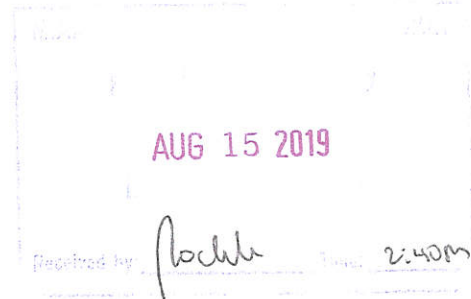


MANILA
INTERNATIONAL
AIRPORT
AUTHORITY

AUG 09 2019

MEMORANDUM CIRCULAR NO. 18
Series of 2019



TO : ALL CONCERNED

FROM : THE GENERAL MANAGER

SUBJECT : Revised Implementing Guidelines (IG) to the MOA between MIAA and Air Carriers on the Integration of the Passenger Service Charge (PSC), Honoring Exemption at the Point of Sale of Airline Ticket

GENERAL STATEMENT

- 1.1. The Manila International Airport Authority (MIAA) recognizes the importance of providing convenience to the Overseas Filipino Workers (OFWs) and making frontline services responsive to the people's need by addressing among others, the passenger congestion in all Ninoy Aquino International Airport (NAIA) Terminals. One measure to address congestion is to integrate the PSC at the point of sale where the collection will be performed by the Air Carrier for every international and domestic air ticket purchased with enplanement from Manila.
- 1.2. This Memorandum Circular (MC) shall be referred to as the Revised IG to the MOA between MIAA and Air Carriers operating at NAIA.

2. PURPOSE AND SCOPE

- 2.1. This MC shall govern and apply to the collection, remittance and reporting of the PSC (*Domestic and International*), the exemptions therefrom and the penalties for violations of these Policies and Guidelines.

3. DEFINITION OF TERMS

- 3.1. Air Carrier - refers to an airline operator with *domestic and / or* international operations.
- 3.2. Business Hours - shall mean 8:00am to 5:00pm. Mondays to Fridays, exclusive of holidays.
- 3.3. Collection - refers to the process of receiving payment of PSC by the Air Carrier from the departing passenger at the point of sale of the airline ticket.

- 3.4. Collection Period for *Used Tickets* - refers to the bi-monthly reporting of Collection, from 1st up to the 15th day and 16th day until the end of the month.
- 3.5. Collection Period for *Expired Tickets* - refers to the quarterly reporting of expired airlines tickets, under 3.15 on or before the 15th day of the succeeding quarter.
- 3.6. Departing Passenger - refers to any person carried or to be carried by the Air Carrier departing NAIA Terminals
- 3.7. Exemption Certificates refer to the following:
 - 3.7.1. Overseas Employment Certificate (OEC) – document issued by the Philippine Overseas Employment Administration (POEA) certifying bearer as a legitimate Overseas Filipino Worker (OFW) which serves as exemption for OFWs from payment of PSC (for international travels only)
 - 3.7.2. Balik Manggagawa – Photocopy of any of the following, Valid Work Visa / Work Permit, Valid employment Contract, Current Employment Certificate, Valid Company ID, Recent Pay Slip (for International travel only)
 - 3.7.3. MIAA Exemption Certificate (MEC) – document issued by the MIAA certifying bearer as a legitimate exempted passenger (for International travel only)
- 3.8. Extra Crew - refers to additional crew and/or operating crew of the airlines listed in the flight's General Declaration.
- 3.9. Infant - refers to any child who is below two years old at the time of departure
- 3.10. Passenger Service Charge (PSC) – refers to the terminal fee imposed by MIAA on departing passengers, presently pegged at the following rates:
 - 3.10.1. *International* : ₱ 550.00 inclusive of 12% VAT
 - 3.10.2. *Domestic* : ₱ 200.00 inclusive of 12% VAT
- 3.11. Internationally - Recognized Exempted Passenger - refers to Infants, Flight and Extra Crew
- 3.12. Locally-Recognized Exempted Passenger - (for international travel only) refers to Overseas Filipino Workers (OFW), Pilgrims, Philippine Sports Commission (PSC) Delegates or others authorized by law and the Office of the President.
- 3.13. MIAA - refers to the Manila International Airport Authority.
- 3.14. Itinerary Receipt / Passenger Ticket - refers to a document, whether paper or electronic, that holds the required information in relation to the contract of carriage that allows passage to a passenger for air transportation.

