



19 February 2025

**SECRETARY ERNESTO V. PEREZ**

Director General  
Anti-Red Tape Authority  
4<sup>th</sup> & 5<sup>th</sup> Floor NFA Bldg. NFA Compound,  
Visayas Ave. Brgy. Vasra,  
Diliman, Quezon City

**Attention: Undersecretary Gerald G. Divinagracia**  
Deputy Director General for Operations

*Dear Secretary Perez:*

In compliance with ARTA Advisory No. 015 dated 08 January 2024, the undersigned respectfully submits herewith the Annual Regulatory Plan (ARP) for CY 2025 (Annex "A") with two (2) Regulatory Notification Form of proposed revisions of National Tobacco Administration (NTA) Rules and Regulations.

For further queries or clarifications on this submission, you may contact Atty. Rohbert A. Ambros, Department Manager III - NTA Regulation Department, at 0919-3700629 or email at [rd\\_nta07@yahoo.com](mailto:rd_nta07@yahoo.com).

Thank you and warm regards.

Very truly yours,

**BELINDA S. SANCHEZ, CPA**  
Administrator and CEO

cc: **Atty. PAZ J. BENAVIDEZ II**  
Assistant Secretary for Policy and Regulations  
Department of Agriculture



**ANNEX A: ANNUAL REGULATORY PLAN**

**NATIONAL TOBACCO ADMINISTRATION  
2025 ANNUAL REGULATORY PLAN**

**ANNUAL REGULATORY PLAN SUMMARY**

**AGENCY NAME: NATIONAL TOBACCO ADMINISTRATION**

**SECTORS REGULATED: AGRICULTURE, TRADE AND MANUFACTURING**

SECTOR	LEGAL BASIS	ROLE/RESPONSIBILITY OF THE REGULATING AGENCY TO THE REGULATED SECTOR
Agriculture, Trade & Manufacturing	Executive Order No. 245	The National Tobacco Administration (NTA) is vested with the general power to administer and regulate the tobacco industry in the Philippines and specific power to promulgate rules and regulations on the production, standardization, classification, grading and trading of tobacco and tobacco products as may be necessary to attain its purposes and objectives and to pursue the policy of government on tobacco.

**SUMMARY OF REGULATORY ACTIONS PLANNED FOR 2025:**

1. Undertake evaluation of the quality of existing regulations and assess the benefits and costs and identify policy option that would deliver the greatest net benefit;
2. Create an Impact Assessment Management Team (IAMT) to effectively formulate, implement, monitor and evaluate the Annual Regulatory Plan of the NTA.
3. Formulate capability enhancement program so that NTA officials and employees will have an in-depth knowledge on the importance and processes of RIA through the engagement of Experts as lecturers in the RIA training and workshop.
4. Conduct a Preliminary Impact Assessment or Regulatory Impact Assessment of at least one (1) existing rules and regulations; and
5. Monitor and evaluate the implementation of the planned outcomes of the Annual Regulatory Plan for CY 2025.

**Details of the Annual Regulatory Plan for CY 2025:**

**BACKGROUND/RATIONALE:**

Republic Act 11032 (RA 11032), which aims to promote the ease of doing business (EODB), requires all agencies to undertake a Regulatory Impact Assessment (RIA) when proposing new regulations. Under this law, even existing regulations can also be subjected to RIA for the purpose of improving regulatory quality.

As a trade regulatory government agency, the NTA is mandated under the EODB Law to undertake an Annual Regulatory Plan (ARP), management, monitoring and evaluation of any proposed and all existing rules and regulations affecting the



regulated stakeholders of the tobacco industry and submission of the ARP to the Anti-Red Tape Authority.

The NTA, pursuant to its mandate to regulate the tobacco industry under Executive Order No. 245 (1987), has issued and implemented the following rules and regulations, to wit:

- a. 2018 Revised Trading Rules and Regulations Governing the Trading and Redrying of Locally Grown Leaf Tobacco;
- b. Amended Rules and Regulations Governing the Exportation and Importation of Leaf Tobacco and Tobacco Products;
- c. Rules and Regulations Governing the Manufacture/Processing of Tobacco Products; and
- d. Accreditation of Tobacco Entities and Associations Applying for New or Renewal of Registration with the Securities and Exchange Commission (SEC).

These NTA issuances were not subjected to RIA since their adoption, not even during their implementation, hence there is a pressing need to review these rules and regulations to determine their quality, need to whether or not continue with their implementation if deemed outdated, redundant and ensure these are rational, fit-for-purpose and do not ass undue burden and cost to society and the government.

#### **OBJECTIVES:**

This program/project aims to:

- a. Help the NTA in the preparation, review and submission of an Annual Regulatory Plan (ARP).
- b. Evaluate the quality of existing and proposed regulations and consider all benefits and costs of enacting regulations and identify the policy option that would deliver the greatest net benefit to regulated entities or stakeholders of the tobacco industry.
- c. Improve the well-being of citizens and promote the competitiveness of all tobacco stakeholders pursuant to the National Competition Policy (NCP).
- d. Ensure that all existing and proposed regulations are rational, fit-for-purpose and do not add undue regulatory burden and cost to regulated sector of the tobacco industry; and
- e. Provide the policy making body of the NTA relevant information and to use facts and evidence as the basis of decisions in improving regulatory governance of the tobacco industry to be carried out in an effective and transparent manner.

#### **GENERAL DESCRIPTION**

This program will capacitate all NTA officials and employees through attendance to training/workshop on the procedures for the conduct of RIA to guide them in the formulation of an Annual Regulatory Plan that will lay down preparation, implementation, management, monitoring and evaluation of RIA that will promote stakeholders' active participation at all levels in the conduct of RIA and ensure effective and efficient compliance.



