MEMORANDUM CIRCULAR NO. 2015-030

FOR: Economic Zone Locator Enterprises
     Economic Zone Administrators and Managers

FROM: Director General LILIA B. DE LIMA

DATE: 02 November 2015

SUBJECT: PNP-Regulated Chemicals
         Re: (a) Extension by PNP of Issuance of Temporary Permits
              Until 30 April 2016
         (b) Survey of Enterprises Using PNP-Regulated Chemicals

PEZA is engaged in a continuing dialogue with PNP officials on issues raised by PEZA enterprises pertaining to processes and costs in securing the required PNP License and Permits for PNP-regulated chemicals (explosives ingredients). Following one such dialogue, headed by the Secretary of the Department of Interior and Local Government (DILG), the PNP Chief approved the extension of the issuance of Temporary Permits for PNP-regulated chemicals up to 31 April 2015. The original period of PNP’s issuance of Temporary Permits expired on 31 October 2015. Attached is a copy of the approved guidelines for the Temporary Permit lifted from the Memorandum of the Chief of PNP’s Firearms and Explosives Division to the PNP Chief, as approved by the PNP Chief.

Further, in line with PEZA’s continuing dialogue with the Philippine National Police (PNP) toward a review of its policy and simplification of its procedures pertaining to its regulated chemicals, PNP officials requested PEZA for information on the number of PEZA enterprises using PNP-regulated chemicals, and the volume and frequency of their importations or local purchases thereof.

We therefore request all concerned locator enterprises to accomplish the attached survey form for this purpose. The information we will generate from this survey will also aid us in forthcoming discussions with PNP, particularly as to the impact of the PNP regulations in the operations of PEZA Enterprises nationwide.

We will appreciate receiving the accomplished Survey Forms not later than November 23, 2015. It is important that all enterprises concerned accomplish and submit the Survey forms.

For any questions, please contact Environmental Safety through email address ensd@peza.gov.ph or through telephone number (+632) 551-6561.

For your compliance.
SURVEY OF PEZA ENTERPRISES USING
PNP-REGULATED CHEMICALS

As per the accomplishment and submission of the survey form, please be guided by the following:

1. To ensure that the survey respondent is familiar with PNP-regulated chemicals, its importation/local purchase and use by the PEZA enterprise concerned, it is preferred that the Survey Form be accomplished by the Environment, Health and Safety (EHS) Officer or Pollution Control Officer (PCO) or Logistics personnel of the PEZA Enterprise or any other personnel in charge of purchasing regulated items.

2. Please send the accomplished form through email at ensd@peza.gov.ph, cc (copy furnish) the Zone Administrator/Zone Manager/Officer-in-Charge in the Zone location of the PEZA Enterprise through their respective email addresses.

3. The responses of the individual companies will be confidential to PEZA. Only aggregated data will be presented to the PNP.

We will appreciate receiving the accomplished Survey Forms not later than November 23, 2015. It is important that all enterprises concerned accomplish and submit the Survey forms.

For any questions, please contact Environmental Safety through the email address mentioned above or through telephone number (+632) 551-6561.
SURVEY OF PEZA ENTERPRISES USING PNP-REGULATED CHEMICALS

I. Company Name: ________________________________________________
   Economic Zone: ________________________________________________

II. Type of Activity (please Check the corresponding to the type of activity):
    □ Manufacturing       □ Logistics / Warehousing
    □ Others (please specify): ______________________________________

III. Contact Information of Survey Respondent:
    Name: _________________________________________________________
    Designation: _________________________________________________
    Contact #s: __________________________________________________
    email address: _______________________________________________

List of Chemicals (Explosives Ingredients) Regulated by PNP:

SET A: □ Chlorates
SET B: □ Others:
    □ Nitrates
    □ Nitric Acid

    □ Aluminum Granules
    □ Aluminum Powder
    □ Ammonium sulfate
    □ Amorphous phosphorus
    □ Barium chromate
    □ Di-nitro-toluene
    □ Emulsion matrix
    □ Gallic powder
    □ Glycerine
    □ Glycerol
    □ Hydrochloric acid
    □ Hydrofluoric acid
    □ Hydrogen chloride