- 3.15. Expired Ticket - passenger ticket that remains unflown / unused / cancelled after its validity, but should not exceed 15 months from date of issuance.
- 3.16. Remittance - refers to the payment by the Air Carrier to MIAA of PSC collection received by the Air Carrier on behalf of MIAA.
- 3.17. Remittance Period - refers to the following:
- 3.17.1. **For Used Tickets** - PSC collections from 1st day to 15th day of the month shall be remitted on or before the end of the current month. PSC collections from 16th day to the end of the month shall be remitted on or before the 15th day of the succeeding month.
 - 3.17.2. **For Expired Tickets** - PSC collections for a quarter shall be remitted on or before the 15th day of the succeeding quarter.
- 3.18. Remittance Report - refers to a form containing all the necessary information for purposes of accounting the PSC collections and remittance of the Air Carrier. (Annex A)
- 3.19. Fraudulent Remittance Report - shall be construed as substantial proof of a scheme to defraud the government but not limited to the following:
- 3.19.1 *Frequency* - failure to remit due and demandable PSC collections for more than three (3) consecutive remittance cycles;
 - 3.19.2 *Threshold amount* - deficiency in the remittance of PSC collections must not exceed ten percent (10%) of the total PSC per remittance cycle;
 - 3.19.3 *Retention period* - The PSC collected shall not be retained longer than three (3) remittance cycles;
 - 3.19.4 *Urgency to rectify* - Failure to act or rectify discovered remittance errors within fifteen (15) days upon notice.

4. STATEMENT OF POLICY

- 4.1. The *Passenger Service Charge (Domestic or International)* shall be collected from each departing passenger enplaning MANILA, *unless exempted by law, treaty, executive arrangement or other similar issuances at the following rates:*

- 4.1.1 *International* : ₱ 550.00 inclusive of 12% VAT
- 4.1.2 *Domestic* : ₱ 200.00 inclusive of 12% VAT

- 4.2. The following passengers are not subject to the payment of PSC:

	Int'l.	Dom
a. Internationally- Recognized Exempted Passengers		
1) Infant	✓	✓
2) Flight and Extra Crew	✓	✓
b. Locally Recognized Exempted Passengers		
1) Overseas Filipino Workers	✓	N/A
2) Pilgrims	✓	N/A
3) Philippine Sports Commission Delegates	✓	N/A
4) Other authorized by law / Office of the President	✓	N/A

5. SYSTEMS AND PROCEDURES

- 5.1. The Air Carrier shall collect the PSC from Departing Passengers on behalf of MIAA at the point of sale of Passenger Ticket.

Exemption for Locally-Recognized exempted passengers (**International flights only**) shall be honored at the point of sale of airline ticket.

In case of failure to present exemption certificate, the PSC will be collected by the Air Carrier.

- 5.2. The Air Carrier shall be responsible for ensuring that PSC has been included and paid in all Passenger Tickets issued to non-exempt Departing Passengers showing enplanement from Manila, including non-revenue tickets.
- 5.3. The PSC collected by the Air Carrier is to be regarded as monies held in trust on behalf of MIAA.

6. REMITTANCE AND SETTLEMENT

- 6.1. The Air Carrier shall be responsible for all PSC collected from the time of Collection up to Remittance to MIAA.
- 6.2. The due date of remittance for the PSC collections from passengers with departure date 1st to 15th day of the month shall be on or before the end of the current month. The PSC collections from passengers with departure date 16th day to end of the month shall be remitted on or before the 15th day of the succeeding month.
- 6.3. Remittance of collected PSC on expired tickets shall be done quarterly, on or before the fifteenth (15th) day of the succeeding quarter.