## **STRATEGIES OF IMPLEMENTATION AND COMPONENTS:**

To effectively implement this program/project, the following activities shall be undertaken, to wit:

- a. Formulation, adoption and submission not later than 07 March 2025 of an Annual Regulatory Plan for CY 2025 specifying the activities to be undertaken, and shall contain the following, to wit:
  - 1) Identification and description of/updates on expected regulatory action/changes (i.e., development of new regulations, review of existing regulations, repeal or amendment of regulations);
  - 2) Objective of the regulatory actions/changes;
  - 3) Information on planned consultations;
  - 4) Alignment to the current Philippine Development Plan (PDP) and other national development plans; and
  - 5) Contact details, official e-mail, landline, and/or mobile number that the public may reach to obtain further information.
- b. Issuance of and approval of Special Order designating the RIA Management Team and RIA Champions and Support Staff for the effective formulation, implementation, monitoring and evaluation of the Annual Regulatory Plan.
- c. Issuance and approval by the NTA Administrator & CEO of a Special Order for the conduct of RIA training/workshop and identify the intended participants from among the NTA officials and employees.
- d. Engagement of experts in RIA as lecturers in the training/workshop.
- e. Conduct a Preliminary Impact Statement (PIS) or a full blown Regulatory Impact Assessment (RIA) of at least one (1) existing NTA rules and regulations; and
- f. Monitor and evaluate the implementation and expected outcomes and intended impacts of the assessed regulation according to planned output.

## **GENERAL WORK PROGRAM:**

Implementation of this project shall start from January 01, 2025 until December 31, 2025.

## **PROGRAM MANAGEMENT AND STAFFING REQUIREMENTS:**

This project shall be primarily undertaken by the Regulation Department, in coordination with the Offices of the NTA Administrator/CEO and Deputy Administrators, to wit:

- a. NTA Administrator & CEO
- b. Deputy Administrator for Support Services
- c. Deputy Administrator for Operations;
- d. Regulation Department Manager;
- e. RIA Champions (Graduates of the Advance RIA Course – Batch 13);
- f. RD Staff;
- g. Corporate Planning Department; and
- h. Administrative Department.

## **PROGRAM BUDGET:**

This project entails a budgetary requirement in the total amount of PhP2,219,320.00.

# PROGRAM/OPERATIONAL PLAN



REGULATORY IMPACT ASSESSMENT  
 DEPARTMENT OF AGRICULTURE  
 NATIONAL TOBACCO ADMINISTRATION  
 Quezon City

PROGRAM/PROJECT TITLE: Regulatory Impact Assessment Capability Building, Annual Regulatory Planning, Implementation, Management, Monitoring and Evaluation

Period Covered From: January 2020 To: December 2021

Project Activities	Location	Percent Weight (%)	Performance/Output		Effective No. of Days to Complete	Schedule		Resource Requirement per Activity (PHP)				Total Budgetary Reqt. Per Activity	Responsible Persons	Man day Utilization					
			Indicators	Targets		Start	Completion	Travel	Supp & Maint	Equip	Manpower				Others				
<b>A. RIA Management Committee and Technical Working Group</b>																			
1. Identification/revision of committee of TMO members	C.O.	2.00%	Number of Management Committee TMO Members	3 Top Management TMO Members	3 days	02/02/20	03/31/20				1,300,000.00	0	0	0	0	0	3	Admin. Staff for Operations, Deputy Admin. Staff for Support Services, FE Manager	3
2. Issuance of SOA in Order	C.O.	2.00%	Approved SOA	16 SOA	1 day	02/01/20	03/31/20				0	0	0	0	0	0	1	Admin. Staff for Operations, Deputy Admin. Staff for Operations, Deputy Admin. Staff for Support Services, FE Manager	1
<b>B. Capability Building of Selected NTA Officials and Employees</b>																			
1. Identification of list of staff of sub-division	C.O.	2.00%	Number of Participants to SOA Training Workshop	3 Top Management, 12 Managers & 24 Employees	3 days	02/01/20	03/31/20				0	0	0	0	0	0	3	Admin. Staff for Operations, Deputy Admin. Staff for Operations, Deputy Admin. Staff for Support Services, FE Manager	3
2. Issuance of SOA in Order and Memorandum for approval of Training Workshop	C.O.	2.00%	Approved SOA	16 SOA	1 day	02/01/20	03/31/20				0	0	0	0	0	0	1	Admin. Staff for Operations, Deputy Admin. Staff for Operations, Deputy Admin. Staff for Support Services, FE Manager	1
3. Issuance of SOA in Order as Resource Specialist	C.O.	2.00%	Number of Resource Specialists	4 Experts	8 days	02/01/20	06/30/20				0	0	0	0	0	0	8	Admin. Staff for Operations, Deputy Admin. Staff for Operations, Deputy Admin. Staff for Support Services, FE Manager	8
4. Conduct of RIA Training Workshop	C.O.	20.00%	Number of Experts for RIA Workshops	8 Experts for 4 Workshops	8 days	02/01/20	06/30/20				0	0	0	0	0	0	8	Admin. Staff for Operations, Deputy Admin. Staff for Operations, Deputy Admin. Staff for Support Services, FE Manager	8

C. Regulatory Impact Assessment:													
1. Preparation and submission of Agency Regulatory Impact Assessment (ARIA)	0.0	20,000	Number of ARIAs prepared and submitted to ARIA	1,482 submitted prior to March 7	29 days	01/01/20	03/07/20						3
2. Approval of Regulatory Impact Assessment (RIA) by the Board	0.0	20,000	Number of RIA's approved by the Board	1,482 RIA's approved	60 days	07/01/20	08/31/20						9
D. Monitoring & Evaluation in the Implementation of Regulation													
1. Monitoring for the progress of RIA's output	0.0	10,000	Percentage of RIA's approved by the Board	90% of RIA's approved by the Board	60 days	10/01/20	12/31/20						2
2. Evaluation on the effect of RIA's on the regulated entities	0.0	10,000	Feedback received by regulated entities on the RIA's	90% of regulated entities	30 days	01/01/21	01/31/21						4
<b>TOTAL</b>		<b>40,000</b>						<b>1,504,320.00</b>					
								<b>895,100.00</b>					<b>2,228,220.00</b>



# CASH FLOW

CPD Form 001-A Monthly Cash Flow

Program/Project: Regulatory Impact Assessment Capability Building, Annual Regulatory Planning, Implementation, Management, Monitoring and Evaluation

Department/Branch: Regulation Department

Republic of the Philippines  
Department of Agriculture  
NATIONAL TOBACCO ADMINISTRATION  
Cagayan City

PARTICULARS/ EXPENSE ITEM	2025												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TOTAL (PHP)
1. Travel Expenses													
a. For Clients													
a) PHP2,420 x 18 head x 3		132,000.00											132,000.00
b) PHP2,420 x 18 x 2 day			43,500.00										43,500.00
c) PHP2,420 x 18 head x 5				21,750.00									21,750.00
d) PHP2,420 x 18 head x 4					21,750.00								21,750.00
e) PHP820 x 111 head x 4 day						174,240.00							174,240.00
f) Gasoline							174,240.00						174,240.00
g) Travel Expenses													
h) Toll Fee													
i) Other Travel Expenses													
j) Honorarium					170,000.00								170,000.00
k) PS,500/2day/regular person * 4					170,000.00								170,000.00
l) * regular employees * 8 days													
m) Misc's		24,500.00	8,100.00		59,250.00	92,250.00	32,400.00	32,400.00		73,800.00	73,800.00	73,800.00	592,000.00
n) PHP200.00 per day							200,000.00			200,000.00			200,000.00
TOTAL		132,000.00	51,600.00	21,750.00	459,250.00	486,000.00	200,000.00	200,000.00		209,100.00	209,100.00	209,100.00	2,219,320.00

## BUDGET

PROJECT: Regulatory Impact Assessment Capability Building, Annual Planning, Implementation, Management, Monitoring and Evaluation

Details/Breakdown of the Budget	2025
1. Travel Expenses (For Client/Regular Fee)	435,000.00
2. Honorarium	170,000.00
PS,500/2day/regular person * 4 regular employees *	
8 days/regular employees * 21 days	
3. Misc's	603,320.00
a) PHP200.00 per day	
TOTAL	2,219,320.00



## NATIONAL TOBACCO ADMINISTRATION

### FOR FURTHER INFORMATION CONTACT:

Name of Contact Person: **Atty. ROHBERT A. AMBROS**

Designation: **Department Manager III, Regulation Department**

Email: **rd\_nta07@yahoo.com**

Office Landline/ Office Mobile Phone Number: **(02)8532-1009/0919-370-0629**

**BELINDA S. SANCHEZ**  
**Administrator and CEO**  
**National Tobacco Administration**



# NATIONAL TOBACCO ADMINISTRATION

## Regulatory Notification Form Regulation # 1:

<b>A. PROPONENT AGENCY DETAILS</b>			
<b>1. PROPONENT AGENCY</b>	<b>DEPARTMENT OF AGRICULTURE – NATIONAL TOBACCO ADMINISTRATION</b>		
<b>2. Accountable/ contact officer:</b>	<b>2a. Name</b>	1. Hon. Belinda S. Sanchez, 2. Hon. Nestor C. Casela, 3. Hon. Benedicto M. Savellano, 4. Ms. Milagros C. Tiu, 5. Atty. Rohbert A. Ambros, 6. Ms. Fortuna C. Benosa, 7. Ms. Eleanor A. Rapanut, 8. Ms. Lorelie B. Figarola, 9. Ms. Russel R. Rutab, 10. Mr. Primitivo M. Abalos, Jr.	
	<b>2b. Designation</b>	1. Administrator and CEO, 2. Deputy Administrator for Operations, 3. Deputy Administrator for Support Services, 4. Department Manager III, Finance Department 5. Department Manager III, Regulation Department 6. Department Manager III, CorPlan Dept. 7. Chief Tobacco Production & Regulation Officer 8. OIC-Chief Accountant, 9. OIC- Budget Officer, 10. OIC-Chief TPRO	
	<b>2c. Phone Number</b>	(02) 8532-1009	
	<b>2d. Email</b>	<a href="mailto:ata.oad.ceo@gmail.com">ata.oad.ceo@gmail.com</a> <a href="mailto:ed_nia07@yahoo.com">ed_nia07@yahoo.com</a>	
<b>3. Date</b>	February 18, 2025		
<b>B. REGULATION DETAILS</b>			
<b>1. TITLE / SUBJECT</b>	INCREASE OF REGULATORY FEES		
<b>2. ACTION</b>	<input type="checkbox"/> <i>New</i> <input type="checkbox"/> <i>Regulation /Amendment / Repeal of Existing</i>		
<b>3. EFFECT ON STOCK</b>	Amend the rate of existing regulatory fees which had ben in effect for more than 5 years		
<b>4. CLASSIFICATION</b>	<input type="checkbox"/> <b>Business-Related</b> <input type="checkbox"/> <b>Non-Business Activity</b> <input checked="" type="checkbox"/> <b>Government Service-Related</b>		
<i>or Business-Related Regulations</i>		<i>For Non-Business Regulations</i>	
<b>a. Sector</b>	Government	<b>a. Stage of Life</b>	
<b>b. Stage of Business</b>	Registration/Licensing / Issuance of Commodity Clearance/ Inspection	<b>b. Life Event</b>	