    □ Hydrogen peroxide
    □ Nitrocellulose
    □ Nitroglycerine
    □ Phosphoric acid
    □ Phosphorus
    □ Phosphorus red
    □ Phosphorus
    □ Propylene glycol
    □ Slurry blast agent
    □ Slurry powder
    □ Sodium chlorite
    □ Sodium periodate
    □ Sodium sulphate
    □ Sodium nitrite
    □ Sulfur powder
    □ Sulfuric acid
    □ Tetryl
    □ Toluene

    □ Potassium iodate
    □ Potassium permanganate
    □ Potassium sulfate
A. **PNP-Regulated Chemicals used / procured by the PEZA Enterprise in its Pure Form (please add Rows as needed):**

<table>
<thead>
<tr>
<th>CHEMICAL</th>
<th>Mode of Procurement (pls. check)</th>
<th>Volume of ANNUAL Consumption/Procurement (pls indicate: kg. or MT)</th>
<th>Frequency of Importation / Procurement (Pls. Check / Indicate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Directly Imported</td>
<td>Purchased through PEZA-registered Ecozone Logistics Enterprise/s</td>
<td>Once a week</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. **Substances / Materials Containing PNP-Regulated Chemicals used / procured by the PEZA Enterprise (please add Rows as needed):**

<table>
<thead>
<tr>
<th>SUBSTANCE / MATERIAL Containing PNP-Regulated Chemical</th>
<th>PNP-Regulated Chemical Present in Substance / Material</th>
<th>Percentage (%) of the PNP-Regulated Chemical Present in Substance / Material</th>
<th>Mode of Procurement (pls. check)</th>
<th>Volume of ANNUAL Consumption/Procurement (pls indicate: kg. or MT)</th>
<th>Frequency of Importation / Procurement (Pls. Check / Indicate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Directly Imported</td>
<td>Purchased through PEZA-registered Ecozone Logistics Enterprise/s</td>
<td>Once a week</td>
<td>2 to 3 times / week</td>
<td>Once a month</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### On the PROCESS of Securing the License and Various Permits

<table>
<thead>
<tr>
<th></th>
<th>Question</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How many days did it take you to secure the required PNP License, from the time of filing of the application to the time of release of the License? What problems or difficulties did you encounter, if any?</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>How many weeks did it take you to secure any of the required Permits? What problems or difficulties did you encounter, if any?</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>What difficulties, if any, did you encounter in securing the services of a PNP escort?</td>
<td></td>
</tr>
</tbody>
</table>

### On the COST of Processing Fees and Escort Fees

<table>
<thead>
<tr>
<th></th>
<th>Question</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How much expense do you incur for payment of processing fees and PNP escort services for one shipment?</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>How much the estimated expense your Company will incur for the PNP License and Permits for a period of ONE YEAR?</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Other Comments</td>
<td></td>
</tr>
</tbody>
</table>
Approved guidelines for the Temporary Permit lifted from the Memorandum of Chief PNP re: "Request for Extension of Validity Period of the Issued Temporary Permit" dated 28 October 2015

6. To demonstrate our strong support for these industries, the undersigned recommends the extension of the validity period of the authority to grant temporary permits subject to the following conditions:

a) All applicants, whether existing regular licensees, new temporary permits holders (July 24, 2015-October 31, 2015) or forthcoming temporary license holders (as Manufacturers, Purchasers and/or Dealers) will be required to submit the following documentary requirements before their applications will be accepted, processed and approved:

a.1) Notarized letter request signed by the authorized representative indicating, among others, the controlled chemical/s to be procured, mode of procurement (local purchase or importation), delivery date/s, quantity (based on average monthly consumption and subject for partial/staggered delivery depending on the capacity of their storage facility), purity/grade. The request should also contain a declaration of the actual inventory of controlled chemicals as of the date of filing. Since the signatory is an authorized representative, he must attach a certified true copy of his valid company ID and Board of Director’s Resolution (for corporations)/Special Power of Attorney (for partnerships and sole proprietorships), as proof of his authority to transact on behalf of said entity.

