

**[ FIDA REVISED ADMINISTRATIVE ORDER NO. 1,  
April 10, 1991 ]**

**REVISED RULES AND REGULATIONS TO GOVERN LICENSING  
AND REGISTRATION, AND THE BALING, TAGGING, MARKING,  
INSPECTION, CERTIFICATION, AND SHIPMENT OF PHILIPPINE  
COMMERCIAL FIBERS**

Pursuant to Section 8 of Executive Order 709 dated July 27, 1981, and Executive Order No. 116 dated January 30, 1987 creating the Fiber Industry Development Authority to promote the integrated growth and development of the natural fiber industry (except cotton and coir) in all its aspects, baling, tagging, marking, inspection, certification and shipment of Philippine commercial fibers are hereby promulgated for the information and guidance of all concerned.

**Chapter I  
Definition of Terms**

*SECTION 1. Terms Used* — As used in these rules and regulations the following words or terms shall be construed as indicated herein:

1. **Abaca** shall refer to the commercial fiber extracted from the plant scientifically known as musa textiles;
2. **Administrator** shall mean the Administrator of the Fiber Industry Development Authority;
3. **Bale** shall mean the fiber packed in the manner and form and with a weight and volume as prescribed in Chapter III, Section 4 hereof.
4. **Fiber** shall refer to any indigenous fiber derived from plants or from animals, such as hairs, feathers, and silk. It shall be denominated and interpreted according to its common and commercial significance and not its scientific nomenclature;
5. **Fiber Industry** shall mean the production or culture, marketing, grading, baling, processing, or manufacture of fibers, including such other activities as are related thereto;
6. **FIDA or Authority** shall refer to the Fiber Industry Development Authority;
7. **Finished or semi-finished product shall include** any fiber-based article or commodity which contains 25% or more commercial fibers of the article, by weight or volume;
8. **Foreign matter** shall include, but is not limited, to dust, dirt, plastic, stone, etc. which are extraneous or foreign to the fibers;

9. **Grade** refers to the design-nation of fiber quality according to the established government standard thereof;
10. **Inspector** shall mean the FIDA inspector or any other FIDA personnel duly authorized to inspect fibers;
11. **Loose fibers** shall refer to unclassified, unbaled, unbundled, and uninspected fibers;
12. **Manufacturer or Processor** shall mean an industrial firm engaged in the manufacture or processing of fibers into semi-finished or finished products;
13. **Order** shall refer to this particular Administrative Order;
14. **Person** shall mean any natural or juridical person such as a corporation, partnership, or association, including a cooperative;
15. **Producer** shall mean anyone engaged in the agricultural production of fiber;
16. **Production** refers to the various farm operations like the production of seed and planting materials, planting, application of fertilizers, weeding, control of plant pests and diseases, harvesting, fiber stripping and drying, and other allied operations;
17. **Regional Office** shall mean the FIDA regional office;
18. **Station** refers to the municipality or city where the grading-baling establishment is located;
19. **Trader** shall mean any person, juridical or natural, engaged purely in buying and selling of commercial fibers.

*SECTION 2. Abbreviations Used* — The following abbreviations used in this Order shall mean as indicated hereunder.

1. **GBE** — grading-baling establishment;
2. **O.K. Bales** — inspected and approved bales;
3. **I.C. Bales** — inspected and condemned bales; and
4. **ICN.** — identification control number of fiber inspectors.

## **Chapter II**

### **Licensing and Registration**

*SECTION 1. Activities of the Fiber Industry Requiring Permit or License* — No person, firm, or association shall engage in any of the following activities without a grading permit or an appropriate license duly issued by the Authority.

1. Sorting, classifying, grading, and baling of fiber whether for local consumption or

for export;

2. Buying and selling loose commercial fibers;
3. Processing/manufacturing commercial fibers into semi-finished or finished products; and
4. Classifying commercial fibers in grading-baling establishment (GBEs), Class A Traders, or processing firms, or in other manufacturing plants.

Persons, firms, or associations operating two or more grading-baling establishments or branches shall secure a grading permit or license for each establishment or branch.

*SECTION 2. Application for Grading Permit/License* — All applications for fiber grading permit/license shall be made in a form prescribed by the Authority and shall be filed at the regional office having jurisdiction over the area of operation.

Upon securing an application, applicants shall pay an application fee in accordance with the schedule of fees indicated under the General Provisions.

