properly identified and declared by the importer, be it the importer, distributor, or contractor's warehouse, provided however, that the imported product shall not be used or offered for sale/retail.

6.2.1.6.2 Product inspection and sampling shall be conducted within 16 working hours from receipt of the written notice at the port of entry, vessel, or the importer's warehouse, whichever is applicable.

6.2.1.6.3 If inspection shows that the product shipped is consistent with the importation documents as well as with the pre-shipment inspection report submitted, the importer shall be informed accordingly. Otherwise, a Show Cause Order shall be issued.

6.2.1.6.4 The drawn samples shall be submitted to the BPS recognized testing laboratories within 16 working hours from the date of inspection and sampling for the conduct of full product testing.

6.2.1.6.5 If the result of the product surveillance test shows conformance, the SOC shall be issued. Otherwise, re-testing, re-exportation or destruction of the non-conforming product shall be undertaken, at the cost and option of the importer. In addition, the PS License may be suspended, revoked or cancelled upon due notice to the manufacturer.

## **6.2.2 Application for Statement of Confirmation without Pre-shipment Inspection and Testing**

6.2.2.1 The applicant shall submit the duly accomplished and subscribed application form and requirements to the BPS or to the nearest DTI regional/provincial office.

6.2.2.2 Upon receipt of the application complete with all the requirements, Certificate of Conditional Release shall be issued. Upon arrival of shipment at the port of entry, the following shall apply:

6.2.2.2.1 The importer shall notify in writing the BPS/DTI regional/provincial office that the shipment has been transferred and/or is ready for inspection. The shipment shall be transferred only to the warehouse address indicated in the application and shall not be used or offered for sale/retail.

6.2.2.2.2 Product inspection shall be conducted within 16 working hours from receipt of the notice at the port of entry, vessel, or the importer's warehouse, whichever is applicable.

6.2.2.2.3 If inspection shows that the product shipped is consistent with the importation documents, products samples shall be drawn as part of the regular product surveillance requirements. Otherwise, a Show Cause Order shall be issued and the provisions hereto shall apply.

6.2.2.2.4 The drawn samples shall be submitted by the applicant to the BPS recognized testing laboratory within 16 working hours from the date of inspection and sampling for the conduct of Full Testing.

6.2.2.2.5 If the result of the product surveillance test shows conformance, the SOC shall be issued. Otherwise, re-testing, re-exportation or destruction of the non-conforming product shall be undertaken, at the cost and option of the importer. In addition, the PS License may be suspended, revoked or cancelled upon due notice to the manufacturer.

## **Rule 7. INSPECTION AND SAMPLING**

- 7.1. Inspection and sampling shall be conducted by the BPS, DTI RO/PO or the BPS recognized Inspection Body within the prescribed time and in accordance with existing BPS Inspection and Sampling Procedure.
- 7.2. If inspection and sampling cannot be conducted within the prescribed period, the concerned DTI RO/PO or the BPS Recognized Inspection Body shall immediately inform the BPS in writing of the reason/s therefor. Under justifiable reasons, inspection and sampling may be re-scheduled, otherwise, appropriate action shall be undertaken.
- 7.3. For initial audit, the required sampling size shall be two (2) sets of two (2) twenty (20) kilograms per brand per type each taken from four (4) different bags of cement or from different sites in the factory (e.g. silo, warehouse). The first set is for in-plant test and the second for third party testing.
- 7.4. For surveillance audits, the required sampling for third party independent tests shall be three (3) sets of two (2) twenty (20) kilograms per brand per type each taken from six (6) different bags of cement. If in-plant test is necessary, additional samples shall be drawn.
- 7.5. The sets of samples drawn shall be submitted directly to the BPS recognized testing laboratory within 16 working hours from the date of sampling.