# NATIONAL TOBACCO ADMINISTRATION

	of commodities		
<b>c. Case Use</b>	Licensing/Issuance of Commodity Clearance and Certificate of Inspection of commodities	<b>c. Case Use</b>	
<b>5. JURISDICTION</b>	<input type="checkbox"/> National <input type="checkbox"/> Regional <input type="checkbox"/> City/Municipality-wide		

<b>C. CONSULTATIONS CONDUCTED</b>	
1. HAS THIS BEEN SUBJECTED TO STAKEHOLDER CONSULTATION AND/OR COMMENTS? <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> ONGOING	
<b>D. SUMMARY OF REGULATION</b>	
1. PROBLEM ADDRESSED/CHANGES TO BE MADE BY THE REGULATION	
The revision will promote full recovery of cost of services to free other government revenues for priority projects; and to ensure equitable distribution of the burden of cost recovery by having the direct recipients of governments services account for the costs to improved regulatory services for the best interest of the stakeholders.	
2. TIMELINE OF PIA AND RIA PROCESS	
Not later than December 31, 2025	
<b>E. CLASSIFICATION OF REGULATION</b>	
1. PROPOSED CLASSIFICATION	<input type="checkbox"/> Major Regulation <input type="checkbox"/> Exempted Regulation <input type="checkbox"/> Minor Regulation <input type="checkbox"/> Emergency Regulation
2. JUSTIFICATION	To increase the rate of regulatory fees which had been in effect since 2019 or more than 6 years now.



# NATIONAL TOBACCO ADMINISTRATION

## Regulation # 2: COMPENDIUM OF NTA RULES AND REGULATIONS

### PRELIMINARY IMPACT STATEMENT

<b>Name of Regulatory Proposal</b>	<b>COMPENDIUM OF THE NTA RULES AND REGULATIONS GOVERNING THE TRADING AND REDRYING OF LOCALLY GROWN LEAF TOBACCO; MANUFACTURE/ PROCESSING OF TOBACCO PRODUCTS; AND, EXPORTATION, IMPORTATION AND TRANSSHIPMENT OF LEAF TOBACCO, TOBACCO PRODUCTS AND OTHER TOBACCO RELATED MATERIALS, SPARE PARTS/MACHINES AND INGREDIENTS</b>	
<b>Status</b>	Existing but for amendment	
<b>Legal Bases</b>	Executive Order No. 245, Series of 1987, granting to the NTA the power to regulate the Philippine tobacco industry and to promulgate and enforce rules and regulations on the production, standardization, classification, grading and trading of tobacco and tobacco products as may be necessary to attain its purposes and objectives and to pursue the policy of government on tobacco.	
<b>Key Content of the New Regulation/ Amendment</b>	The amendment thru the consolidation of three (3) separate rules and regulations of the National Tobacco Administration intends to unify, simplify and facilitate the processes as well as expedite the procedures by eliminating redundant, repetitive and overlapping processes for more effective and efficient implementation thereby promoting welfare of the public and sustainable development.	
<b>Agency</b>	Department of Agriculture - National Tobacco Administration	
<b>Accountable/ Contact Officer</b>	<b>Name</b>	Nestor C. Casela; Atty. Rohbert A. Ambros
	<b>Designation</b>	Deputy Administrator for Operations; Department Manager III, Regulation Department
	<b>Phone number</b>	85321009
	<b>Email address</b>	nta_daopoffice@yahoo.com rd_nta07@yahoo.com
<b>Approving Authority</b>	<b>Name</b>	Belinda S. Sanchez
	<b>Designation</b>	Administrator and CEO
	<b>Email address</b>	<a href="mailto:nta.oad.ceo@gmail.com">nta.oad.ceo@gmail.com</a>



# NATIONAL TOBACCO ADMINISTRATION

Date of approval

To be announced





# NATIONAL TOBACCO ADMINISTRATION

## Summary of the Regulatory Proposal

### Briefly describe the proposal in a clear and concise statement:

Explain the policy problem and the objectives of any government action.

- As a regulated commodity, the regulation on the trading of tobacco is imbued with public health interest in consonance with the state policy to protect the populace from the harm of tobacco products. In addition, tobacco commodity is heavily taxed which contributes to the proliferation of illicit activities, hence, strict regulatory measures are needed to prevent the tobacco from being handed down to illicit traders/manufacturers which account to P50 Billion losses of national government revenue annually.
- The NTA currently implements three (3) separate rules and regulations, each having separate but entirely similar procedure. The first regulation issued in 1978 pertains to trading and redrying of locally grown leaf tobacco. In 2004, the NTA issued the regulation on the exportation, importation and transshipment. Finally, in 2011, the NTA issued the rules on the accreditation of manufacturers.
- There are individuals or companies that are covered by the three (3) regulations and they file their applications for licenses/permits/commodity clearance separately. As such, this separate filing entailed additional administrative costs and overhead expenses on the part of the applicants. On the part of the NTA, the processing and approval of applications becomes redundant and repetitive entailing additional Personal Services and MOOE expenses.
- The proposed amendment will unify, simplify and facilitate the processes as well as expedite the procedures by eliminating redundant, repetitive and overlapping processes.

