



Republic of the Philippines  
Department of Finance  
**Bureau of Customs**  
1099 Manila

December 15, 2015

**CUSTOMS MEMORANDUM CIRCULAR**  
NO. 178-2015

To: All Deputy Commissioners  
All Directors  
All District and Support Collectors  
And Others Concerned

**SUBJECT: TEMPORARY SUSPENSION OF REGULATION OF "COMMONLY USED CONTROLLED CHEMICALS"**

Attached is the letter dated December 10, 2015 of Police Director Elmer R. Soria, Civil Security Group, Philippine National Police (PNP) informing that they will temporarily suspend regulating commonly used chemicals for a period of 60 calendar days beginning December 9, 2015 until February 9, 2016, and that this temporary suspension of regulation does not cover nitrates, chlorates, nitro acid, explosives and explosive accessories.

Also, enclosed are the list of controlled chemicals subject for moratorium and list of explosives and explosive accessories and controlled chemicals regulated by the PNP.

For your information and guidance.

Please confirm the dissemination of this Circular throughout your offices within fifteen (15) days from receipt hereof.

  
**ALBERTO D. LINA**  
Commissioner  
 Bureau of Customs  
ALBERTO D. LINA  
Commissioner  
  
15-03036

DEC 17 2015



Republic of the Philippines  
NATIONAL POLICE COMMISSION  
PHILIPPINE NATIONAL POLICE  
**CIVIL SECURITY GROUP**  
Camp Crame, Quezon City



DEC 10 2015

**HON. BERT LINA**  
Commissioner  
Bureau of Customs  
Port Area, Manila

Dear **COMM. LINA**:



It has been the consistent position of the Civil Security Group that a moratorium, defined by Black's Law Dictionary as "***a period of permissive or obligatory delay; specifically, a period during which an obligor has a legal right to delay meeting an obligation***", constitutes defiance of the sacred duty and obligation of the PNP to enforce and fulfill the command of the legislature to enforce the law, in this case, P.D. No. 1866 as amended by R.A. No. 9516, which mandatorily requires the regulation of nitrates, chlorates, nitric acid and such other chemicals and accessories that can be used for the manufacture of explosives and explosive ingredients.

Notwithstanding the existence of the period within which explosives, controlled chemicals and other allied industry stakeholders could avail of "temporary licenses", they raised their appeal to the national government. In the succeeding series of consultative meetings within the Department of the Interior and Local Government and with the Office of the Secretary to the Cabinet, which included representatives from industry stakeholder organizations, they requested for the temporary suspension of the regulation of "commonly used chemicals". Thus, in order to strike a balance between free enterprise and peace, safety and national security, the DILG, through Honorable Mel Senen S. Sarmiento, Secretary of the Interior and Local Government (SILG), suggested that the PNP considers the implementation of a moratorium on all controlled chemicals except for nitrates, chlorates, nitric acid, explosives and explosives accessories.

In view of the above, please be informed that **POLICE DIRECTOR GENERAL RICARDO C MARQUEZ**, Chief, PNP, by virtue of the powers vested in him under Section 24f of R.A. No. 6975 in relation to P.D. 1866, which was later amended by R.A. No. 8294 and further amended by R.A. No. 9516 and in compliance with the suggestion of the DILG Secretary and the plea of the controlled chemicals industry stakeholders, declared in a meeting with the industry stakeholders presided by the SILG on December 9, 2015 at Camp Crame, that the PNP will **temporarily suspend regulating commonly used chemicals for a period of 60 calendar days beginning December 9, 2015 until February 9, 2016**. This period will allow the government as well as the

private sector to thresh out issues and concerns pertaining to the industry-proposed categorization of controlled chemicals sanctioned under P.D. No. 1866 as amended by Republic Act No. 9516. **This temporary suspension of regulation does not cover nitrates, chlorates, nitric acid, explosives and explosives accessories.**

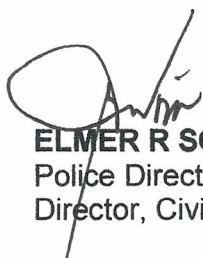
The temporary suspension of regulation or "moratorium" on the aforementioned "commonly used controlled chemicals" shall be subject to the following qualifications, conditions and limitations:

- a. No license or permit requirement from the PNP;
- b. No escorting requirement from the PNP;
- c. No reportorial requirement from the PNP;
- d. No confiscation of stock by the PNP;
- e. No collection of any amount arising from, in association with or in relation to, escorting services; and
- f. The period of temporary suspension of regulation or "moratorium" of "commonly used controlled chemicals" shall be lifted on **February 9, 2016** or as soon as the Categorization of Controlled Chemicals shall have been finalized and incorporated in a circular to be drafted and promulgated by the PNP after appropriate public consultations relevant thereto.

