

07 June 2018

PMO Finance Memorandum Circular
No. 04-2018

TO : All PPA Cashiers/Assessors
All Division Managers
Consignees/Shippers
Others Concerned

SUBJECT: Implementing Guidelines in the Amendments Re Application of
the Daily Foreign Currency Exchange Rate (FCER) to Pilotage
Fees and Wharfage on Foreign Transshipment Cargoes

Pursuant to PPA Administrative Order 07-2018 dated 08 May 2018 and as published in the Philippine Star on 23 May 2018, the amendments on the application of FCER to pilotage fees and wharfage on foreign transshipment cargoes **which will take effect on 22 June 2018**, are as follows:

1. Pilotage fees assessed/charged against foreign vessels shall be subject to applicable government share. The exchange rate to be applied on the government share on the dollar rate prescribed pilotage charge shall be the **FCER prevailing at the date and time of vessel's departure**.
2. The FCER to be applied on wharfage of foreign transshipment cargoes shall be the **FCER at the date and time of last loading of transshipped cargo on the vessel**.

Attached is a sample application of Daily FCER on the government share on pilotage fees as well as wharfage on foreign transshipment cargoes.

All PPA orders, rules and regulations, policies, guidelines or circulars which are inconsistent herewith are hereby repealed and/or amended accordingly.

For information, guidance and reference.


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MAY 08 2018

PPA ADMINISTRATIVE ORDER
NO. 07 - 2018

TO : All Port Managers
Cargo Handling Operators
Consignees/Shippers
Others Concerned

SUBJECT : Application of the Daily Foreign Currency Exchange
Rate (FCER) to Pilotage Fees and Wharfage on Foreign
Transshipment Cargoes

Pursuant to Board Resolution No. 2688, the following amendments to PPA Administrative Order (AO) No. 05-2017 (*Prescription and Application of FCER to Dollar-Denominated PPA Port Charges*) are hereby prescribed:

- 1) Pilotage fees assessed/charged against foreign vessels shall be subject to applicable government share. The exchange rate to be applied on the government share on the dollar rate prescribed pilotage charge shall be the FCER prevailing at the date and time of vessel's departure.
- 2) The FCER to be applied on wharfage of foreign transshipment cargoes shall be the FCER at the date and time of last loading of transshipped cargo on the vessel.

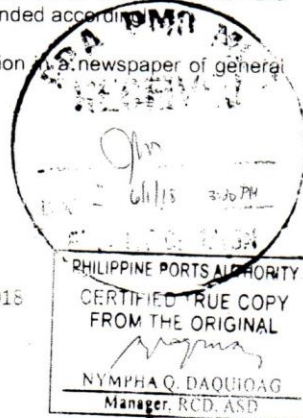
Sample application of FCER to the government share on pilotage fees as well as wharfage on foreign transshipment cargoes is attached for guidance and reference.

All PPA orders, rules and regulations, policies, guidelines or circulars which are inconsistent herewith are hereby repealed and/or amended accordingly.

This Order shall take effect 30 days after its publication in a newspaper of general circulation.

JAY DANIEL R. SANTIAGO
General Manager

Published in the Philippine Star - May 23, 2018
Effectivity Date June 22, 2018



¹By 2020, PPA shall have provided port services of global standards.

1. Provide reliable and responsive services in ports, sustain development of communities and the environment, and be a fully corporate agency of the government.
2. Establish a mutually beneficial, equitable and fair relationship with partners and service providers.
3. Provide meaningful and genuine employment while creating a nurturing environment that promotes continuous learning and innovation.
4. Establish a world-class port system on maritime, competitive, adding value to the country's trade and reputation.

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**Sample Application of the Daily Foreign Currency Exchange Rate
(FCER) on the 10% Government Share on Pilotage Fees and
Wharfage on Foreign Transshipment Cargoes**

A. 10% Government Share on Pilotage Fees

I. Assumption (Regular Pilotage)

A foreign vessel was conducted from the Pilot's Boarding Station to the MICP berthing area on January 25, 2018 at 7:00 AM. At 10:00 AM on the same day, the authorized ship's agent requested PPA for computation of 10% government share on pilotage presenting the Preliminary Berthing/Anchorage Report (PBAR) certified correct by ICTSI which stated that the vessel departure is January 26, 2018 at 9:30 AM. The Final Berthing/Anchorage Report (FBAR) submitted by ICTSI, showed that the vessel departure per PBAR and FBAR are the same.

1.1 Given

GRT of vessel	35,000 GRT	
Date/Time the pilot conducted the vessel to berth from the boarding Station	January 25, 2018	7:00 AM
Actual Date/Time of Vessel Departure from the port	January 26, 2018	9:30 AM
Pilotage Rate for foreign vessel with 35,000 GRT	US\$479.17	

1.2 Prevailing FCER

Date	FCER Obtained from BSP
January 25, 2018	51.021

1.3 Application of FCER

Application of FCER on government share on Pilotage Fees shall be based on the FCER at the date and time of vessel departure.