Identify alternative options considered to address the policy problem and summarize their impacts.

- Impact of Option I (Do Nothing/Status Quo) – The retention of separate rules and regulations will not address the current problem of redundancy and repetitive processes, hence, stakeholders and NTA will continue to incur unnecessary costs.
- Impact of Option II (Non-Regulatory/Information Provision) – The option of non-regulation will only lead the regulation of tobacco commodities into a chaotic situation wherein fly-by-night traders will proliferate thereby adding to the current number of illicit traders and manufacturers. Also, conducting intensified education and information drive will only add to the cost on the part of the NTA. Further, there is no available data at hand to show that education & information campaigns will save cost and time.
- Impact of Option III (Consolidation) – Offers ease in doing business by offering one stop-shop process for all NTA procedures thereby saves costs and time on the part of the applicants and the NTA.

Provide a justification for the recommended option and rejection of other options.

- Option III is recommended as this will address the policy problem by facilitating procedures and saves time, administrative and overhead expenses. Further, workloads of process owners will also decrease by 60% of the total processing time with the elimination of redundant and repetitive procedures.



# NATIONAL TOBACCO ADMINISTRATION



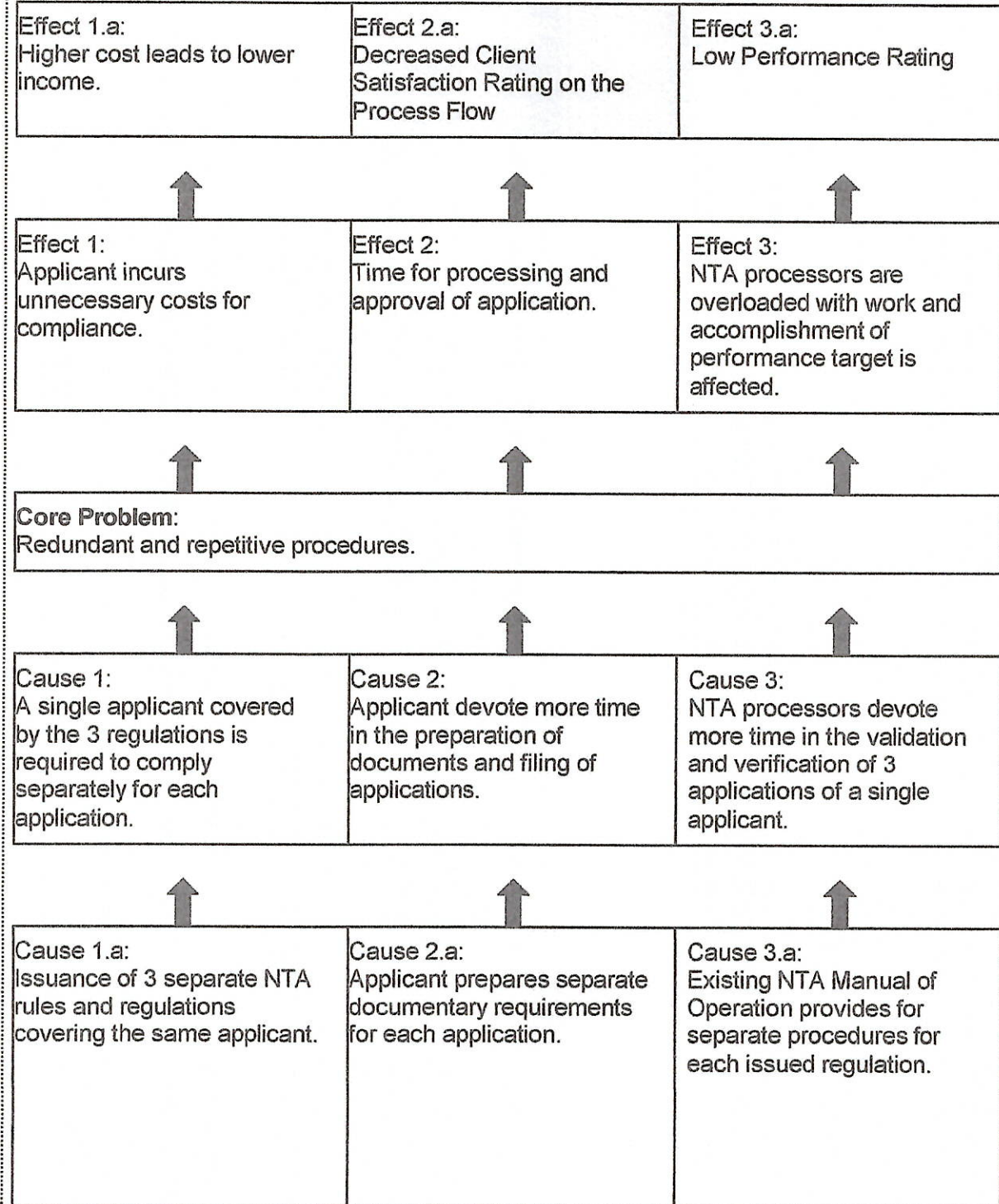


# NATIONAL TOBACCO ADMINISTRATION

## I. Identification of the Policy Problem

**Briefly explain the problem.**

*A Problem Tree may be used to identify the core problem, along with its causes and effects.*







## NATIONAL TOBACCO ADMINISTRATION

### **Provide a clear and concise problem statement.**

The implementation of three (3) NTA regulations covering separate but related activities for the same stakeholders are counterproductive due to unnecessary waste of time and financial resources for compliance therewith. Further, these redundant and repetitive procedures is not in accordance with State policy under the Ease of Doing Business Act, that is, to take appropriate measures to promote transparency in each agency with regard to the manner of transacting with the public, which shall encompass a program for the adoption of simplified requirements and procedures that will reduce red tape and expedite business and nonbusiness related transactions in government.

