



IMPORT LICENSING SYSTEM OF THE PHILIPPINES

QUESTIONS FROM THE UNITED STATES TO THE PHILIPPINES

The following communication, dated 7 April 2021, is being circulated at the request of the delegation of the United States.

Over the last year the Philippines has made numerous notifications of legislation and regulations concerning import licensing culminating in an update of its annual notification. In the most recent Article 7.3 annual notification, G/LIC/N/3/PHL/13, the Philippines states that the Sanitary and Phytosanitary Import Clearances (SPSICs) issued by the Bureau of Animal Industry (BAI), Bureau of Fisheries and Aquatic Resources (BFAR), and Bureau of Plant Industry (BPI) are used to "ensure that the products being imported meet the standards to protect human, animal life or health, guarantee that the products are safe for consumers and to prevent the spread of pests or diseases of animals" and are "not intended to restrict the quantity or value of imports".

The United States is concerned that the Philippines uses the SPSICs to restrict imports for reasons that appear unrelated to the protection of human, animal, or plant life or health. According to the 2018 Trade Policy Review (Section 3.3.2, paragraph 3.75), in some instances domestic supply of the same product is taken into account when issuing import clearances. We are specifically concerned by the repeated public statements by the Philippines Department of Agriculture (DA) that it is using the SPSIC system to periodically block imports of rice, corn, and feed wheat during its domestic harvest seasons. In the case of U.S. whole chickens, there have been reports of ongoing SPSIC rejections without reason since September 2020.

Question 1: Can the Philippines please confirm the purpose of the SPSIC system, and provide the underlying laws, regulations, and guidelines that form the basis for SPSIC issuance by each of the Bureaus listed above?

Question 2: What is the role of the Secretary of Agriculture and the Bureaus in reviewing and approving the SPSICs?

In addition, the United States requests clarifications about some of the procedural aspects of the SPSIC regulations.

Question 3: In the annual notification, the Philippines states that SPSICs issued by BAI, BFAR, and BPI are required prior to importation.

For each of these three Bureaus, please describe the procedure and timeline for submitting the SPSIC application and receiving an SPSIC approval, including in relation to the loading of the product in the country of origin for shipment.

Can applications for SPSIC be made when the product has left the country of origin for the export market, either directly en route to the Philippines or redirected to the Philippines from another destination?

What is the reason for requiring product to be loaded only in the country of origin?

Question 4: We understand that SPSICs are issued on a shipment-by-shipment basis. What is the purpose of limiting import clearances to a single shipment?

Question 5: How does the Philippines determine the validity period and must-ship-out dates for a particular commodity?

Question 6: What is the status of Administrative Order (AO) 24 Series of 2020: Additional Guidelines on the Approval of SPSIC for Meat Commodities? Has the DA rescinded this AO? Is the regulation based on existing regulation(s) and if so, which one(s)?

Question 7: Will the Philippines notify the Committee on Import Licensing and other appropriate WTO Committees regarding the following DA regulations: Administrative Circular 12, Series of 2017; Department Circular No. 06, Series of 2020; Memorandum Order No. 28, Series of 2019; Memorandum Order No. 30, Series of 2020, Memorandum Circulars 38, 39, and 43, Series of 2020; Republic Act No. 10654; Fisheries Administrative Order 259, Series of 2018; Special Order No. 284, Series of 2020; Special Order 1077, Series of 2020; Special Order 705, Series of 2020, and others that have been issued but not notified?

Question 8: Will the Philippines update the questionnaire on import licensing with the aforementioned regulations?

Question 9: G/LIC/N/2/PHL/23 indicates DA AO No. 09, series of 2013's administrative purpose is to protect human, animal or plant life and health; protect the environment. What is the purpose of Section VI Issuance and Utilization and Good Standing Certificate, subsection A and its relation to the administrative purpose?

Question 10: In the event of the rejection of a SPSIC application, are all applicants informed of the reason for the disapproval? Do applicants have rights to appeal?

Question 11: Can the Philippines please provide the number of SPSICs issued, by month, for the last three years for rice, corn, feed wheat, and whole chicken?