FCER (US\$1.00- Php)	Coverage of FCER Application	
51.021	Date	Jan. 25 Jan. 26
	Time	10:00 A.M. - 11:59 PM 12:00 A.M. - 9:59AM *

*date and time of vessel departure - Jan. 26, 2018 at 9:30AM

1.4 Formula

Foreign Pilotage Rate x FCER at the date and time of vessel departure x 10% Government Share

1.5 Computation

Docking rate	US\$479.17
Undocking rate	479.17
Total Pilotage Fees	US\$958.34
Government Share	10%
Total Govt. Share	US\$ 95.834
FCER at the time of departure	Php 51.021
Amount of 10% Govt. Share	<u>Php 4,889.54</u>

2. Assumption (Regular Pilotage with Premium and Adjustment in FCER)

A foreign vessel was conducted from the Pilot's Boarding Station to MICP berthing area on January 24, 2018 at 9:00 PM. On the following day, the authorized ship's agent requested PPA for computation of 10% government share on pilotage presenting the Preliminary Berthing/Anchorage Report certified correct by ICTSI which stated that the vessel departure is January 25, 2018 at 9:30 AM. However, said vessel actually departed on January 25, 2018 at 8:00 PM based on the Final Berthing/Anchorage Report submitted by ICTSI.

2.1 Given

GRT of vessel	35,000 GRT	
Date/Time the pilot conducted the vessel to berth from the boarding Station	January 24, 2018	9:00 PM
Estimated Date/Time of Vessel Departure from the port	January 25, 2018	9:30 AM
Actual Vessel Departure from the port	January 25, 2018	8:00 PM
Pilotage Rate for Foreign with 35,000 GRT	US\$479.17	

2.2 Prevailing FCER

Date	FCER Obtained from BSP
January 24, 2018	51.008
January 25, 2018	51.021

2-3 Application of FCER

Application of FCER on government share on pilotage fees shall be based on the FCER at the date and time of vessel departure.

Since the actual departure from the port was on January 25, 2018 at 8:00 PM instead of 9:30 AM, the shipping line/or the shipping agent is liable to the payment of additional charge for the adjustment of the FCER applied plus premium for services performed between 1800H and 0600H (nighttime). Adjustment of pilotage and additional premium fee shall be based on the prevailing FCER at the date and time of actual vessel departure.

Date	FCER (US\$1.00- Php)	Coverage of FCER Application		
Jan. 24, 2018	51.008	Date Time	Jan. 24 10:00 A.M.-11:59 PM	Jan. 25 12:00 A.M. - 9:59 AM *
Jan. 25, 2018	51.021	Date Time	Jan. 25 10:00 A.M.-11:59 PM**	Jan. 26 12:00 A.M. - 9:59 AM

* date and time of departure- Jan. 25, 2018 – 9:30 AM (Preliminary BAR)

** date and time of departure- Jan. 25, 2018 – 8:00 PM (Final BAR)

2.4 Formula

Foreign Pilotage Rate x FCER at the date and time of vessel
departure x 10% Government Share

2.4.1 Computation of Pilotage based on PBAR

Docking - Regular Rate	US\$479.17
- Premium Rate	479.17
Undocking - Regular Rate	479.17
Total Pilotage Fees	US\$1,437.51
Government Share	10%
Amount of Govt. Share	US\$143.751
FCER	Php 51.008
Amount of 10% Govt. Share	Php7,332.45

2.4.2 Computation of Pilotage based on FBAR

(Actual vessel departure was between 1800H and 0600H,
thus, pilotage rate is subject to premium)

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Revised Computation:

Docking - Regular Rate	US\$479.17
- Premium Rate	479.17
Undocking - Regular Rate	479.17
- Premium Rate	479.17
Total Pilotage Fees	US\$1,916.68
Government Share	10%
Amount of Govt. Share	US\$191.668
FCER	Php 51.021

Amount of 10% Govt. Share Php9,779.09

Less: As computed and Paid

Docking - Regular Rate	US\$479.17
- Premium Rate	479.17
Undocking - Regular Rate	479.17
Total Pilotage Fees	US\$1,437.51
Government Share	10%
Amount of Govt. Share	US\$143.751
FCER	Php 51.008

Amount of 10% Govt. Share Php7,332.45

Additional Billing to the Shipping Line Php2,446.63

B. Wharfage on Foreign Transshipment Cargoes**1. Assumption**

50 x 20' footer containers were discharged from a foreign vessel at the MICP on January 24, 2018 for loading to another vessel bound to another country. The following day, January 25, 2018, the intended vessel to load said cargoes arrived and proceeded with the loading of said containers at 9:00 AM. After loading thirty (30) containers, the vessel stopped loading said cargoes. The loading resumed the following day, January 26, 2018 and was completed at 11:00 AM.

1.1 Prevailing FCER

Date	FCER Obtained from BSP
January 24, 2018	51.008
January 25, 2018	51.021
January 26, 2018	50.819

1.2 Application of FCER

Application of FCER on foreign transshipment cargoes shall be the FCER at the date and time of last loading of transhipped cargo on the vessel.

Date	FCER (US\$1.00- Php)	Coverage of FCER Application		
Jan. 24, 2018	51.008	Date	Jan. 24	Jan. 25
		Time	10:00 A.M.-11:59 PM	12:00 A.M. – 9:59 AM
Jan. 25, 2018	51.021	Date	Jan. 25	Jan. 26
		Time	10:00 A.M.-11:59 PM	12:00 A.M. – 9:59 AM
Jan. 26, 2018	50.819	Date	Jan. 26	Jan. 26
		Time	10:00 A.M.-11:59 PM	12:00 A.M. – 9:59 AM

1.3 Formula

No. of TEUs x Foreign Transshipment Rate x FCER at the date and time of last loading of transhipped cargo on the vessel

1.4 Computation

$$50 \text{ TEUs} \times \text{US\$1.00} \times \text{Php}50.819 = \underline{\text{Php } 2,540.95}$$