*SECTION 3. Requirements for the Issuance of Grading Permit or License* — Upon filing of the duly accomplished application form, the applicant for a grading permit or license must comply with the following:

1. Corporation/entities must submit the following documents/papers:

**a. Corporation**

- 1) Articles of Incorporation
- 2) Certificate of Registration by the Securities and Exchange Commission (SEC)

**b. Partnership**

- 1) Articles of Partnership
- 2) Certificate of Registration by the Securities and Exchange Commission (SEC)

**c. Sole Proprietorship.** Certificate of Registration by the Bureau of Domestic Trade (BODT)

**d. Cooperative**

- 1) Articles of Incorporation
- 2) Certificate of Registration by the Bureau of Cooperative Development (BCOD)

In case of a renewal of permit or license, the applicant is further required to submit an annual report of operation in the form prescribed by the Authority.

2. Grading-baling establishments must own/possess/comply with the following minimum equipment, facilities, and other requirements:

- a. One metric weighing device;
- b. One baling press;
- c. For abaca and ramie, a minimum floor area of 850 square meters for classification work and storage; and for other fibers, any area sufficient to fill customary classification and storage requirements may be considered adequate;
- d. Fixed partitions to separate the fibers from other commodities in case of grading-baling establishments storing commodities other than fibers in the same warehouse; and
- e. Must employ at least one licensed classifier.

3. Applicant for a Trader's License must own/possess/comply with the following:

- a. The necessary storage space for fibers with fixed segregating partition in case other commodities are also stored in the warehouse;
- b. One metric weighing device;
- c. Additional requirements for Class A Traders who are classifying, grading and baling:
  - 1) A minimum floor area of 250 sq. m. for classification and storage;
  - 2) One manual pressing device; and
  - 3) Employment of at least one licensed classifier.

4. Applicant for a Processor's License must own/possess/comply with the following:

- 1) A storage space for fibers with a fixed partition to segregate other commodities if other goods are to be stored therein;
- 2) One (1) metric weighing device;
- 3) Employment of at least one licensed classifier in case the applicant will utilize uninspected fibers;
- 4) A simple written description of how the fibers are to be utilized.

5. Applicant for Classifier's License must submit/comply with the following:

- a. Two ID pictures;
- b. Certificate of good moral character by the Barangay Captain of the barangay where he resides;
- c. Police Clearance;

- d. He must pass the practical examination on fiber classification and grading given by the Authority.

*SECTION 4. Establishment Number* — Upon issuance of the grading permit, processor's or trader's license, a number shall be assigned to the permittee or licensee concerned which shall thereafter identify him or her.

*SECTION 5. Registered Mark* — Every GBE, processor or trader shall have the right to use a mark consisting of not more than three letters, preferably the initials of the firm or person who owns or operates the establishment. The mark shall be registered with the Authority at the time the application for a grading permit, processor's or trader's license is filed and shall be indicated in the corresponding permit or license.

All grading-baling establishments, processors' or traders' establishments owned or operated by one person shall have only one registered mark, and any such establishment owned or operated jointly by two or more persons shall be allowed to register and use only one mark.

No change in the registered mark of any GBE, processor or trader shall be made unless officially authorized in writing. The application for changing a registered mark shall be filed at least two months in advance from the date the new mark is intended to be used.

Registered marks and establishment number of GBE, processors and traders who fail to renew their permits/licenses for the succeeding year may be cancelled without the need for giving notice thereof.

*SECTION 6. Grading-Baling Establishments, Processors, and Traders Required to Have Identification Signboard* — All GBEs, Processors, and Traders are hereby required to hang in a conspicuous place on the exterior wall of their establishments a signboard measuring at least 60 cm. in length, and 38 cm. in width bearing the name or business name appearing in their license/grading permit, viz., "Licensed GBE" or "Licensed processor", as the case maybe; the establishment number; and the registered mark of the permittee/licensee.

*SECTION 7. Expiration and Renewal of Grading Permits and Licenses* — All grading permits and licenses issued under these rules and regulations shall automatically expire after one year from the date of issuance. A permittee/licensee desiring to continue in the activity for which he has been issued a permit/license shall, before the expiration of such permit/license, file an application for renewal thereof.

Any permittee/licensee who fails to apply for renewal of license within one year after the expiration of his license, shall, upon subsequent application, be considered as late renewal and shall be assessed an amount, the rates to be determined by the FIDA as penalty thereof.

*SECTION 8. Suspension/ Cancellation of Grading Permit and License and/or Imposition of Fine* — Any grading permit or license may be suspended/cancelled and/or a fine may be imposed by FIDA any time the permittee/licensee concerned is found to have committed any violation of this Order or any of the following: