

MEMORANDUM CIRCULAR NO. 21-13

Series of 2021

TO : All Manufacturers and Importers of Steel Coil and Sheet Products Covered by DAO 20-10 Series of 2020 and Others Concerned

SUBJECT : Amendatory and Supplemental Guidelines for the Implementation of DAO 20-10, Series of 2020

WHEREAS, the Department Administrative Order (DAO) 20-10, Series of 2020 shall take effect on 13 January 2021, the objective of which is to strictly ensure that hot-dip metallic-coated and pre-painted galvanized steel coils and sheets for roofing and general applications comply with the specified quality requirements as prescribed therein;

WHEREAS, on 07 January 2021, the department received an appeal from the Philippine Association of Steelformers, Inc. (PASI) to provide ample time for all stakeholders to adjust and conform to the new requirements and standards as well as dispose all incoming steel coils and sheets due to the following:

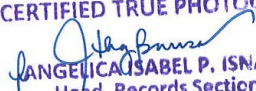
- 1) Most of the local players have booked/ordered steel coils and sheets for roofing prior to the issuance and effectivity of DAO 20-10, Series of 2020;
- 2) The said shipments, which are due to arrive between January and April 2021, will not be able to meet the minimum total coated thickness of 0.4mm and coating mass requirements as indicated in DAO 20-10, Series of 2020 since they use PNS 67:2014 as reference standard; and,
- 3) The same may create market distortions resulting to supply shortage and price upsurge of steel coils and sheets;

WHEREAS, considering the request from the industry, the impact of the ongoing COVID-19 pandemic and recent calamities to the local industry and consumers, and in order to prevent supply disruption during the rebuilding efforts, the department issued the Memorandum Circular 21-01, Series of 2021 on 13 January 2021 providing additional transitory provisions for shipments of steel coils and sheets booked/ordered prior to the effectivity of DAO 20-10, Series of 2020 and shall arrive on or before 12 July 2021;

WHEREAS, after the issuance of MC 21-01, Series of 2021, several meetings with various stakeholders and members of Technical Committee (TC) 64 were conducted to discuss issues concerning some of the provisions and implementation of DAO 20-10, Series of 2020;

WHEREAS, consistent with Good Regulatory Practice, the Department is committed to continuously review its Technical Regulations in order to balance the interest of the stakeholders without compromising the safety of the consumers;

WHEREFORE, foregoing premises considered, this Memorandum Circular is hereby issued for the guidance of all concerned:

CERTIFIED TRUE PHOTOCOPY

ANGELICA ISABEL P. ISANAN
Head, Records Section
Department of Trade & Industry



1. Scope of DAO 20-10, Series of 2020

- 1.1 All steel coils and sheets intended for roofing and general applications and with Total Coated Thickness (TCT) up to 0.89mm are covered by DAO 20-10, Series of 2020. TCT shall be measured as the sum of the base metal and its corresponding metallic coating such as zinc, 5% Al-Zn, and 55% Al-Zn;
- 1.2 Manufacturing or importation of steel coils and sheets with TCT of less than 0.2mm shall not be allowed, except if the steel coils or sheets are intended for distribution to local manufacturers/producers/fabricators of automotive, furniture, electrical and electronics, food packaging, construction, and shall be distributed in the local market in a form other than plain or corrugated sheets;
- 1.3 All steel coils and sheets with TCT of 0.9mm and above are not covered and are not required to secure Certificate of Exemption from the Bureau of Philippine Standards (BPS).
- 1.4 A minimum TCT of 0.4mm for all steel coils and sheets intended for the manufacture/fabrication/forming of roofing materials is required. Negative tolerance shall not apply;
- 1.5 All steel coils and sheets with TCT of 0.2mm to 0.8mm intended for general applications and shall be distributed in the local market in the form of plain or corrugated sheets, or other similar forms are covered by DAO 20-10, Series of 2020. The applicable provisions of DAO 20-10, Series of 2020 and test methods of its respective PNS shall be used as reference. However, negative tolerance shall not apply.

Moreover, steel coils and sheets with TCT of 0.2mm and 0.3mm intended for general applications and shall be distributed in the local market in the form of plain or corrugated sheets or other similar forms shall be full-hard grade;

- 1.6 Upon effectivity of this Memorandum Circular, all importations and manufacturing of steel coils and sheets with TCT of 0.2mm to 0.8mm intended for the manufacture/production/fabrication of automotive, furniture, electrical and electronics, food packaging, construction, and similar products in forms other than plain or corrugated sheets or other similar forms are covered by DAO 20-10, Series of 2020 and shall be subjected to product inspection and verification. However, the same shall not be subjected to product sampling and testing and Rule 7 of DAO 20-10, Series of 2020 shall apply;
- 1.7 All succeeding importations and manufacturing of steel coils and sheets with TCT of 0.2mm to 0.8mm intended for the manufacture/production/fabrication of automotive, furniture, electrical and electronics, food packaging, construction, and other products in forms other than plain or corrugated sheets may not be subjected to further inspection and verification provided that the importer has been previously inspected and verified and subsequently issued a Certificate of Exemption. The Certificate of Exemption may be issued upon satisfactory evaluation of the application and the corresponding documentary requirements. The BPS reserves the right to conduct product inspection and verification whenever needed;



2. Minimum Coating Thickness / Mass

- 2.1 The Minimum Metallic Coating Thickness for all steel coils and sheets intended for roofing and general applications covered by Sections 1.1, 1.4, and 1.5 hereof shall be 14 microns.
- 2.2 All steel coils and sheets with coating materials other than zinc, 5% Al-Zn, and 55% Al-Zn shall have a minimum coating thickness of 14 microns and the applicable standard as determined by BPS shall be used as reference to verify conformance.

3. The PS Quality Mark Licensing Scheme

- 3.1 PS License shall be required for all local or imported steel coils and sheets intended for the manufacture/fabrication/forming of roofing materials covered by DAO 20-10, Series of 2020;
- 3.2 PS License shall be required for all local or imported steel coils and sheets with TCT of 0.2mm to 0.8mm intended for general applications which will be distributed in the local market in the form of plain or corrugated sheets. The applicable provisions of DAO 20-10, Series of 2020 and test methods of its respective PNS shall apply;
- 3.3 PS License shall not be required for all local or imported steel coils and sheets with TCT of 0.2mm to 0.8mm in forms other than plain or corrugated sheets intended for the manufacture/production/fabrication of automotive, furniture, electrical and electronics, food packaging, construction and other products;

4. Product Testing for SOC application

- 4.1 Considering the delays in setting-up additional testing facilities caused by the pandemic, mandatory product testing shall be conducted for all shipments of steel coils and sheets arriving after 12 July 2021;
- 4.2 To further facilitate faster turn-around time, BPS may allow the following in lieu of the third-party testing, on a per shipment per Bill of Lading basis subject to inspection and verification of the completeness of equipment and competence of personnel:
- 4.2.1 For SOC applications with pre-shipment inspection and testing, critical testing may be conducted at the manufacturer's testing facility;
- 4.2.2 For SOC applications without pre-shipment inspection and testing, full testing may be conducted at the manufacturer's testing facility.

The conduct of testing at the manufacturer's testing facility shall be witnessed by the BPS, DTI RO / PO or BPS-recognized inspection body;

- 4.3 For importers of steel coils and sheets intended for roofing and general applications without a manufacturing plant and testing facility, applicable provision of DAO 20-10, series of 2020 shall apply.



5. Sampling Procedure

5.1 The BPS, DTI RO/PO, BPS-recognized auditing/inspection body shall facilitate the drawing of samples of hot-dip metallic-coated and pre-painted galvanized steel coils and sheets for roofing and general applications that shall be properly labelled as first set and second set.

5.1.1 For steel coils: 600 millimeters in length by the as-coated width samples;

5.1.2 For steel sheets: Actual size as manufactured, as shipped, or as intended for distribution in the market.

6. Marking Requirements

6.1 All steel coils and sheets with TCT of 0.4mm intended for roofing for distribution in the local market shall be labelled as "For Roofing Use" and shall comply with all the applicable markings prescribed under Rule 11 of DAO 20-10, Series of 2020.

6.2 All steel coils and sheets with TCT of 0.2mm and 0.3mm intended for distribution in the local market shall be labeled as "Not for Roofing Use" or "For General Application" and shall comply with the applicable markings prescribed under Rule 11 of DAO 20-10, Series of 2020.

7. Prohibited Acts, Sanctions and Penalties

7.1 Any misdeclaration or misrepresentation made by the manufacturer or importer with regard to declaration on the intended use or purpose of the product in order to circumvent the certification process shall be considered a serious violation of the technical regulations and shall result to immediate suspension of the PS License, as well as the imposition of administrative penalty amounting to Five Hundred Thousand Pesos (PhP500,000.00).

7.2 If the manufacturer or importer has no valid PS License, the same shall be blacklisted from importing or manufacturing covered products.

8. Repealing Clause

All other orders or parts thereof which are inconsistent with the provisions of this Circular are hereby repealed or amended accordingly.

This Memorandum Circular shall be effective immediately after its publication in a newspaper of general circulation, a copy of which shall be submitted to the UP Office of National Administrative Register.

For the information and guidance of all concerned.

Done in the City of Makati this 16 day of April in the year 2021.



Recommended by:



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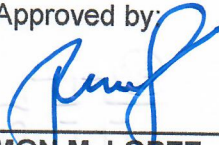
NEIL P. CATAJAY
Director, BPS



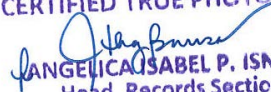
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signed by
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Ruth
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ATTY. RUTH B. CASTELO
Undersecretary, CPG

Approved by:



RAMON M. LOPEZ
Secretary

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