Correspondingly, there shall be a temporary suspension of implementation of all PNP policies, rules and regulations governing controlled chemicals except for explosives, explosives accessories, nitrates, chlorates and nitric acid for the above-stated period.

Nonetheless, we do hope to nurture a strong partnership with BOC as we collectively work towards a fair and rationalized regulation of controlled chemicals in the higher interest of peace and national security and a flourishing private enterprise that genuinely supports and helps fuel our national economy.

Sincerely yours,



**ELMER R SORIA**  
Police Director  
Director, Civil Security Group

**List of Explosives and Explosive Accessories and  
Controlled Chemicals being regulated by the PNP**  
**LICENSES, PERMITS, REPORTS, RADIO MESSAGES  
AND ESCORTING  
STILL REQUIRED**

1. Black powder	9. Phosphorus
2. Composition 4	10. Picric acid
3. Delay Compound	11. Propellant charges
4. Di-Nitro-Toluene	12. Slurry Blast agent
5. Emulsion Matrix	13. Slurry powder
6. M201 Fuse	14. Sulfur powder
7. Nitrocellulose	15. Tetryl
8. Nitroglycerine	16. Smokeless Powder
NITRATES	
CHLORATES	
NITRIC ACID	
EXPLOSIVES	
Explosives Accessories	



Republic of the Philippines  
NATIONAL POLICE COMMISSION  
NATIONAL HEADQUARTERS PHILIPPINE NATIONAL POLICE  
CIVIL SECURITY GROUP  
Camp Crame, Quezon City



**MEMORANDUM**

FOR : C, PNP  
FROM : D, CSG  
SUBJECT : **Temporary Suspension of Regulation of "Commonly Used Controlled Chemicals"**  
DATE : December 9, 2015

1. References:

- a. Announcement of Hon. Mel Senen S. Sarmiento, Secretary, Department of the Interior and Local Government, during a meeting with controlled chemicals and allied industry stakeholders on December 9, 2015 at the Star Officer's Lounge, National headquarters Building, Camp Crame, Quezon City;
- b. Verbal instruction of the CPNP during a meeting with controlled chemicals and allied industry stakeholders on December 9, 2015 at the Star Officer's Lounge, National headquarters Building, Camp Crame, Quezon City;
- c. Legal brief from the PNP Legal Service.

2. Originally, P.D. 1866, which was later amended by R.A. No. 9516, was promulgated to codify, among others, explosives laws and punish violators of the same, while controlled chemicals regulation was separately and distinctly administered via E.O. No. 60 which was superseded by E.O. 522 and later repealed under Section 5 of R.A. No. 9516. With the recent synergy of efforts between the Bureau of Customs (BOC) and the Philippine National Police, BOC's regulated imports list for PNP regulated items was updated resulting in the issuance of Customs Memorandum Order No. 9 requiring the mandatory presentation and submission of a PNP import permit before a PNP controlled chemical may be legally imported by an importer/consignee. This development caught several companies by surprise and so they appealed to various government agencies for help. This caught the attention of several stakeholder organizations and other government agencies as well.

3. As a natural consequence, the PNP received several correspondences from affected companies as well as umbrella organizations and other government agencies as regards its regulatory authority over controlled chemicals. Thus, it conducted several consultative meetings to address industry concerns and issues. However, the issue raised its high point when some companies were forced to stop operations and shut down due to inadequate supply of controlled chemicals arising from their inability to procure the same because they have not yet secured appropriate licenses and permits with the PNP. After a review of the situation, the PNP decided to allow the grant of temporary permits to applicant companies for the



period July 24, 2015 to October 31, 2015 provided they will apply for regular licenses and henceforth, comply with the requirements as prescribed by law. However, only a small number of companies have submitted their license applications, hence, the PNP again allowed the grant of temporary licenses (in lieu of temporary permits) for a period of November 1, 2015 to April 30, 2015 provided temporary permits holders as well as those who have not been able to avail of temporary permits will apply for regular licenses and henceforth, comply with the requirements as mandated by existing laws, rules and regulations governing the same.

