



Republic of the Philippines  
**DEPARTMENT OF LABOR AND EMPLOYMENT**  
Intramuros, Manila



Certificate No.: AJA15-0048

**DEPARTMENT ORDER NO. 187**  
**Series of 2018**

JULINA  
DOLE-AS 19FEB'18 14:32

Schedule of Payment to cover Unremitted SAWP Lien Dues,  
including Penalties Accrued, for the period of  
CY 2012 to December 31, 2017

Pursuant to Section 11 (e) and 17 of the Republic Act No. 9367, otherwise known as 'The Biofuels Act of 2006; the Joint Administrative Order No.2008-1 Series of 2008, DOLE Department Order No. 123-12, or the Guidelines on the Implementation of the Social Amelioration And Welfare Program (SAWP) for Workers in the Biofuels Industry, Utilizing Coconut as Feedstock, and upon the recommendation of the Tripartite Consultative Council (TCC) in the Biodiesel Sector of the Biofuels Industry, the Department of Labor and Employment (DOLE) hereby issue the following:

## I. Background

Due to the steep competition in the local biofuels market, which according to The Philippine Biodiesel Association (TPBA), led to the difficulty of some Coco Methyl Ester (CME) Producers to sell its excess CME products and consequently its failure to remit on time and on a regular basis its monthly SAWP lien dues, the TPBA declared a unilateral suspension on the payment of its members' monthly SAWP lien dues.

Acknowledging, however, its obligation to regularly remit to the Department of Labor and Employment (DOLE) its monthly SAWP lien dues, in accordance with Republic Act No. 9367, the TPBA requested the DOLE to set amicable terms of payment to cover the unremitted SAWP lien dues, including penalties accrued, of TPBA members, for the period of CY2012 to December 31, 2017.

## II. Legal Basis

Item VII, number 1 (a) of DOLE Department Order (D.O.) No. 123-12 states that "effective calendar year 2012, a lien of Php 0.05 per liter of CME produced and sold shall be initially imposed and implemented, subject to the review every two (2) years for possible adjustment upon the recommendation by the Tripartite Consultative Council."

Item VII, number 2 (e) of the same D.O. states that *“a penalty of ten percent (10%) per month on unremitted lien collection after the lapse of prescriptive period of seven (7) days from the end of the reference month shall be imposed upon non-complying producer. Such penalties for non-remittance of lien collected shall accrue to the Fund.”*

Further, Item XI on Penalties and Sanctions/ Resolution of Issues, number 3 of the same D.O. states that *“the DOLE Secretary shall recommend to NBB and DOE to suspend or stop the business operations of concerned biofuel producers for refusal to comply with the provisions of RA 9367 and/or these guidelines as well as to impose appropriate administrative fines and penalties for any violation, thereof”* and under Item XI, number 4 of same D.O. indicate that *“the DOLE Secretary or his/her authorized representative shall recommend to the NBB or DOE the filing of appropriate case against any erring company, organization, person/s for any violation of these guidelines in the appropriate court.”*

However, Item XI, number 5 of the same D.O. states that *“issues arising from the implementation or interpretation of these guidelines shall be submitted to the DOLE Secretary for resolution and appropriate action.”*

In view of the above manifestation given by TPBA, the DOLE, upon consultation and with the recommendation of the TCC, hereby issue this Order.

### III. Coverage

This Order shall only cover the unremitted SAWP lien dues including penalties imposed and accrued starting CY2012, or from the inception of DOLE D.O. 123-12, and until December 31, 2017. It shall also indicate the schedule on the settlement of the unremitted SAWP lien dues, including penalties accrued, by defaulting CME producers.

This Order shall be applicable to CME producers who are members of the TPBA and duly accredited by the Department of Energy (DOE).