### **Show evidence of the magnitude or seriousness of the problem and/or number of affected stakeholders.**

- Out of the 484 licenses issued for 2024, 212 of which were issued to 27 entities which applied for at least two (2) or more licenses for the following: 1) local trading/redrying/wholesale tobacco dealership; 2) Exportation/Importation/Transshipment; and 3) Manufacturing/Processing of Tobacco Products. Each license application requires documentary requirements similar to other license applications but are required to be submitted separately per application by a single entity.

## II. Objectives of Government Action

### **Briefly identify clear and specific policy objective(s) of government action.**

*State the objectives of the proposal in terms of what is to be achieved. The objectives should be specific, measurable, achievable, relevant, and time-bound (SMART).*

- The consolidation of separate but related procedures provided under the three (3) NTA Rules and Regulations aims to unify, simplify and facilitate the processes involved therein. This will expedite time and the procedures by eliminating redundant, repetitive and overlapping processes for more effective and efficient implementation thereby promoting welfare of the public and sustainable development.

## III. Consideration of Alternative Options

### **Briefly identify alternative options to address the policy problem.**

*Specify the options being considered to achieve the objective. Include Do-Nothing or Status Quo Approach as Option 1. Best to have a minimum of three options. Identify the causes of the problem the options will address and the pros and cons of each option (e.g., cons may include limitations or constraints due to election commitments, other regulations. etc.)*



## NATIONAL TOBACCO ADMINISTRATION

### Option 1: Do Nothing/Status Quo:

**Pros:** No cost to be incurred.

**Cons:** Higher cost leads to lower net income. More time is devoted for related procedure and is counter-productive.

### Option 2: Non-regulatory Options (Information provision):

**Causes of the problem this option will address:** None.

**Pros:** None.

**Cons:** The option of non-regulation will only lead the regulation of tobacco commodities into a chaotic situation wherein fly-by-night traders will proliferate thereby adding to the current number of illicit traders and manufacturers. Also, conducting intensified education and information drive will only add to the cost on the part of the NTA. Further, there is no available data at hand to show that education & information campaigns will save cost and time.

### Option 3: Consolidation of Procedures:

**Causes of the problem this option will address:** Facilitates the filing of application and shortens the time of approval of different licenses/permits.

**Pros:** Shortens time devoted for compliance and saves unnecessary administrative and overhead expenses, thus increases net income.

**Cons:** Minimal cost for the review and amendment of the rules and regulations.

## IV. Impact Analysis of Policy Options

Undertake an impact analysis of the different options and state the following:

Cost of compliance to the regulated entities, e.g., firms/citizens

Cost Assumptions	Option 1: Do Nothing/Status Quo	Option 2: Non-Regulation Option/Information Provision	Option 3: Consolidation of Similar Procedures of Different Regulations



## NATIONAL TOBACCO ADMINISTRATION

Administrative Burden (information obligation)	Preparation of 1 set of requirements per application: 1. Accomplishment of	1. Time and cost spent for conducting information	1. Revision of existing rules and regulations. 2. Filing of one application and
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# NATIONAL TOBACCO ADMINISTRATION

	<p>Application for License/Permit.</p> <ol style="list-style-type: none"> <li>2. Accomplishment of Information Sheet</li> <li>3. Accomplishment of Designation Order</li> <li>4. Submission of Articles of Incorporation</li> <li>5. Submission of the Clearance from the Branch Office where the BS is located and as to the payment of R &amp; R Fees and other obligations</li> <li>6. Submissions of the photocopy of audited Financial Statement and Income Tax Returns of the BS operator</li> <li>7. Submissions of duly notarized Purchase Commitment and Financial Guarantee and Performance Bond, for Buyers without Marketing Agreement</li> <li>8. Submission of List of farmer-cooperators with copy of the Marketing Agreement, including their personal circumstances</li> <li>9. Submission of names and duly notarized Designation Letter of Field Canvassers and the specific areas they intend to purchase tobacco from FCs contracted by their principal BS</li> <li>10. Submission of List of contracted WTDs</li> </ol>	<p>campaign and/or orientation seminars.</p>	<p>preparation of one set of documentary requirement for all types of licenses, as follows:</p> <ol style="list-style-type: none"> <li>a.1. Accomplishment of Application for License/Permit.</li> <li>a.2. Accomplishment of Information Sheet</li> <li>a.3. Accomplishment of Designation Order</li> <li>a.4. Submission of Articles of Incorporation</li> <li>a.5. Submission of the Clearance from the Branch Office where the BS is located and as to the payment of R &amp; R Fees and other obligations</li> <li>a.6. Submissions of the photocopy of audited Financial Statement and Income Tax Returns of the BS operator</li> <li>a.7. Submissions of duly notarized Purchase Commitment and Financial Guarantee and Performance Bond, for Buyers without Marketing Agreement</li> <li>a.8. Submission of List of farmer-cooperators with copy of the Marketing Agreement, including their personal circumstances</li> <li>a.9. Submission of names and duly notarized Designation Letter of Field</li> </ol>
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# NATIONAL TOBACCO ADMINISTRATION

