



Republic of the Philippines
DEPARTMENT OF AGRICULTURE
NATIONAL TOBACCO ADMINISTRATION



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ISO 9001: 2015 QMS CERTIFIED

MEMORANDUM CIRCULAR NO. 001, SERIES OF 2024

FOR : ALL LICENSED BUYING STATIONS, WHOLESALE TOBACCO DEALERS, REDRYING PLANTS, FIELD CANVASSERS AND VIAJEROS

ALL EXPORTERS/IMPORTERS/TRANSSHIPPERS OF LEAF TOBACCO, TOBACCO PRODUCTS, OTHER TOBACCO-RELATED MATERIALS, SPAREPARTS AND INGREDIENTS

ALL MANUFACTURERS/PROCESSORS OF TOBACCO PRODUCTS

ALL CONCERNED NTA DEPARTMENT MANAGERS/OFFICERS-IN-CHARGE & TOBACCO PRODUCTION & REGULATION OFFICERS & AGRICULTURISTS

SUBJECT : MANUAL IN THE RESOLUTION OF VIOLATIONS OF NTA RULES AND REGULATIONS COMMITTED BY REGULATED ENTITIES & INDIVIDUALS

DATE : 05 MARCH 2024

U.P. LAW CENTER
OFFICE OF THE REGISTER
Administrative Rules and Regulations
REGISTERED
MAR 12 2024
CASE REGISTRATION NO. 24-0284
THAB: Joff BY: JAA

WHEREAS, under Executive Order No. 245, Series of 1987, the NTA is mandated to administer and regulate the tobacco industry in the Philippines and with specific powers to promulgate and enforce rules and regulations on the production, standardization, classification, grading and trading of tobacco and tobacco products.

WHEREAS, the NTA issued three (3) major regulatory measures, namely: 1) Rules and Regulations Governing the Trading and Redrying of Locally Grown Leaf Tobacco; 2) Rules and Regulations Governing the Exportation, Importation and Transshipment of Manufactured and Unmanufactured Tobacco; and, 3) Rules and Regulations Governing the Manufacture/Processing of Tobacco Products.

WHEREAS, while the said regulatory issuances provide for penalties for violations, the same rules and regulations do not provide for the procedures in the resolution of violations documented during the conduct of monitoring and supervision of the activities of the regulated entities.

PREMISES CONSIDERED, the NTA hereby adopts this Manual for the information, guidance and compliance by all Tobacco Production and Regulation Officers (TPROs) and Regulated Entities/Individuals, to wit:

Rule I - GENERAL PROVISIONS

Section 1. Short Title. This Memorandum Circular shall be known as the "Manual in the Resolution of Violations of NTA Rules and Regulations".

Section 2. Definition of Terms. The following terms shall be construed to mean as:
a. **Administrator** – the Chief Executive Officer of the NTA;

