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MAY 21 2013

**MEMORANDUM CIRCULAR
NO. 03 - 2013**



T O : All Port District Managers, Port Managers and Others Concerned

F R O M : The General Manager

SUBJECT : Clarificatory Guidelines Re Proper Implementation of Section 10.6, Article IV of PPA AO No. 22-95 (Revised Guidelines on Real Estate Management) on the Granting of Preferential Rental Rate to Government Occupied Areas at the Ports

For the proper implementation of Section 10.6, Article IV of PPA AO No. 22-95 concerning the granting of preferential rental rate to government occupied areas at the ports, the following clarifications are hereby issued for compliance by all concerned:

1. The preferential rental rates indicated under AO 22-95, Article IV, Section 10.6 provides for reduced rental charges at 3% per annum of the appraised value of the original land and 1% per annum for the appraised value of improvement and to be extended to government agency/ies occupying port real estate in connection with the performance of their functions inside the ports as required by law.
2. The ₱1.00/sq.m./year or ₱1.00/year token fee imposed on various government agencies are supposed to cover land lease only. (Board Res. 1515 Explanatory Memo on Rent Rate of Areas Applied by Bureau of Customs)
3. On the other hand, lease of building improvements such as: office buildings, warehouses, etc. owned by PPA shall be based on the latest property appraisal as provided under Item 1.
4. Permanent improvements introduced by government lessees on its area/s shall become the property of the PPA upon expiration of the lease contract agreement.
5. Buildings or the permanent structures constructed inside the port by the government lessees shall not be subleased to other commercial users.

This Circular takes effect immediately.


JUAN C. STA. ANA

Gen4SMC Clarificatory Re Preferential Lease Rental-Final

VISION

By 2030, customers doing business in our ports shall experience full and sustained productivity, efficiency comfort, connectivity, safety and security.

MISSION

We commit to provide reliable and responsive services in our ports, sustain development of our port communities and environment and be a model corporate agency of the government.