6.4. Air Carrier shall remit PSC on expired airline tickets to MIAA by providing only the following details:

6.4.1. Date of Issue

6.4.2. Flight Number and Date

6.4.3. Document / Ticket Number / Reference Code

6.5. In case of failure to remit PSC in full amount to MIAA within the specified time, the Air Carrier or its agent shall pay MIAA the balance of the unremitted amount plus interest equivalent to 18% per annum.

6.6. To avoid the late remittance of the PSC, the Air Carrier may make an advance payment to MIAA. The full amount of monthly PSC payment paid by Air Carrier shall be deducted from its advance payment, without interest on the due date.

6.7. If the advance payment is insufficient for PSC monthly deduction, the Air Carrier shall remit the balance plus 18% interest per annum thereof.

6.8. In case the declaration by the Air Carrier of the amount to be remitted to MIAA is 10% less than the amount due, the penalty shall be twenty five percent (25%) per annum on the difference.

6.9. The penalty of twenty five percent (25%) per annum shall not apply if within six (6) months from date of remittance, the Air Carrier reconciles its remittance report and remit the differential amount with the Air Carrier's reconciliation audit report. However, penalty for late remittance shall be applied.

6.10. All remittances are to be made in Philippine peso payable to the MIAA regardless of the currency when the PSC was collected from the departing passenger.

6.11. Mode of Remittance

Air Carrier or its agent shall remit the collected PSC to MIAA through any of the following modes of payment:

6.11.1. Bank Credit - the Air Carrier deposits or transfers the PSC collections to the following MIAA Bank Accounts:

6.11.1a For used tickets:

Landbank of the Philippines

Account Name : MIAA for Terminal Fee Remittances

Savings Account No. 0271-1322-39

6.11.1b For expired tickets:

Development Bank of the Philippines

Account Name : Manila International Airport Authority

Peso Current Account No. 00050019-495-5

Swift Code : DBPHPHMM

6.11.2. Direct Payment – (cash or check payments) – In case of check payments, the same shall be in the name of the “Manila International Airport Authority.

6.12. After remitting the PSC, the copy of its pay-in slip with the deposit date stamp and the bank seal along with others details of payment shall be facsimiled or email to the MIAA.

6.13. The MIAA shall issue Official Receipt (OR) to the Air Carrier upon presentation of proofs of remittance, namely, a bank-validated deposit slip/payment slip with the Remittance Report. If a bank-validated remittance or deposit form is not feasible, a notification to MIAA of the deposit or fund transfer is acceptable.

7. REPORTORIAL REQUIREMENTS

7.1. The Air Carrier shall submit to MIAA the following duly certified documents covering every Remittance period:

	Int'l.	Dom
a. Remittance Report		
1) Name of Air Carrier	✓	✓
2) Period Covered	✓	✓
3) Total Passenger Load	✓	✓
4) Infant & Extra crew	✓	✓
5) Paying Passengers	✓	✓
6) Total amount collected	✓	✓
7) Service Fee	✓	✓
8) Net amount due	✓	✓
b. Bank-validated deposits slip or remittance report	✓	✓

7.2. The Air Carrier’s authorized representative shall warrant as to the correctness of the information provided to the MIAA.

7.3. The total number of Paying Passengers based on the Remittance Report shall be the basis of the Air Carrier’s remittance of PSC Collection to the MIAA.

7.4. The Air Carrier may request submission of a copy of Exemption Certificate upon check-in of an exempted passenger to facilitate accomplishment of the “Details of Remittance” (Annex B) and “Summary of Locally-Recognized Exempted Passengers” (Annex B1)

7.5. Any discrepancy, undocumented exemption and/or exemption allowed in violation of the approved parameters shall be charged to the Air Carrier.