- b. **Deputy Administrator** – the heads of the Support Services and the Operations Group which assist the Administrator in the day-to-day management of the affairs of the NTA;
- c. **Export/Import/Transshipment Rules** – refers to the Amended Rules and Regulations Governing the Exportation/Importation/Transshipment of Leaf Tobacco, Tobacco Products, Tobacco-Related Materials, Ingredients and Spare parts for Cigarette Making Machines
- d. **Manufactured Tobacco** - refers to any product that consists of loose tobacco that contains nicotine and is intended for use in a cigarette/cigar, heated tobacco products (HTPs), including any product containing tobacco and intended for smoking or oral or nasal use. It includes pipe tobacco, chewing tobacco, snuff, homogenized, reconstituted, cut fillers, cut-rags, snus, blended tobacco;
- e. **Manufacturing Rules** – refers to the Rules and Regulations Governing the Manufacture/Processing of Tobacco Products;
- f. **NTA** – refers to the National Tobacco Administration, a government-owned and controlled corporation, attached to the Department of Agriculture;
- g. **NTA Governing Board** – the policy making body of the NTA;
- h. **Other Tobacco-Related Materials, Supplies, Cigarette Making Machines and Spare Parts** - refers to materials used in the manufacture and processing of tobacco products such as machines, spare parts, cigarette papers, acetate tow, adhesive tapes, collagens, cartons packaging materials, tax stamps, flavorings, powder, triacetin and the like;
- i. **Regulated Entities/Individuals** – refer to juridical entities or individuals duly registered with the Securities and Exchange Commission or the Department of Trade and Industry with primary or secondary purpose of engaging in the trade, manufacture, redrying of leaf tobacco or tobacco products and are issued with valid license/permit by the NTA.
- j. **Regulation Department** – regulatory arm of the NTA with functional responsibility in the formulation, review, recommendation, implementation and monitoring of rules and regulations approved by the NTA Governing Board;
- k. **Supervision and Monitoring** – refers to the procedure in the determination on whether or not an NTA regulated entity/individual is compliant with the rules and regulations;
- l. **Supervision and Monitoring/Certificate of Inspection Forms** – refer to Regulation Department’s form numbers: 1) NTA-RD-F-022 rev. 04 (Checklist of Requirements Before Buying Locally Produced Tobacco); 2) NTA-RD-F-023 rev. 05 (Buying Stations/WTDs); 3) NTA-RD-F-023-A rev. 06 (Field Canvassers/Viajeros); 4) NTA-RD-F-044 rev. 02 (Manufacturers); and, 5) NTA-RD-F-011-A rev. 02 (Certificate of Inspection/Permit to Transport/Incidental Report) of the Regulation Department with specific guide questions which assists the TPROs in the conduct of inspection;
- m. **Tobacco Production and Regulation Officers/Agriculturists** – refers to the officers and employees of the NTA with duties and responsibilities of implementing the NTA rules and regulations;
- n. **Trading Rules and Regulations** – refer to the 2018 Revised Rules and Regulations Governing the Trading and Redrying of Locally Grown Leaf Tobacco;
- o. **Unmanufactured Tobacco** - refers to agricultural components devised from the tobacco plant, which are processed for use in the manufacturing of cigarettes and other tobacco products. It includes tobacco prepared or partially prepared with or without the use of any machine or instruments or without being pressed or sweetened as well as fine-cut shorts and refuse, dusts, scraps, clippings, cuttings, stems and sweepings of tobacco;

RULE II – SPECIFIC VIOLATIONS

The following specific and/or similar violations shall be the subject of resolution under this manual, to wit:



A. Trading Rules and Regulations:

- a) Buying and selling outside the period provided in Regulation III hereof, unless with prior written approval from the NTA;
- b) Buying and Selling of tobacco by and among Farmer Leaders;
- c) Selling and buying tobacco without license from the NTA;
- d) Buying and selling of tobacco between or among BS;
- e) Selling and delivering tobacco directly from BS directly to CM;
- f) Buying and selling of tobacco with non-tobacco related materials (NTRM);
- g) Buying/accepting/selling of unclassified tobacco at the BS, except for cigar-filler type tobacco for fermentation purposes;
- h) Spraying of water on leaf tobacco, except for cigar-filler tobacco, provided it is within the acceptable/recommended percentage of moisture content of not more than 18%;
- i) Deducting shrinkage allowances or handling losses;
- j) Delivering tobacco from BS to WTD/RP or from WTD/RP to CM/Export Market without NTA inspection;
- k) Buying directly from tobacco farmers except with marketing agreement;
- l) Selling and buying of tobacco between WTDs;
- m) Buying of tobacco by RPs;
- n) Delivering of tobacco by BS to WTD more than its acceptances based on the estimated volume of production of its contracted FCs;
- o) Delivering of tobacco by FC more than 100% his/her expected volume of Individual or Cluster production based on the actual area planted as recorded by the concerned NTA BO;
- p) Buying of leaf tobacco directly from FCs by CMs without NTA License and Authority to Purchase; and
- q) Buying and accepting tobacco by the BS/BF more than the estimated maximum volume of production as per submitted list of contracted farmers and area planted, without a Special Permit to Buy.
- r) buying and selling of tobacco at prices lower than the prescribed floor prices;
- s) deducting shrinkage allowances or handling losses from the weight of the tobacco sold;
- t) buying and selling of tobacco from farmers or other authorized sellers without a license;
- u) knowingly and deliberately using tampered/inaccurate weighing scale; and
- v) buying and selling pole-vaulted tobacco;
- w) buying of tobacco from farmers and other authorized sellers outside BS except when prior authority is given by the NTA/BS/WTD;
- x) failure or refusal to issue prescribed invoice or receipt covering tobacco purchases;
- y) buying unclassified tobacco or tobacco in sticks, except for cigar filler tobacco grown in Region II for fermentation purposes;
- z) buying and selling of tobacco by using false, fictitious, or another person's license, permit or identification card;
- aa) selling or buying tobacco with an expired, suspended or cancelled license, permit or accreditation;
- bb) hindering or obstructing any NTA official or employee in the course of his duties, including refusal to furnish information or copies of documents relating to any tobacco or to permit the inspection of a tobacco;
- cc) Failure to display conspicuously the approved License/Authority to Buy within the buying station;
- dd) Failure to maintain or make available prescribed and validated trading forms and logbooks, Tally-In/Tally-Out Sheet;
- ee) Failure to install signage;
- ff) Uncalibrated weighing scale;
- gg) Failure to display Harmonized Tobacco Grades with corresponding Floor Price and



A handwritten signature or mark, possibly initials, located at the bottom right corner of the page.

- Buying Price;
- hh) Any other violation of the provisions of these rules and regulations to be promulgated by the NTA.

B. Export/Import/Transshipment Rules:

- a) Misdeclaration or misrepresentation of description, quality, standards, quantity, net weight or value of commodities; or
- b) Shipment of commodities without approved NTA clearance.

C. Manufacturing Rules:

- a) Building not use solely for manufacturing/processing of tobacco products or that other business activities therein hamper/obstruct the effective and efficient implementation of the rules and regulations;
- b) Failure to conspicuously display the approved Accreditation within the premises;
- c) Failure to conspicuously display standard samples of products within the premises.

RULE III - PROCEDURES

Section 1. Documentation of Violations - TPROs/Agriculturists assigned to monitor/inspect the activities of regulated entities/individuals shall use the following RD Form as may be applicable, to wit:

- a. NTA-RD-F022 rev. 04 - Checklist of Requirements Before Buying Locally Produced Tobacco);
- b. NTA-RD-F-023 rev. 05 - Supervision and Monitoring Form for Buying Stations/WTDs;
- c. NTA-RD-F-023-A rev. 06 - Supervision and Monitoring Form for Field Canvassers/Viajeros;
- d. NTA-RD-F-044 rev. 02 - Supervision and Monitoring Form for Manufacturers/Processors of Tobacco Products; and,
- e. NTA-RD-F-011-A rev. 02 - Certificate of Inspection/Permit to Transport/Incidental Report Form.

Any finding by the TPRO/Agriculturist which is considered a violation of the rules and regulations shall be properly documented in the duly signed RD Forms and shall be immediately reported, within one (1) hour from discovery of violation, to the Department Manager III/Highest Officer of the Department/Branch Office thru the fastest means of communication.

Section 2. Action within the next working day - Upon receipt of the report of the TPRO, the concerned Department Manager III/Highest Officer of the Department/Branch Office shall issue and send the Notice of Violation (**Form No. NTA-RD-F-028-A**), within the next working day, to the regulated entity/individual, detailing the nature of violation, date and place of inspection/monitoring and requiring the regulated entity/individual to submit a verified/sworn explanation why no administrative penalty shall be imposed.

Section 3. Transmittal of the RD Forms, Notice of Violation and/or Verified/Sworn Explanation - After the lapse of the 72-hours grace period to file a verified/sworn explanation, the concerned Department Manager III/Highest Officer of the Department/Branch Office shall transmit the RD Forms, Notice of Violation and/or Verified/Sworn Explanation to the Office of the Administrator and Chief Executive Officer, through the Office of the Deputy Administrator for Operations, through the fastest means of communication.