	<p>where he/she will sell his/her leaf tobacco acceptances</p> <p>11. Submission of the vicinity/location and floor plan of the BS</p> <p>12. Submission of the Mayor's Permit for the current year or proof of payment issued by the municipality/city where the buyer applied for the Mayor's Permit</p> <p>13. Submission of photocopy of Official Receipt of Registration Fee for attendance to the Orientation/Seminar conducted by the NTA</p> <p>14. Submission of the photocopy of preceding year's License</p>		<p>Canvassers and the specific areas they intend to purchase tobacco from FCs contracted by their principal BS</p> <p>a.10. Submission of List of contracted WTDs where he/she will sell his/her leaf tobacco acceptances.</p> <p>a.11. Submission of the vicinity/location and floor plan of the BS</p> <p>a.12. Submission of the Mayor's Permit for the current year or proof of payment issued by the municipality/city where the buyer applied for the Mayor's Permit</p> <p>a.13. Submission of photocopy of Official Receipt of Registration Fee for attendance to the Orientation/Seminar conducted by the NTA</p> <p>a.14. Submission of the photocopy of preceding year's License</p>
<p><b>Substantive Compliance Costs</b> (implementation, direct labor, overhead, equipment, materials, external services)</p>	<p>1. Transportation cost in filing of application and supporting documents, per type of license/permit.</p> <p>2. Cost of printing of forms to be filled-up and photocopying of supporting documents for each license</p>	<p>1. Time spent in attending education and information campaigns and/or orientation seminars.</p>	<p>1. Time spent in attending orientation/seminar for the use of the digital format;</p> <p>2. Time spent in accomplishing application forms</p>





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	application. 3. Time spent in accomplishment/filing of application/ photocopying of supporting documents, per license type		
<b>Direct Financial Costs</b> (fees, charges paid to the regulatory agency)	1. Processing/ License Fee doubled/tripled 2. Photocopying of Official Receipts/approved licenses doubled/tripled		1. Processing Fee 2. One time photocopying of Official Rece
<b>Cost of Delay</b> (number of days that it takes to apply and process the application)	1. 7 days waiting time for the approval of additional licenses/permit.		1. None

Costs to be incurred by the regulatory agency to implement the options (e.g. conducting information campaigns, developing auditing systems for monitoring, hiring new staff, etc.)

<b>Cost Assumptions</b>	<b>Option 1: Do Nothing/Status Quo</b>	<b>Option 2:</b>	<b>Option 3:</b>
<b>Administration and Enforcement Costs</b>	1. Check completeness of application documents, per type of license 2. Issuance of Official Receipt 3. Transmittal of application from Branch Office to Central Office 4. Validation of transmitted application by the Regulation Department-CO. 5. Approval license/permit by the Administrator.	1. Conduction of information campaigns and orientation seminars.	1. One time checking of completeness of application documents 2. Issuance of Official Receipt 3. Transmittal of application from Branch Office to Central Office 4. Validation of transmitted application by the Regulation Department-CO. 5. Approval license/permit by the Administrator.





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### Description of benefits

Benefit Assumptions	Option 1: Do Nothing/Status Quo	Option 2: Non-Regulation	Option 3: Consolidation
Stakeholder 1: Buying Station	1. None	1. None	1. Reduction of time of approval by 100% of the processing of succeeding application of another license/permit 2. No transportation cost in filing and receipt of additional license/permit 3. Eradication of time for the transmittal of application from the Branch Office to the Central Office
Stakeholder 2: Redrying Plant	1. None	1. None	1. Reduction of time of approval by 100% of the processing of succeeding application of another license/permit 2. No transportation cost in filing and receipt of additional license/permit 3. Eradication of time for the transmittal of application from the Branch Office to the Central Office
Stakeholder 3: Wholesale Tobacco Dealer	1. None	1. None	1. Reduction of time of approval by 100% of the processing of succeeding application of another license/permit 2. No transportation cost in filing and receipt of additional license/permit 3. Eradication of time for the transmittal of



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			application from the Branch Office to the Central Office
Stakeholder 4: Exporter	1. None	1. None	<ol style="list-style-type: none"> <li>1. Reduction of time of approval by 100% of the processing of succeeding application of another license/permit</li> <li>2. No transportation cost in filing and receipt of additional license/permit</li> <li>3. Eradication of time for the transmittal of application from the Branch Office to the Central Office</li> </ol>
Stakeholder 5: Importer	1. None	1. None	<ol style="list-style-type: none"> <li>1. Reduction of time of approval by 100% of the processing of succeeding application of another license/permit</li> <li>2. No transportation cost in filing and receipt of additional license/permit</li> <li>3. Eradication of time for the transmittal of application from the Branch Office to the Central Office</li> </ol>
Stakeholder 6: Transshiper	1. None	1. None	<ol style="list-style-type: none"> <li>1. Reduction of time of approval by 100% of the processing of succeeding application of another license/permit</li> <li>2. No transportation cost in filing and receipt of additional license/permit</li> <li>3. Eradication of time for the transmittal of application from the</li> </ol>



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			Branch Office to the Central Office
Stakeholder 7: Manufacturer/Processor	1. None	1. None	1. Reduction of time of approval by 100% of the processing of succeeding application of another license/permit 2. No transportation cost in filing and receipt of additional license/permit 3. Eradication of time for the transmittal of application from the Branch Office to the Central Office

## V. Consultation

Provide information on the plan for consultations.