8. REFUNDS

8.1. The Air Carrier shall be responsible for the processing of refunds to passengers with unused tickets, within the validity period. Payment shall be made directly to the passenger concerned by the Air Carrier. The Air Carrier

shall ensure that processing for refund shall be acted upon promptly. The Air Carrier shall also be responsible for the refund and payment of PSC to exempted passengers as defined under Section 3.11, who were erroneously assessed and charged with the payment thereof.

8.2. The MIAA shall be responsible for the processing of refunds to passengers with expired airline tickets only after remittance by the Air Carrier. It shall also be responsible for the processing of refund to passengers who are exempted from the payment of PSC as provided and defined under Section 3.11, only after remittance by the Air Carrier.

8.3. Exempted passengers who paid PSC shall proceed to the MIAA Administration Building:

Requirements for claiming refund:

8.3.1. IPSC Refund Declaration (*Annex C*)

8.3.2. Submit copy of Passenger Ticket / Itinerary Receipt/ Official Receipt / Invoice clearly showing payment for terminal fee with the code "LI (International)

8.3.3. Original copy of Exemption Certificate (airport copy) or other acceptable exemption documents

8.3.4. Presentation of original copy of boarding pass and submission of a photocopy thereof. If original copy of the boarding pass is not available, any of the following documents:

(i) Presentation of passport showing the passenger's identity and date of departure, or

(ii) Certificate from the Air Carrier of the departure date of the passenger/s

8.3.5. Claimant's valid government- issued ID (with photograph)

8.4. If refund is thru a representative:

8.4.1. Documents enumerated under Section 8.3;

8.4.2. Valid government-issued ID (with photograph) of the authorized representative

8.5. If refund is authorized by a group of Passenger Claimants thru a representative:

8.5.1. Documents enumerated under Section 8.3;

8.5.2. Valid government-issued ID (with photograph) of the authorized representative.

9. SERVICE FEE

9.1. In consideration for collecting and remitting the IPSC and DPSC receipts, the collecting Air Carrier shall be entitled to a service fee.

9.1.1 2.95% - from June 2019 to May 2020

9.1.2 2.75% - from June 2020 – onwards

Computation of Service Fee shall be based on Paying Passengers.

9.2. The service fee due the Air Carrier shall be deducted from the total proceeds due the MIAA subject to government accounting and auditing rules and regulations. This shall be clearly included in the report to be submitted to the MIAA.

10. AUDIT REQUIREMENTS

10.1. The Air Carrier shall, upon prior written notice and during business hours, allow the duly authorized representative of the MIAA to conduct random inspection and audit of any accounting records or similar books, equipment or recording devices used in PSC collection.

10.2. Documents, in electronic format or otherwise, supporting the Collection and Remittance of the PSC shall be maintained and kept at the office of the Air Carrier and shall be preserved for a period of at least three (3) years.

10.3. Other documents and data which are necessary in the confirmation of Collection and Remittance of the PSC shall be made available anytime upon request by the duly authorized representative of the MIAA, to wit:

10.3.1 Flight Manifest

10.3.2 Duly signed General Declaration

10.3.3 Copy of OECs and MECs

10.4. All existing forms, procedures and processes imposed by MIAA Operations to document flight departures including attendant statistics thereto shall remain enforced and may be used to validate / audit remittances of the PSC by the Air Carrier.

10.5. The Air Carrier shall provide the name, address and telephone number of its officer/s handling the consolidation of PSC collection, settlement, remittance and reporting who may be contacted concerning questions on its remittances and reports. Likewise, the MIAA and the COA shall provide the Air Carrier with the name and designation of its officer/s and employees who will be authorized to have access to Air Carriers' records for audit purposes.

11. DISPUTE RESOLUTION

11.1. In the event of a discrepancy on any matter pertaining to the collection, remittance, or reporting of the PSC, MIAA or the Air Carrier shall notify the other party in writing of such discrepancy within five (5) business days from discovery thereof.

11.2. The parties, through their duly authorized representatives, shall endeavor in good faith to make a final reconciliation of records to rectify such discrepancy within ten (10) business days from receipt of the other party of such notice, which period may be extended upon mutual agreement by the parties.