4. Notwithstanding the existence of the period within which explosives, controlled chemicals and other allied industry stakeholders could avail of "temporary licenses", they raised their appeal to the national government. In the succeeding series of consultative meetings within the Department and with the Office of the Secretary to the Cabinet, which included representatives from industry stakeholder organizations, they requested for the temporary suspension of the regulation of "commonly used chemicals". Thus, in order to strike a balance between free enterprise and peace, safety and national security, there is a cogent need to subject the controlled chemicals to categorization in order to rationalize its regulation. In the meantime, there should a reasonable period of time within which there is a temporary suspension of the regulation of "commonly used chemicals".

5. Premises considered and in compliance with references **1a** and **1b** above, this Group respectfully recommends that the PNP should **temporarily suspend regulating commonly used chemicals for a period of 60 calendar days beginning December 9, 2015 until February 9, 2016**. This period will allow the government as well as the private sector to thresh out issues and concerns pertaining to the industry-proposed categorization of controlled chemicals sanctioned under P.D. No. 1866 as amended by Republic Act No. 9516. This temporary suspension of regulation does not cover nitrates, chlorates, nitric acid, explosives and explosives accessories.

6. Further, this Group also recommends that the temporary suspension of regulation or "moratorium" on the aforementioned "commonly used controlled chemicals" shall be subject to the following qualifications, conditions and limitations:

- a. No license or permit requirement from the PNP;
- b. No escorting requirement from the PNP;
- c. No reportorial requirement from the PNP;
- d. No confiscation of stock by the PNP;
- e. No collection of any amount arising from, in association with or in relation to, escorting services;
- f. The period of temporary suspension of regulation or "moratorium" of "commonly used controlled chemicals" shall be lifted on **February 9, 2016** or as soon as the Categorization of Controlled Chemicals shall have been finalized and incorporated in a circular to be drafted and promulgated by the PNP after appropriate public consultations relevant thereto;
- g. ;
- h. The CSG shall inform other government agencies of this policy development, particularly the Bureau of Customs, the Commission on Elections, the Philippine Economic Zone Authority, the Export Development Council, the Fertilizer and Pesticide Authority,

Environmental Management Bureau, Philippine Drug Enforcement Agency and the Food and Drug Administration within one week upon effectivity of this memorandum.

i. The Civil Security Group (CSG), in consultation with the PNP Legal Service, shall come up with new rules and regulations, repeal previous issuances and simplify the policies and guidelines governing the proper regulation of explosives, explosive accessories and ingredients, and controlled chemicals.

j. The Directorate for Personnel and Records Management shall issue orders for the creation of a technical working group which is tasked to study the categorization of PNP controlled chemicals with the PNP Crime Laboratory as the Chairman. Further, the PNPCL, as TWG Chair, is directed to invite as resource persons, representatives from the academe, particularly from the Institute of Chemistry, University of the Philippines-Diliman, from other government agencies, particularly from the Department of Science and Technology (DOST) and 2 representatives from the stakeholders to be identified by the Department of Trade and Industry (DTI);

k. The CSG shall submit to the Directorate for Comptrollership, its budget proposal for escort, inspection, investigation and other related expenses which are essential in the proper regulation of explosives, explosive accessories and ingredients, and controlled chemicals. Relatedly, it is further directed to rationalize its fees by submitting a revised schedule of fees and charges that will also cover other mandatory regulatory activities that require the issuance of official receipts.

l. The CSG shall further streamline its regulatory processes and procedures for controlled chemicals licenses and permits by reducing the number of steps to be taken, reducing the number signatories as well as reducing and simplifying documentary requirements for licenses and permits applications, consistent with the requirements of R.A. No. 9485 or the Anti-Red Tape Act (ARTA) Law; and


m. The CSG shall coordinate with the Directorate for Information and Communications Technology Management (DICTM) and the Information Technology Management Service (ITMS) to enlist the support of controlled chemicals stakeholder organizations.

7. In view of the foregoing, the undersigned requests for the CPNP's approval of paras 5 and 6 above and for your signature on the attached memorandum for all the controlled chemicals and other allied industry stakeholders.

  
ELMER R SORIA  
Police Director

To: D, CSG  
This is approved. Pls issue the necessary memorandum to all concerned.

D, CSG Memo for CPNP re Temporary Suspension of Regulation of Controlled Chemicals

  
dec 10, 2015