A. List and map the stakeholders to identify the level of power and interest for the subject proposal.

<i>High</i>	<b>LATENTS</b> <b>(High Power, Low Interest)</b> Strategy: Keep satisfied  Media Group	<b>PROMOTERS</b> <b>(High Power, High Interest)</b> Strategy: Manage closely  Buying Stations Wholesale Tobacco Dealers Redrying Plants Exporters/Importers/Transshippers Manufacturers/Processors
	<b>APATHETICS</b> <b>(Low Power, Low Interest)</b> Strategy: Monitor  NTA Employees	<b>DEFENDERS</b> <b>(Low Power, High Interest)</b> Strategy: Keep informed  Tobacco farmers Tobacco farmers association/cooperatives Clients of licensed entities
<i>Low</i>	<i>Low</i>	<i>High</i>



**B. State the objectives of the consultation in each RIA step.**

<b>RIA Steps</b>	<b>Consultation Objectives</b>	<b>Stakeholders Involved</b>
Problem Analysis and Objective Setting	To get feedback on the on the current licensing procedures	Buying Stations Wholesale Tobacco Dealers Redrying Plants Exporters Importers Transshippers Manufacturers/Processors
	To assess the current licensing procedures if still workable	
	To ask assistance in information dissemination for the conduct of consultation meeting in the consolidation of all licensing procedures	Media Group
	To request inputs/recommendations on good practices for other measures they are implementing to improve performance ratings	NTA Employees
	To get feedback on their experiences in dealing with the licensed entities	Tobacco farmers Tobacco farmers associations/cooperatives Clients of licensed entities
Options Identification	To ask for their inputs/recommendations to facilitate the licensing procedures	Buying Stations Wholesale Tobacco Dealers Redrying Plants Exporters Importers Transshippers Manufacturers/Processors
	To ask for their inputs/recommendations to consolidate the licensing procedures	
	To ask for their inputs/recommendations to improve their dealings with	Tobacco farmers Tobacco farmers associations/cooperatives





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	licensed entities	Clients of licensed entities
	To ask for their inputs/recommendations to consolidate all licensing procedures	Branch Offices/Regulation Department/Office of the Administrator
Impact Assessment	To identify possible economic impacts of the proposed options/recommendations	Buying Stations Wholesale Tobacco Dealers Redrying Plants Exporters Importers Transshippers Manufacturers/Processors
	To gather possible social impact from best practices in implementing similar regulations	NTA Employees
	To identify economic impacts of the proposed options/recommendations	Tobacco farmers/Tobacco farmers associations/cooperatives Clients of licensed entities
Implementation, Monitoring, and Evaluation Planning	To discuss effectiveness of one time application of all licenses/permits	Buying Stations Wholesale Tobacco Dealers Redrying Plants Exporters Importers Transshippers Manufacturers/Processors
	To disseminate consolidated licensing procedures	Media Group
	To gather feedback of traders/farmers on the on the consolidated procedures	NTA Employees
	To gather feedback of traders/farmers on the one time application of License/permit.	Tobacco farmers/Tobacco farmers associations/cooperatives Clients of licensed entities





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### VI. Conclusion and Recommended Option

#### State clearly the recommended option:

Provide a summary of the impact analysis of the different policy options.

Option 1: Do Nothing/Status quo - Problem on the redundant and repetitive processes will persist.

Option 2: Non-Regulation/Information Provision - Lead into a chaotic situation wherein unregulated fly-by-night traders will proliferate thereby adding to the current number of illicit traders and manufacturers. Also, conducting intensified education and information drive will only add to the cost on the part of the NTA.

Option 3: Consolidation of Procedures - Facilitates and expedites the application, processing and approval of licenses and permits and saves unnecessary administrative and overhead expenses, thus increases net income.

State the recommended option and explain briefly how it will confer the greatest net benefit for the stakeholders, and the economy as a whole.

- Option III – **Consolidation of Procedures** is recommended to be adopted to facilitate and expedite the application, processing and approval of licenses and permits by decreasing the processing time by 66%. Applicants can save costs, time and effort in submitting separation applications and supporting documents. As a result, applicants saves time for compliance and attain higher net income by eliminating unnecessary administrative and overhead expenses.

Explain how the regulatory agency will implement, monitor, and evaluate the recommended option and how the stakeholders will comply with the recommended option.

#### A. Implementation Plan

1. Who will enforce the option?
  - The Regulation Department and Branch Offices receive and process applications.
  - The Finance Department will issue Official Receipts for the payment of License Fee.
  - The Office of the Administrator will approve the License/Permit.
2. What is the institutional capacity required to enforce the option?
  - Regulation Department and Branch Office processors are familiar with the existing procedures.
3. Are there any unnecessary burdens that could affect compliance?
  - None.
4. What will be the sanction for not complying? How realistic are the sanctions? Are they for deterrent purposes? Are they for enforcing punishment?
  - None.





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5. Are there any unintended consequences of the sanctions?
    - None.
  6. Will there be a lead time or grace period before the sanctions will be enforced?
    - None.
- B. Monitoring and Evaluation Plan
1. What are the main indicators that will measure the achievement of the goals or progress toward them?
    - Reduction of the number of days for the processing and approval of succeeding applications by 66%.
  2. When will the monitoring and evaluation happen? How frequently?
    - Within one (1) year from the start of implementation, and every year thereafter.
  3. Who will conduct the monitoring and evaluation?
    - Regulation Department and Branch Offices for the implementation of the new procedures.
    - Corporate Planning Department for the evaluation and monitoring of implementation;
    - Internal Audit Department for the compliance with internal controls and Quality Management System
  4. Who will be accountable for the success of delivery/implementation?
    - Regulation Department
  5. To whom will they be accountable?
    - Head of the agency, Deputy Administrator for Operations and NTA Governing Board
  6. Can a sunset clause be introduced? If not, indicate when a review will happen.
    - No sunset clause. Review of consolidated procedures will be conducted after one (1) year from start of implementation.

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**SUMMARY OF MINOR REGULATIONS REVIEWED - NOT APPLICABLE**