Section 4. Action by the NTA Administrator & Chief Executive Officer - The Administrator, upon the recommendation of the DAOP, shall direct the Legal Officer to



determine the completeness of the documents transmitted. The Legal Officer may recommend to the Administrator to:

- a. Dismiss the findings for lack of merit; or
- b. Imposition of appropriate penalty if warranted by the evidence submitted; or
- c. Creation of an Investigating Committee, through the issuance of a Special Order, to further conduct *motu proprio* or in-person summary proceedings and to recommend appropriate action.

Section 4. Action by the Investigating Committee – The Investigating Committee shall be empowered to conduct summary investigation to determine the propriety of the violations reported. It may require the submission of additional evidence or testimony, if necessary.

The Investigating Committee shall conduct the summary investigation and submit its recommendation to the Administrator and terminate the proceedings not later than seven (7) calendar days from issuance of the Special Order creating it.

RULE IV – DECISION, RESOLUTION, MOTION FOR RECONSIDERATION, APPEAL AND EXECUTION

Section 1. Decision – The Administrator and Chief Executive Officer shall render a Decision on the reported violations, either *motu proprio* or upon the recommendation of the Investigating Committee. The Decision shall specifically state the nature of the case, the specific provisions of the NTA rules and regulations violated and the documents and evidence supporting the Decision.

The copy of the Decision shall be duly furnished to the concerned regulated entity/individual, copy furnished the concerned Department Manager III/Highest Officer of the Department/Branch Office, the Investigating Committee/Legal Officer and the Office of the Deputy Administrator for Operations.

Section 2. Motion for Reconsideration – As part of the due process clause, the concerned regulated entity/individual shall be accorded the option to file a Motion for Reconsideration within fifteen (15) calendar days from receipt of the Decision, based on the following grounds:

(a) Fraud, accident, mistake or excusable negligence which ordinary prudence could not have guarded against and by reason of which such aggrieved party has probably been impaired in his rights; or

(b) Newly discovered evidence, which the aggrieved party could not, with reasonable diligence, have discovered and produced at the summary investigations, and which if presented would probably alter the result.

The Resolution of the Motion for Reconsideration shall be final and executory and shall not be appealable.

Section 3. Appeal – Notwithstanding the final and executory nature of the Decision/Resolution of the Administrator, the aggrieved party may appeal the Decision to the Office of the President or the Court of Appeals in accordance with the Rules of Court.

Section 4. Execution of the Decision/Resolution – Unless a Temporary Restraining Order (TRO)/Writ of Preliminary Injunction is issued by the appellate body/court, the Decision/Resolution shall be immediately executory after the lapse of the 15-day period and the corresponding penalty and fine shall be imposed to the concerned regulated entity/individual.



RULE V - EFFECTIVITY AND SEPARABILITY CLAUSE

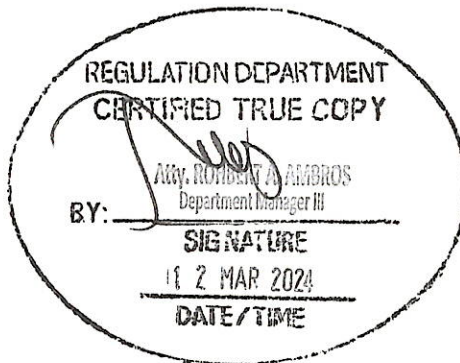
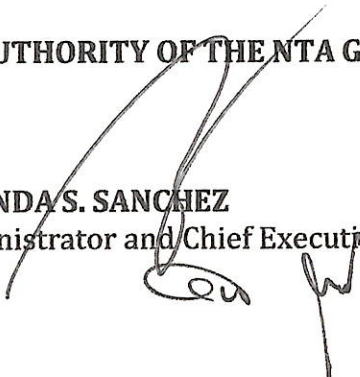
This Manual shall take effect after fifteen (15) days from publication in a newspaper of general circulation and filing with the Office of the National Administrative Register (ONAR).

If any provision of the foregoing Manual is declared unconstitutional, the part/s not affected by such declaration shall continue to be in full force and effect.

APPROVED UNDER BOARD RESOLUTION NO. 206, S. 2024 DATED 28 FEBRUARY 2024

BY AUTHORITY OF THE NTA GOVERNING BOARD:

BELINDA S. SANCHEZ
Administrator and Chief Executive Officer



Filed with the Office of the National Administrative Register (ONAR) on March 12, 2024.