- 7.5.1 Test samples drawn shall be packed/sealed and signed in the presence of authorized representatives from BPS, DTI-RO/PO or BPS designated auditor/inspector who shall ensure that Request for Test Form is properly filled-up, signed and issued to the manufacturer or importer. The subject company and the auditor/inspector shall ensure that it has established traceability of samples to batch/lot.
- 7.5.2 The manufacturer or importer shall submit the Request for Test Form together with the sets of samples directly to the BPS recognized testing laboratory within sixteen (16) working hours from the date of inspection/audit and furnish BPS with a copy thereof within sixteen (16) working hours from date of submission. For foreign-based PS License Holders/Applicants, samples drawn shall be shipped by the applicant/license holder to the BPS recognized testing laboratory within sixteen (16) working hours from the date of inspection/audit. The second and third sets of samples shall be kept by the testing laboratory for re-testing or future reference purposes.
- 7.5.3 The BPS Recognized Testing Laboratory shall document properly the receipt of the product samples to include but not limited to taking pictures of the following:
- 7.5.3.1 Request for Test;
  - 7.5.3.2 Packaging of the samples as submitted/received; and/or
  - 7.5.3.3 Packaging of the samples as prepared by the inspector to include the signatures and other markings affixed therein.
- 7.5.4 Unused samples shall be retrieved by the manufacturer/importer upon receipt of notice of retrieval from the testing laboratory, copy BPS. Otherwise, they shall be disposed of in accordance with existing and applicable rules.

#### **Rule 8. REQUIRED MARKINGS**

For traceability and verification purposes, the following markings as prescribed by PNS 07 and PNS 63 shall appear on the bags of portland cement or blended hydraulic cement with pozzolan:

##### **8.1. For Locally Manufactured Portland Cement:**

- 8.1.1 Name and address of manufacturer
- 8.1.2 Type of Portland cement
- 8.1.3 Trade name or brand name
- 8.1.4 Trademark of the manufacturer
- 8.1.5 Net mass of cement in kg
- 8.1.6 The words "Product of the Philippines"
- 8.1.7 PS Mark
- 8.1.8 Batch identification number and manufacturing date intelligible to the consumers
- 8.1.9 Red color band as prescribed in PNS 07

##### **8.2. For Imported Portland Cement:**

- 8.2.1 Name and address of manufacturer

- 8.2.2 Name and address of importer
- 8.2.3 Type of Portland cement
- 8.2.4 Trade name or brand name
- 8.2.5 Trademark of the manufacturer
- 8.2.6 Net mass of cement in kg
- 8.2.7 The country of manufacture
- 8.2.8 PS Mark
- 8.2.9 Batch identification number and manufacturing date intelligible to the consumers
- 8.2.10 Red color band as prescribed in PNS 07

**8.3. For locally manufactured Blended Hydraulic Cement with Pozzolan**

- 8.3.1 The name and address of manufacturer
- 8.3.2 Product Classification as prescribed by PNS 63
- 8.3.3 Product Specification as prescribed by PNS 63
- 8.3.4 Product Application as prescribed by PNS 63
- 8.3.5 Trade name or brand name
- 8.3.6 Trademark of the manufacture
- 8.3.7 Net mass of cement in kg
- 8.3.8 The words "Product of the Philippines"
- 8.3.9 PS Mark
- 8.3.10 Batch identification number
- 8.3.11 Manufacturing date intelligible to the consumers
- 8.3.12 Bright yellow color band as prescribed by PNS 63

**8.4. For imported Blended Hydraulic Cement with Pozzolan:**

- 8.4.1 The name and address of manufacturer
- 8.4.2 The name and address of importer
- 8.4.3 Product classification as prescribed by PNS 63
- 8.4.4 Product specification as prescribed by PNS 63
- 8.4.5 Product application as prescribed by PNS 63
- 8.4.6 Trade name or brand name
- 8.4.7 Trademark of the manufacturer
- 8.4.8 Net mass of cement in kg
- 8.4.9 The country of manufacture
- 8.4.10 PS Mark
- 8.4.11 Batch identification number
- 8.4.12 Manufacturing date intelligible to the consumers
- 8.4.13 Bright Yellow color band as prescribed by PNS 63

**Rule 9. PRODUCT TESTING**

- 9.1. Product testing shall be conducted by a BPS recognized testing laboratory.
- 9.2. Full Product testing shall be conducted in accordance with the requirements of the relevant Philippine National Standard.
- 9.3. Critical test shall be limited to the following parameters:
  - 9.3.1 Seven (7) days - compressive strength requirements
  - 9.3.2 Chemical Composition requirements

**9.4. Drawn samples shall be tested as follows:**

**9.4.1** For initial audit, the first set of samples shall be subject to in-plant testing. The second set shall be subject to independent testing.

