



MAY 24 2016

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PPA Memorandum Circular
Number 07 - 2016

T O : The Port Managers
The RC Heads Concerned
All Shipping Lines/Shippers/Consignees
All Cargo Handling Operators
And All Other Port Users Concerned

SUBJECT : Procedural Guidelines on the Claims for Refund

1. Authority

Section 6.a)(iii) Presidential Decree No. 857
Article 1145 of the New Civil Code

2. Rationale

The refund of overpayment on charges and fees collected by the Authority shall be granted either as Cash Refund or thru the issuance of Credit Memo.

3. Coverage

These guidelines shall prescribe the procedures in processing the claims for cash refund or credit memo.

4. General Policies

- 4.1. The claim for refund applied by the port customer will depend on the nature of its transaction with the Authority, thus may either be cash refund or credit memo.
- 4.2. Refund thru the issuance of credit memo will cover transaction that resulted from overpayment due to erroneous or double billing of vessel and cargo charges.
- 4.3. Cash refund will apply on the following cases:
 - 4.3.1. Excess Payment – occurs when the check payment is greater than the amount billed in the Invoice. The excess payment that maybe allowed for cash refund must not be less than P100.00.
 - 4.3.2. Payment on undelivered ancillary port services – involves payment for the delivery of other port services by the Authority but were not rendered due to unavoidable circumstances. An example is the undelivered training services to port stakeholders.

VISION
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By 2030, PPA shall have provided globally competitive port service in the Philippines characterized by increased productivity, efficiency, connectivity, comfort, safety, security and environmental sustainability.

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MISSION

1. Provide reliable and responsive services in ports, sustain development of community and the environment, and be a model corporate agency of the government.
2. Establish mutually beneficial, equitable and fair relationship with partners and service providers
3. Provide meaningful and gainful employment while creating a nurturing environment that promotes continuous learning and improvement.
4. Establish a world class port operation that is globally competitive adding values to the country's image and reputation.

- 4.3.3. Bid Security - refers to the cash deposited by the winning bidder to guarantee the execution of the contract within a specified period of time.
 - 4.4. The claim for refund on the supposedly overpayment shall prescribe within six (6) years after the date of its actual payment.
 - 4.5. The Output VAT collected is not refundable since it can be claimed as Input VAT payment by VAT-registered port customer.
5. Procedures in Claim for Refund thru Credit Memo

The refund of vessel and cargo charges will be granted thru the issuance of Credit Memo that can be applied to future billings by PPA.

- 5.1. The concerned port customer shall submit to the Operating Unit the following documents to support the claim for refund:
 - 5.1.1. Letter Request of the port user for refund addressed to the concerned Port Manager
 - 5.1.2. Machine Copies of PPA Official Receipts/Invoices to be stamped with notation "verified correct and remitted to PPA's bank account" by the PMO, upon presentation of their original copies.
 - 5.1.3. Additional documents, but not limited to the following, which will guarantee the validity of the amount being claimed for refund:
 - 5.1.3.1. Charges against cargoes
 - a. Certification of the shipping lines attesting to any erroneous entry made.
 - b. Certification of the cargo handling operator on the actual cargoes handled.
 - c. Certification of shut-out issued by the shipping line.
 - 5.1.3.2. Charges against vessels
 - a. Dockage/Anchorage Report
 - b. Statistical Supplement and Oath of Master authenticated by the Harbor Master for overstated GRT.
 - c. Amended Dockage/Anchorage Report duly certified by Harbor Master for overstated staytime of the vessel
 - d. For foreign vessels, copy of the Contract of Agency or Special Power of Attorney between the principal and local ship agent.

5.2. Refund of vessel and cargoes charges amounting to P100,000.00 and below:

5.2.1. Upon receipt of request for adjustment of billing/refund from the port user concerned, PMO Port Services Division confirms the validity of the claim and endorses the same to the PMO Finance Division.

5.2.2. The PMO Finance Division confirms issuance of the supporting Official Receipts, evaluates request, reviews and determines the propriety and legality of the request based on existing tariff regulations and other pertinent guidelines.

5.2.3. Based on the findings, the PMO Finance Division endorses the request for refund to the Office of the Port Manager for his approval or disapproval.

5.2.4. The PMO Finance Division prepares the Credit Memo based on the Approved Claim for Refund and releases the same to the port user after application of outstanding account with the PMO.