Published by;

The MANILA STANDARD
Tuesday, March 12, 2024
Page B2





Name of BS/WTD/RP/FC: _____
Tobacco Type: _____
Address: _____
Date of Opening: _____ License/Permit/Authority No.: _____
Date and Time of Supervision/Monitoring: _____

**CHECKLIST OF NTA REQUIREMENTS PRIOR TO
BUYING LEAF TOBACO**

A. Buying Station/s (BS)

YES NO

- Duly approved License and Authority to Buy conspicuously displayed within premises;
- Duly prescribed and validated trading forms available at the premises;
- Business signboard;
- Incoming Logbook for tobacco deliveries;
- Calibrated Weighing Scale/s:
No. of calibrated Scale/s: _____
Serial No./s: _____
Date Calibrated: _____

B. Wholesale Tobacco Dealer (WTD) / Redrying Plant (RP)

YES NO

- Duly approved Permit and Authority to Purchase/Redry conspicuously displayed within the Premises
- Tally Out Sheet/Delivery Receipt
- Tally In Sheet
- Calibrated Weighing Scale/s:
No. of weighing scale: _____
Serial No./s: _____
Date Calibrated: _____

C. Field Canvasser/s (FCs)

YES NO

- COP (Issued for the current trading year)
- COA (Issued for the current trading year)

For NO answer/s, the following remedy/ies was / were undertaken:

Date and time resolved / remedied: _____

Supervision/Monitoring conducted by:

Supervision/Monitoring Conducted in the Presence of:

Name and Signature of Branch Office TPRO/Staff

Name and Signature of Owner/Representative





NTA-RD-F-023 rev 05

SUPERVISION/MONITORING OF BUYING STATIONS/WHOLESALE TOBACCO DEALERS

Name of BS/WTD: _____ License No.: _____
Address: _____
Date & Time Supervision/Monitoring: _____
If Buying Station, Company Affiliation: _____

ACTIVITIES	YES	NO
1. Is the weighing scale/s used by BS/WTD calibrated by NTA?		
2. Are Harmonized Tobacco Grades (International Grades vis-à-vis NTA Grades), with the corresponding Floor Prices and Prevailing Buying Prices displayed?		
3. Are all tobacco accepted/purchased immediately paid? (If No, use NTA-RD-F-023-B rev 03)		
4. Are the Buying Prices of tobacco within the set Floor Prices?		
5. Are the tobacco leaf accepted / purchased properly Graded/ Classified?		
6. Is the Buying/Selling of tobacco leaf NTRM-Compliant?		

For "NO" answer/s, the following remedy/ies was/were undertaken: _____

Date and time resolved/remedied: _____

Note: Resolution/s or remedial action/s for a specific issue/problem shall be acted within **one (1) working day**.

Supervision/Monitoring conducted by: _____

Supervision/Monitoring conducted in the presence of: _____

Name and Signature of Branch Office TPRO/Staff

BS/WTD Owner/Representative





SUPERVISION / MONITORING OF FIELD CANVASSER / VIAJERO

Name of FC/Viajero: _____

COA No. _____

Address: _____

Tobacco Type _____

Date & Time of Supervision/Monitoring: _____

No. of Contracted Farmers _____

Date (mm/dd/yyyy)

Time (hr:min)

Company Affiliation, If any: _____

ACTIVITIES	YES	NO
1. Is the Official Receipt (O.R.) of payment of COA, or NTA License/COA carried by the FC/Viajero at all times when buying/selling tobacco leaf?		
2. Did the FC/Viajero issue Certificate of Purchase (COP) for every tobacco leaf purchased from the farmer?		
3. Is the Buying Price of tobacco leaf within set Floor Price?		
4. Is the Buying/Selling of tobacco leaf a Non Tobacco Related Material (NTRM) Compliant?		

For "NO" answer/s, the following remedy/ies was/were undertaken: _____

Date and time resolved/remedied: _____

Note: Resolution/s or remedial action/s for a specific issue/problem shall be acted within **one (1) working day**.