**9.4.2** For surveillance audits, the first set of sample shall be tested. The second and third sets shall serve as reserve samples in case the first set fails the product testing and re-testing is conducted.

**9.5.** The original copy of test reports shall be sent directly to the BPS by the BPS recognized testing laboratory.

**Rule 10. EVALUATION OF RESULTS**

**Results shall be evaluated to determine conformance of the product to the relevant standard in accordance with the following:**

**10.1. Results under the PS Licensing Scheme**

**10.1.1** For initial audit, if the test results show conformance, the PS License shall be issued. Otherwise, the applicant shall be advised accordingly and PS License shall not be issued. Only after re-assessment and subsequent product conformance shall BPS issue the PS License.

**10.1.2** For surveillance audit of local manufacturers, if the test results show conformance, the PS License shall be continued or renewed. Otherwise, re-testing shall be conducted.

If the result of re-testing shows non-conformance, the PS license shall be suspended immediately upon written notice. The non-conforming batch shall be destroyed or reprocessed, at the option of the manufacturer, under the supervision of the BPS. Only after re-assessment and subsequent product conformance shall BPS allow the continued use or renewal of the PS License.

**10.1.3** For surveillance audit of foreign manufacturers, if the test results show conformance, the PS License shall be continued or renewed. Otherwise, re-testing shall be conducted.

If the result of re-testing shows non-conformance, the PS license shall be suspended immediately upon written notice. The non-conforming shipment/batch shall be destroyed or re-exported to the country of origin, at the option of the manufacturer, under the supervision of the BPS. Only after re-assessment and subsequent product conformance shall BPS allow the continued use or renewal of the PS License

**10.2. Results under the applications for Statement of Confirmation with pre-shipment inspection and testing;**

**10.2.1** If the result of the pre-shipment test shows that the 3 or 7-day compressive strength failed to meet the 28-days compressive strength requirement, Certificate of Conditional Release shall be issued and full product testing shall be conducted upon arrival at the port of entry.

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- 10.2.2 If the result of full product testing shows conformance to the requirements of the relevant standard, the product shall be declared conforming and the SOC shall be issued.
- 10.2.3 If the result of the full product testing shows non-conformance to the requirements of the relevant standard, the second and third sets of sample shall be subjected to retesting. The samples shall be tested by a BPS recognized testing laboratory other than those that conducted the first and second tests. If the second and third sets shows conformance, a SOC shall be issued. Otherwise, the application shall be denied and the shipment shall be disposed of in accordance with the applicable provisions hereof.
- 10.2.4 If the application is denied, BPS shall inform the importer and manufacturer in writing of such denial. If the applicant fails to communicate with BPS within the period stated in the notice, a Show Cause Order shall be issued.
- 10.2.5 Processing of succeeding applications filed by the importer of cement products covered by the same PS License number against whom a Show Cause Order or Formal Charge was issued by BPS shall be suspended until such issue/s is resolved. The BPS reserves the right to suspend all licenses issued to a manufacturer, blacklist importer and all guilty parties after due process, if the nature of violation/s so warrant.

#### **Rule 11. RECOGNITION OF CONFORMITY ASSESSMENT BODY**

- 11.1. Only recognized Conformity Assessment Body (CAB) shall be allowed to participate in this mandatory product certification scheme.
- 11.2. Only CAB that demonstrates impartiality and freedom from conflict of interest shall be eligible for recognition by BPS.
- 11.3. Any CAB that intends to be recognized shall accomplish the BPS Recognition Application Form together with the following:
- 11.3.1 Certificate of Accreditation from an Accreditation Body signatory to the ILAC/APLAC, to include the Scope of Accreditation;
  - 11.3.2 Certified True Copy of the Articles of Incorporation. For foreign CAB, all incorporation documents shall be authenticated by the Philippine Consulate Office, the authentication requirement may be waived subject to reciprocity agreement;
  - 11.3.3 List of authorized signatories indicating their company position and the corresponding specimen signature;
  - 11.3.4 An undertaking to abide by the terms and conditions of the recognition.
- 11.4. For foreign CABs, the application shall be submitted by the local office to ensure accountability. Applications of foreign CABs with no local office shall be denied.
- 11.5. The BPS may, at any time, conduct full verification of the competence of the CAB to perform the conformity assessment activities.

## **Rule 12. TECHNICAL FILE**

12.1. The importer/manufacture and CABs shall maintain a technical file (hard and/or soft copy) for each of the products under this technical regulation, for no less than three (3) years. It shall contain the following:

12.1.1 PS License, and/or Import Commodity Clearance Certification/ SOC;

12.1.2 Copy of the test report/s;

12.1.3 Photographs of the actual cement packed in 40 kg bag; and,

12.2. The importer or manufacturer shall furnish all distributors/retailers with a certified true copy of the Statement of Confirmation and/or PS License, which shall be made available for verification/validation by consumers and authorized DTI personnel.

## **Rule 13. PRODUCT IDENTIFICATION AND TRACEABILITY**

To establish identification and traceability of the products, importers/ manufacturers are required to declare and submit to BPS the following:

13.1. List of batch/serial numbers;

13.2. Production lot/batch code of each individual product of the lot/batch being imported/manufactured, duly certified by the manufacturers of the product overseas;

## **Rule 14. PRODUCT CERTIFICATION MARK**

All products under technical regulation shall bear the Product Certification Mark before it can be supplied, distributed or sold in the Philippine market.

14.1. PS License holders and importers shall be responsible for ensuring that their products are affixed with the Certification Mark before they are supplied, distributed or sold in the market.

14.2. The Certification Mark shall be affixed on the cement bag, sling bag or jumbo bag, whichever is applicable.

14.3. The design of the Product Certification Mark shall be prescribed by the BPS.

14.4. BPS reserves the right to change the format, text or any identifying marks of the certification instrument, at any given time, without prior notice to the public to protect the integrity of its product certification marks/certificate from forgery and any other criminal acts.

## **Rule 15. TERMS AND CONDITIONS OF THE PS LICENSE**

The PS License holders and importers shall abide by the following terms and conditions:

- 15.1. Consistently abide by R.A. No. 4109, E.O. No. 133: 1987, E.O. No. 913: 1983 and R.A. No. 7394 and their implementing rules and regulations, and orders which the BPS issues in pursuance with its authority under the law.
- 15.2. Ensure that the certified product conforms at all times to a specific standard and its implementing rules and regulations.
- 15.3. Warrant that it has the authority to use the brand name, trade name and trademarks indicated in the application form.
- 15.4. Liable for any damages that its product might cause to their consumers.
- 15.5. The Product Certification Mark shall not be affixed on any products not certified by BPS.
- 15.6. Establish and maintain systems of product recall and of addressing complaints filed by its clients or customers concerning its certified products, and shall maintain records thereof.
- 15.7. Give duly-authorized representatives of the BPS or DTI Regional/Provincial Offices or, in the case of foreign companies, by BPS or BPS recognized CABs, access to the premises where the certified product is manufactured/assembled/stored; to relevant equipment, records, personnel and subcontractors for purposes of investigating complaints or evaluating consistency of compliance with the requirements of this technical regulation;
- 15.8. Submit itself to surveillance activities to ensure consistent compliance with the BPS requirements of the Product Certification Scheme.
- 15.9. In case of subcontracts, shall assume full responsibility for its sub-assemblies', semi-finished and finished products' conformance to the specific requirements.
- 15.10. Maintain a record of all complaints made known to it, relating to compliance with certification requirements and make these records available to the certification body when requested; take appropriate action with respect to such complaints and any deficiencies found affecting such product's conformance to the requirements for certification; and, document the action taken, subject to verification by the certification body.
- 15.11. Inform BPS in writing of any changes that might affect its ability to comply with BPS product certification requirements within fifteen (15) days from date the change is made, such as, but not limited to change in management, business name, and/or transfer of plant site. If the change involves addition of brand name and modification in the product's designs or specifications, BPS shall be notified to facilitate the conduct of appropriate product certification activity.
- 15.12. In case of transfer of plant site, the validity of the PS License shall be deemed suspended until or after satisfactory result of factory and product audit at the new site by BPS, DTI ROs/POs, or BPS recognized auditing bodies.

- 15.13. Pay the applicable fees and other charges as billed or stipulated by BPS, its duly recognized inspection and/or certification bodies.
- 15.14. The PS License and Statement of Confirmation are non-transferable.
- 15.15. Any incorrect references to the certification scheme; misleading use of PS licenses, Statement of Confirmation, marks or any other mechanisms indicating that a product is certified found in documentation or publicity materials or any breach hereof, shall be a ground for the issuance of Show Cause Order.
- 15.16. Traders or retailers in possession of covered products whose PS Licenses have expired or have been suspended, recalled, withdrawn, revoked or cancelled shall be notified in writing of such suspension, recall, withdrawal, revocation or cancellation.
- 15.17. Upon suspension, recall, withdrawal, cancellation or revocation of the PS License, the holder shall discontinue the manufacture and/or use of covered products including advertising materials relevant thereto and shall take action as may be required by the BPS.

Any infractions of the foregoing shall be a ground for the suspension, withdrawal or cancellation of the license and/or certificate.

#### **Rule 16. REQUIREMENTS IN CASE OF NON-CONFORMANCE**

For covered products that do not conform to the requirements of BPS rules and regulations/guidelines, the following shall apply:

- 16.1. A Show Cause Order shall be issued by BPS or DTI-ROs/POs giving the PS License holder or the importer opportunity to show cause why its surety bond shall not be forfeited in favor of DTI and/or why a formal charge shall not be filed.
- 16.2. A notice warning the public that such product is not compliant with the safety and/or quality requirements shall be issued and published by the manufacturer and/or importer;
- 16.3. An Order directing the owner/manager of the individual or company concerned who is in possession of non-conforming products to undertake the following:
- 16.3.1 Cease or refrain from further supplying, distributing and selling such product in the Philippine market; and
- 16.3.2 Issue, publish and implement a product recall in accordance with the provisions hereof, to account for the products that are already in circulation. The product recall shall specify the basis or ground therefor. The manufacturer/importer/distributor shall keep BPS informed in writing on the progress of the recall.

#### **Rule 17. PROCEDURES AND REQUIREMENTS FOR PRODUCT RECALL**

After the product is declared by the BPS to be non-conforming, a product recall shall be implemented by the manufacturer and/or importer in accordance with the following:

- 17.1. The recall order shall be published in a newspaper of general circulation for at least two (2) consecutive Saturdays/Sundays;
- 17.2. The layout, content, font and size of the recall order shall be prescribed by the BPS;
- 17.3. The recall period shall be for a minimum of thirty (30) days from date of the second publication;
- 17.4. Proof of publication of the recall orders shall be submitted to the BPS or the DTI Regional/Provincial Office;
- 17.5. Inventory of the recalled products shall be submitted to BPS or DTI Regional/Provincial Office;

**Rule 18. FILING OF PRODUCT CERTIFICATION APPLICATION**

All product certification application shall be filed with the BPS or the nearest DTI RO/PO. If filed with DTI RO/PO, it shall conduct initial evaluation of the application together with supporting documents, and may recommend action on the application.

Certificate of Conditional Release shall be issued by the BPS or the DTI RO/PO where the application is filed. BPS shall approve and issue the PS License or Statement of Confirmation.

**Rule 19. SUSPENSION, WITHDRAWAL, AND CANCELLATION OF PS LICENSE**

19.1. A duly issued PS License may be suspended, recalled, withdrawn, cancelled or revoked based on any of the following grounds:

- 19.1.1 That the product bearing the PS Mark failed to conform to the requirements of a specific standard;
- 19.1.2 That licensee failed to comply with monitoring, surveillance or enforcement notices/directives/orders;
- 19.1.3 That the licensee failed to comply with the terms and conditions of the license;
- 19.1.4 That the licensee made false statements or alterations in connection with its application for or maintenance of the license;
- 19.1.5 That the licensee violated any of the provisions of this Order;
- 19.1.6 That an Order of Execution vis-a-vis a decision finding the licensee liable for violation of a trade and industry law/s or rules and regulations directing BPS to suspend/cancel or revoke the PS License issued in favor of said licensee;

19.2. If there is a final finding that a product does not conform to the specified technical requirements, the license shall, upon mere notice be immediately suspended, withdrawn, recalled, cancelled or revoked.

- 19.3. Notwithstanding the preceding provisions, the Director may direct that a Formal Charge be filed against the party concerned pursuant to E.O. 913 Series of 1983, DAO No. 7, Series of 2006 and DAO No. 2, Series of 2007.

**Rule 20. COMPLAINTS/APEAL HANDLING PROCESS**

- 20.1. BPS shall implement a system of handling complaints/appeals related to the product certification process.
- 20.2. Appeal against the action or decision of a BPS personnel/chief/director relative to an Application for PS License may only be made based on the following:
- 20.2.1 If the application for PS License is denied, the applicant may file a motion for reconsideration with the BPS within ten (10) working days from receipt of the letter of denial.
- 20.2.2 If the PS License is suspended, recalled, withdrawn, cancelled, or revoked, a motion for reconsideration may be filed only once with the BPS by the applicant within ten (10) working days from receipt of the notice.
- 20.3. If the BPS Bureau Director or his duly authorized representative sustains his/her decision, an appeal may be filed with the DTI Secretary within fifteen (15) days from receipt of the letter of denial. The appeal shall be based solely on grounds of grave abuse of discretion amounting to lack or excess of jurisdiction committed by the official who rendered the decision.
- 20.4. The filing of a Motion for Reconsideration shall suspend the period within which to file an appeal.

**Rule 21. PROHIBITED ACTS**

- 21.1. Use of the Product Certification Mark in any misleading manner.
- 21.2. Sale, offer for sale using over the counter or on-line mode or any form of advertisement of any cement products not complying with the particular technical regulation or corresponding standards.
- 21.3. Non-compliance, neglect or resistance to effect the product recall as directed by BPS.
- 21.4. Misrepresentations, misleading or unauthorized statements and/or claims made in the application, letters/replies/forms in relation to product certification. Such include unauthorized reproduction of product certification documents, or any part thereof.
- 21.5. Non-compliance or failure to comply with the provisions hereof.

**Rule 22. PENALTIES OR SANCTIONS**

The following shall be imposed upon any Manufacturer, Importer, Foreign Testing Laboratory/ Facility, or any other person or entity found in violation of any provision hereof after due process, as may be appropriate:

22.1. Administrative fine as per existing DTI Rules and Regulations/Department Administrative Orders and E.O. 913.

22.2. Cancellation or revocation of PS License pursuant to a final and executory decision rendered by an administrative agency or the regular courts.

22.3. Watch-listing and/or blacklisting of importers/manufacturers.

22.4. In any case of failure in product testing for post shipment verification or surveillance:

22.4.1 The manufacturer or importer concerned shall, in addition to the penalties provided herein including but not limited to product recall and/or forfeiture of surety bond, lose the option for pre- shipment testing in all subsequent shipment or importation which henceforth shall undergo post shipment testing by accredited Philippine testing facilities.

22.4.2 The foreign testing laboratory or facility concerned shall lose the recognition by BPS to conduct pre shipment testing.

22.5. Any other sanctions or penalties as provided under existing DTI rules and regulations.

#### **Rule 23. ISSUANCE OF GUIDELINES/PROCEDURES**

BPS may issue such guidelines/procedures as may be necessary in the implementation of this Order.

#### **Rule 24. FEES, CHARGES, BOND REQUIREMENT AND OTHER EXPENSES**

Fees and charges to be paid by the applicant in accordance with Annex A shall be as follows:

24.1. Application Fee;

24.2. Audit/inspection fees;

24.3. Transportation/travelling expenses, and board & lodging costs of auditor/s and inspector/s during audit/inspection, subject to existing rules and regulations or third party provision;

24.4. Processing Fee of Statement of Confirmation on imported products (non-refundable, payable upon filing of the application on per product, per shipment, per Bill of Lading/Airway Bill basis, assessed by the BPS based on the amount declared in the Invoice);

24.5. PS License fee for manufactured products;

24.6. For imported cement, a Surety Bond shall be posted on a per shipment basis equivalent to Ten percent (10%) of the declared value or dutiable value of the imported product in Philippine Peso, whichever is higher to guarantee that the applicant shall perform its duties and obligations stated herein.