a.2) Proof of payment of applicable permit fee (special bank receipt from Land bank of the Philippines).

a.3) Location, address and description of capacity of storage facility in terms of dimensions and safety specifications measured against quantity/volume of chemicals sought to be stored/warehoused; and

a.4) Notarized monthly consumption reports for the months of August and September (depending on the date when the temporary permit was issued).

b) If qualified/eligible, applicants will be granted a Temporary License which will be valid until April 30, 2016. License Fee shall be waived (free). Processing time: 5 working days excluding the date of submission of application. Final authorized signatory: Chief, Firearms and Explosives Office (FEO).
c) Applicants/licensees will be required to submit notarized monthly consumption/utilization reports to EMD, FEO within 10 calendar days of the succeeding month. Example, if the consumption was made on the 31st of October, 2015, the last day of filing of the Notarized Monthly Consumption/Utilization Report for the month of October is on November 10, 2015. If the submission date falls on a Saturday, Sunday or regular holiday, the report shall be submitted the day prior. Late or non-submission of monthly consumption/utilization report is a ground for cancellation of license and confiscation of available inventory of controlled chemicals pursuant to Sections 4E and 4F of R.A. No. 9516.

d) Validity period of Temporary Permit to Purchase and Move Explosives shall be for a non-extendible period of sixty (60) days only. Processing time: 3 working days excluding the date of submission of application. Permit fee is P1,500.00. Final authorized signatory: Chief, Firearms and Explosives Office (FEO).

e) Validity period of Temporary Permit to Unload shall be for a non-extendible period of sixty (60) days only. Processing time: 3 working days excluding the date of submission of application. Permit fee is P0.10/kg or P0.10/liter per EO 197. Final authorized signatory: Chief, Firearms and Explosives Office (FEO).

f) Validity period of Temporary Permit to Import shall be for a non-extendible period of sixty (180) days only. Processing time: 3 working days excluding the date of submission of application. Permit fee is P6,000.00 per EO 197. Final authorized signatory: Chief, Firearms and Explosives Office (FEO).

g) Validity period of Radio Message (for temporary permits) shall be for a non-extendible period of sixty (60) days only, one-time use only. Processing time: 3 working days excluding the date of submission of application. Final authorized signatory: Chief, Firearms and Explosives Office (FEO).

h) Whenever transacting with the PNP in connection with a pending PNP license or permit application, authorized representatives should always bring with them their valid company ID and certified true copy of Board of Director’s Resolution (for corporations)/Special Power of Attorney (for partnerships and sole proprietorships), as proof of their authority to transact on behalf of said entities.

i) Organic personnel of the PNP (uniformed and non-uniformed) are prohibited from making any representations on behalf of a license or permit applicant unless the same is part of his duties and functions;

j) The applicant, when granted a Temporary License to Possess Explosives/Explosive Ingredients and/or Controlled Chemicals, is required to submit within 60 days upon receipt of his temporary license, his application for the appropriate regular License to Possess Explosives/Explosive Ingredients and/or Controlled Chemicals to the appropriate PNP office subject to the list of requirements in Tab “A”, otherwise, his temporary license shall be cancelled and his inventory shall be subject for confiscation.

k) No amendment of the temporary license or any of the temporary permits shall be allowed.

l) A temporary license already issued will be automatically cancelled when its application for regular license has already been approved. Hence, it is mandatory that the temporary license holder must report to EMD, FEO to claim
his regular license within 3 calendar days upon receipt of a notification (via any
means of communication) relative thereto.

m) Any applicant who, for any reason not attributable to the PNP, fails to
secure a regular License to Possess Explosives/Explosive Ingredients and/or
Controlled Chemicals on or before April 30, 2016 shall be subject to the
provisions of Section 4F of R.A. No. 9516.