Supervision/Monitoring conducted by: _____

Supervision/Monitoring conducted in the presence of: _____

Name and Signature of Branch Office TPRO /
Outreach Office TPRO

Field Canvasser / "Viajero"



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NTA-RD-F-044 rev 02

SUPERVISION/MONITORING OF CIGARETTE/CIGAR MANUFACTURER

Name of Manufacturer: _____

Address: _____

Tobacco Product Manufactured: _____

Accreditation Permit No.: _____

Date and Time of Supervision/Monitoring: _____

ACCREDITATION	OBSERVATION/S		RECOMMENDATION/ACTION TAKEN for "NO" ANSWERS
	YES	NO	
1. Building used solely for the manufacturing/processing of tobacco products or other related business activities therein do not in any way, hamper/obstruct the effective and efficient implementation of the rules and regulations governing the manufacturing/processing of tobacco products?			
2. Duly approved accreditation conspicuously displayed within the premises?			
3. Standard samples conspicuously displayed within the premises in an appropriate glass-encased display board?			

Verified by: _____

Name & Signature of NTA Supervision/Monitoring Officer/Staff

Supervision/Monitoring Conducted in the Presence of:

Name & Signature of Authorized Representative





NTA-RD-F-011-A rev 01

Serial No. _____

Republic of the Philippines
Department of Agriculture
NATIONAL TOBACCO ADMINISTRATION

**CERTIFICATE OF INSPECTION/PERMIT TO TRANSPORT/
INCIDENTAL REPORT**

This is to certify that the tobacco leaf/products for Importation/Exportation/Transshipment and produced/purchased, and to be transported by _____, particularly described below, had been inspected at _____, _____, on _____, and found to be the same commodity mentioned under the Request for Inspection/Issuance of Permit to Transport, dated _____ and the same shall be delivered to _____ at _____.

(Name of Buyer)

(Address of Buyer)

Quantity	Unit (Bales/Cartons/ Cases/Pcs., etc.)	Net Weight (in kgs.)	FOB Value (in US\$)	Description of Tobacco Type/Product/ Commodity	Crop Year

That the following is/are the observation/s relative to the inspection conducted, to wit:

For transshipments, the processing, monitoring and inspection fees were paid under O.R. No. _____ dated _____ in the amount of PhP _____ and deposited to NTA-LBP Account No. 0232-1140-29 on _____.

Issued this ____ day of _____, at _____.

NTA Tobacco Inspector

Inspected in the presence of:

TC/WTD/RP/CM/Exporter/Importer/Transshipper's Representative

Time of Inspection

- Original - Applicant
- Duplicate - Branch Office
- Triplicate - Regulation Department





NOTICE OF VIOLATION

Date

Dear Mr./Ms. _____,

As per verified report/s of our authorized inspector/s, the following were found to be non-compliant with the NTA rules and regulations and/or memorandum circulars, to wit:

Specific Nature/Act of Non-Compliance	Specific NTA Rules Violated	Provision/s of Rules or Form Violated	Date, Time and Place of Inspection/ Monitoring & Name of Inspector/s	Name of Witness/es
	<input type="checkbox"/> Local Trading Rules <input type="checkbox"/> Export/Import/Transshipment Rules <input type="checkbox"/> Manufacturing Rules <input type="checkbox"/> Supervision/Monitoring/Inspection Form	Regulation No.: _____ Rule/Section No.: _____ Form No.: _____	Date: (MM/DD/YYYY) _____ Time: (13:00 Military) _____ Place: (Brgy./Mun./Prov.) _____ _____ Name of Inspector/s: _____ _____	

In view of the foregoing, you are hereby required to submit within seventy (72) hours from receipt of this notice to file your sworn explanation/compliance with supporting documents, if any, why no administrative penalty/fine shall be imposed for the subject violation/s.

For your information and immediate compliance.

Thank you.

Very truly yours,

(Name and Signature)
Position: _____
Dept./Office: _____
Address: _____
Contract No.: _____

cc: The Authorized Inspector/s

Important: This Notice of Violation must be accomplished and sent to the addressee, both personally and by electronic mail, within 24 hour or next working day from the time of receipt of the supervision/monitoring/inspection form/s duly signed by the inspector/s.