24.7. Any violation of the terms and conditions of the Product Certification Scheme shall, upon notice, result in the *motu proprio* forfeiture of the bond.

#### **Rule 25. REQUIRED CAPITALIZATION**

All cement importers shall submit to BPS and/or DTI RO/PO proof showing the following:

25.1 Minimum paid in capitalization of Twenty Million Pesos (PhP20,000,000.00), for corporation.

25.2 Minimum capitalization of Twenty Million Pesos (PhP20,000,000.00), for single proprietorship.

#### **Rule 26. DISPOSAL OF SAMPLES**

26.1. All remaining samples, which were drawn for testing purposes, and complied with the requirements of the standard, shall be claimed by the importer/ manufacturer within five (5) days upon receipt of the PS License and Statement of Confirmation. If the importer/manufacturer fails to claim the samples after receipt of PS License and Statement of Confirmation or opted not to retrieve the sample at all, the laboratory shall dispose the samples as it may deem necessary, at the expense of the importer/manufacturer.

26.2. Samples which fail to comply with the specified requirements shall be stored for at least six (6) months in the laboratory to ensure their availability in the event the importer/manufacturer contests the result of the test including those subject of litigation.

#### **Rule 27. REPEALING CLAUSE**

The provision of Section 4 of DAO 17-05:2017 exempting local manufacturer/s with Integrated Cement Plant (ICP) from the additional requirement of Import Commodity Clearance is hereby repealed effective immediately from publication hereof.

All other Department Administrative Orders, Circulars, and Guidelines inconsistent with the provisions of this Administrative Order are hereby repealed subject to the transitory provisions below.

#### **Rule 28. TRANSITORY PROVISIONS**

The provisions hereof shall apply prospectively subject to the following:

28.1. PS Licenses issued prior to the effectivity of this DAO shall remain valid until the date of expiration thereof unless voluntarily withdrawn or sooner revoked. However, the new surveillance requirements and procedures both for local and foreign-based PS License holders shall take effect immediately after effectivity hereof.

28.2. For existing PS License holders with multiple brands/importers, the authority to import for existing importers shall be valid until the expiration of the License unless sooner revoked or superseded. For new/additional importer, new PS application shall be required.

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28.3. For purposes of pre-shipment testing, test reports issued by a third-party testing laboratory accredited by an ILAC/APLAC-signatory accreditation body shall be accepted by BPS no later than sixty (60) days from date of effectivity hereof. After which, the requirement on CAB Recognition under Rule 11 shall be implemented.

28.4. All PS applications received and/or licenses issued after the effectivity of this Order shall be subject to the requirements, procedures and terms and conditions prescribed herein.

28.5. All other provisions not covered by this transitory provision shall take effect immediately upon effectivity hereof.

#### **Rule 29. SEPARABILITY CLAUSE**

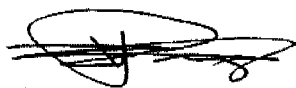
Should any provision of this Order or any part thereof be declared invalid, the other provisions, so far as they are separable from the invalid ones, shall remain in force and effect.

#### **Rule 30. EFFECTIVITY**

This Order, except for paragraph one (1) of Rule 27 thereof, shall take effect fifteen (15) days after its publication in a national newspaper of general circulation, a copy of which shall be submitted to the UP Office of National Administrative Register.

Done in the City of Makati this 13th day of November in the year 2017.

**Recommended by:**



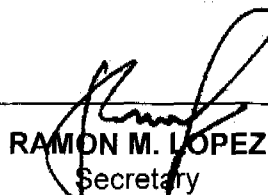
**ATTY. ERNESTO V. PEREZ**  
Assistant Secretary, CPG  
Officer-in-Charge, BPS

*Handwritten initials and marks*



**ATTY. TEODORO C. PASCUA**  
Undersecretary, CPG

**Approved:**



**RAMON M. LOPEZ**  
Secretary