5.3. Refund of Over P100,000.00 to P1.0 M

5.3.1. Upon receipt of the request for refund, the PMO Finance Division confirms the issuance of the supporting Official Receipts, evaluates and reviews the request to determine its propriety and legality based on existing tariff regulations and other pertinent guidelines.

5.3.2. Based on the findings, the Port Manager endorses the request to the AGM for Operations thru Commercial Services Department.

5.3.3. Commercial Services Department confirms the validity of the claim, the correctness of the computed amount and the completeness of supporting documents and endorses to AGM for Operations for his recommendation to approve or disapprove.

5.3.4. The AGM for Operations endorses his recommendation for the approval of the request to the AGM-Finance and Administration, thru Treasury Department.

5.3.5. Upon receipt of endorsement, Treasury Department confirms the authenticity of official receipts, verifies the unpaid accounts and prepares the Approved Claim for Refund.

5.3.6. The AGM-Finance and Administration signs the Approved Claim for Refund

5.3.7. Treasury Department processes the Approved Claim for Refund and issues Credit Memo to the PMO where the claim was filed.

5.3.8. The PMO Finance Division releases the Notice of Credit Memo to the port user after application of outstanding account with the PMO.

5.4. Refund of Over P1.0 Million

- 5.4.1. Upon receipt of the request for refund, the PMO Finance Division confirms the issuance of the supporting Official Receipts, evaluates and reviews the request to determine its propriety and legality based on existing tariff regulations and other pertinent guidelines.
- 5.4.2. Based on the findings, the Port Manager endorses the request to the AGM for Operations thru Commercial Services Department.
- 5.4.3. Commercial Services Department confirms the validity of the claim, the correctness of the computed amount and the completeness of supporting documents and endorses to AGMs for Operations and Finance and Administration for their recommendation to approve or disapprove.
- 5.4.4. The AGMs for Operations and Finance & Administration endorse their recommendation to the Office of the General Manager thru Treasury Department.
- 5.4.5. Upon receipt of endorsement, Treasury Department confirms the authenticity of official receipts, verifies unpaid accounts and prepares the Approved Claim for Refund.
- 5.4.6. The General Manager signs the Approved Claim for Refund.
- 5.4.7. Treasury Department processes the Approved Claim for Refund and issues the Credit Memo to the PMO where the claim was filed.
- 5.4.8. The PMO Finance Division releases the Credit Memo to the port user after application of the outstanding account with the PMO.

6. Procedures in Claim for Cash Refund

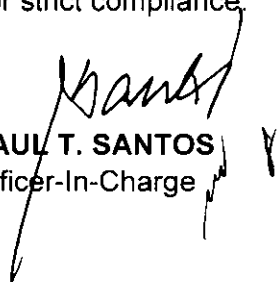
The requests for cash refunds will be evaluated and processed at the concerned RC in Head Office or PMO Finance Division regardless of the amount.

- 6.1. The concerned port customer submits to the Operating Unit (concerned RC in Head Office/PMO Finance Division) the following documents to support the claim for refund:
 - 6.1.1 Letter request of the port user/customer for refund addressed to the concerned RC in Head Office/PMO.
 - 6.1.2. Machine copies of PPA Official Receipts/Invoices to be stamped with notation "verified correct and remitted to PPA's account in bank" by the Operating Unit, upon presentation of their original copies.

- 6.2. The concerned RC in Head Office/PMO confirms the validity of the claim for refund and endorses to Treasury Department/PMO Finance Division for the preparation of the Approved Claim for Refund.
 - 6.3. The Treasury Department/PMO Finance Division prepares the Approved Claim for Refund for approval by the Assistant General Manager-Finance and Administration for Head Office transactions or Port Manager for PMO transactions.
 - 6.4. PMO Finance Division furnishes Treasury Department with a copy of the Approved Claim for Refund for the issuance of Notice of Cash Transfer.
 - 6.5. Treasury Department furnishes the RC concerned in Head Office (where the claim for refund was filed) with a copy of the Approved Claim for Refund for the preparation of disbursement voucher.
 - 6.6. Treasury Department/PMO Finance Division prepares and releases check to claimants of cash refunds.
7. Procedures in the Claims for Refund of Rental Deposits will be covered by separate guidelines.
 8. Repealing Clause.

This Memorandum Circular amends all orders, circulars, rules and regulations and other issuances inconsistent herewith are hereby repealed.
 9. This Memorandum Circular takes effect 30 days after publication in a newspaper of general circulation.

For strict compliance,


RAUL T. SANTOS
Officer-In-Charge

Published in the Philippine Star - May 27, 2016
Effectivity Date June 26, 2016