### IV. Schedule of Payment

To effect the expeditious implementation of this Order and provide guidance in the orderly collection of unremitted SAWP lien dues including penalties, below is the schedule of payment to be strictly adhered to by defaulting CME producers:

A. For defaulting CME producers with accrued penalties totalling to Php 550,000.00 and below:

Activity	Schedule (on or before)	Evidence/ Proof of Payment	Responsible Office
Full Payment of Unremitted SAWP Lien Dues (covering CY 2012 to 31 December 2017)*	15 February 2018	Copy of Bank Deposit Slips, furnished to BWSC	Defaulting CME Producers
<b>Staggered Payment of Accrued Penalties (covering CY 2012 to 31 December 2017)</b>			
▪ 10% of Total Accrued Penalties (based on	15 February 2018	-do-	-do-

<b>Activity</b>	<b>Schedule (on or before)</b>	<b>Evidence/ Proof of Payment</b>	<b>Responsible Office</b>
BWSC records)			
▪ 20% of Total Accrued Penalties (based on BWSC records)	30 March 2018		
▪ 20% of Total Accrued Penalties (based on BWSC records)	30 April 2018	-do-	-do-
▪ 20% of Total Accrued Penalties(based on BWSC records)	31 May 2018	-do-	-do-
▪ Full settlement of the remaining 30% of the Total Accrued Penalties (based on BWSC records)	31 July 2018	-do-	-do-

**B. For defaulting CME producers with accrued penalties that is more than Php 550,000.00:**

<b>Activity</b>	<b>Schedule</b>	<b>Evidence</b>	<b>Responsible Office</b>
Full Payment of Unremitted SAWP Lien Dues (covering CY 2012 to 31 December 2017)*	15 February 2018	Copy of Bank Deposit Slips, furnished to BWSC	Defaulting CME Producers
<b>Staggered Payment of Accrued Penalties (covering CY 2012 to 31 December 2017)</b>			
▪ 10% of Total Accrued Penalties (based on BWSC records)	15 February 2018	-do-	-do-
▪ 10% of Total Accrued Penalties (based on BWSC records)	30 April 2018	-do-	-do-
▪ 10% of Total Accrued Penalties (based on BWSC records)	29 June 2018		
▪ 10% of Total Accrued Penalties (based on BWSC records)	31 August 2018	-do-	-do-
▪ 20% of Total Accrued Penalties(based on BWSC records)	31 October 2018	-do-	-do-
▪ 20% of Total Accrued Penalties(based on BWSC records)	31 December 2018	-do-	-do-
▪ Full settlement of the remaining 20% of the Total Accrued Penalties (based on BWSC records)	28 February 2019	-do-	-do-

\* However, the schedule of payment, as shown above, shall in no way impede the intention of concerned CME producers to fully settle their incurred arrears including penalties.

The Bureau of Workers with Special Concerns (BWSC) of the Department of Labor and Employment, as program manager, shall prepare the schedule of payment including the amount to be paid by each defaulting CME producers and communicate the same 10 calendar days prior to the schedule of payment, as stated in the table above. Likewise, the BWSC, with the approval of the Tripartite Consultative Council (TCC)-Biodiesel Sector, shall prepare a mechanism on the usage of the collected SAWP lien penalties to benefit the workers of said defaulting CME Producers, as

priority beneficiaries. The BWSC shall also monitor the implementation of this Order and prepare a status report for the TCC and the DOLE Secretary.

The schedule of payment indicated above shall in no way lead to the suspension of the regular scheduled remittance of SAWP lien dues, provided under Item VII on the Management of Lien, Number 2(b) of DOLE D.O. 123-12.

Failure to fully settle arrears including penalties following the agreed schedule shall lead to the rescission of the terms and conditions set herein. As such, defaulting CME producers shall be required to pay in full the balance (unpaid amount including penalties) of what was compromised to this Department.

#### **V. Separability Clause**

In no manner does this Order amend the existing provisions of DOLE Department Order No. 123-12. When the schedule of payment contained herein lapses, relevant provisions under DOLE D.O. 123-12 shall be fully enforced, including its corresponding penalties and sanctions.

Likewise, no other similar remedies shall be coursed through by the CME producers and TPBA with other government entities identified in Republic Act No. 9367.

This Order shall take effect upon the date of issuance and shall be deemed revoked after the lapse of the schedule of payment contained herein or 28 February 2019.



SILVESTRE H. BELLO III  
Secretary

Date: 19 FEB 2018