12. MISCELLANEOUS PROVISIONS

12.1. The provisions of this MC shall be treated as separable. If any portion thereof shall be held invalid, illegal or unlawful, such invalidity or illegality shall not affect the other provisions which shall remain in full force and effect.

12.2. In case of cessation of operation, the Air Carrier shall notify the MIAA in writing at least sixty (60) calendar days prior to cessation of its operation at MIAA Terminals.

12.3. This MC shall be modified at the instance of any of the parties affected after sufficient consultations have been concluded.

13. SUPERSEDING CLAUSE

13.1. All MIAA issuances in conflict herewith are hereby superseded.

14. EFFECTIVITY

14.1. This MC takes effect June 1, 2019.


EDDIE V. MONREAL
General Manager





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PASSENGER SERVICE CHARGE
 International Domestic
Remittance Report

AIR CARRIER:		Period Covered:
1. Total Pax Load		
2. Less: Exempted Pax	Infant / Extra Crew	
3.	Locally-Recognized Exempted Pax	
4. Paying Pax		
5. Amount Collected		
6. Less:	Service Fee (Amount Collected x 2.95%)	
7. Add :	Applicable Taxes on Service Fee	
8. Amount Due		
9. Deposit		
10. Net Amount Due		

PAYMENT DETAILS:

Mode of Remittance		
a. Bank Credit / Telegraphic Transfer		
	Account Name: MIAA for Terminal Fee Remittances Savings Account Number : 0271-1322-39 Swift Code : TLBPPHMMXXX	
b. Direct Payment		
	Check Payable to : MIAA for Terminal Fee Remittances	
Signature		Date
Printed Name		
Contact Details		

This PSC Remittance Report must be accomplished and forwarded to Collection Division, with Details of Remittance (**Annex B**) and Summary of Locally-Recognized Exempted Passengers (**Annex B-1**) thru:

- a. Fax - (02) 877 1748
- b. Email - miaa.collection@gmail.com

DETAILS OF REMITTANCE

For the Period _____

AIR CARRIER:

DAY	No. of Flights	Total Pax Load	EXEMPTED PAX		Total Exempted Pax (D+E)	Total Paying Pax (C-F)	Amount (G*550)
			Infant / Extra Crew	Locally-Recognized Annex E			
A	B	C	D	E	F	G	H
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
TOTAL							

**INTERNATIONAL PASSENGER SERVICE CHARGE (IPSC)
REFUND DECLARATION**

I / We, the undersigned, declare that;

1. Existing laws and regulations provide that certain passengers may not be levied airport terminal fees;
2. Fees for the IPSC were integrated in the airline tickets purchased (online or outside the Philippines, by default) and used by the following passengers -

Name	OEC/BM/MEC No.	Issued on	Flight No.	Departure Date
1.				
2.				
3.				
4.				
5.				

3. The said passengers are exempt from paying IPSC;
4. Thus, being exempt passengers charged with IPSC, the payor is entitled to a refund;
5. _____ paid for the IPSC of the passengers stated in Paragraph 2;
6. The undersigned has been authorized by _____ (person/entity in Paragraph 5) to do and execute all or any of the following acts, deeds and things, specifically ask, demand, recover, collect any and all sums of money representing the payment of the IPSC in the sum of _____ (Php xxx) as may be or may hereafter become due, owing, payable or belonging to _____ (person/entity in Paragraph 5);
7. Attached hereto are:
 - Passenger ticket / Itinerary Receipt / Invoice clearly showing payment for "LI" International
 - Original copy of Exemption Certificate (airport copy)
 - Photocopy of the boarding pass;
 - If boarding pass is not available-
 - Passport showing passengers identity and date of departure
 - Certificate from the Air Carrier of the departure date
 - Undersigned's valid government-issued ID card with photograph;
 - Board Resolution / Authority or any proper document, if the payor is a corporation; Special Power of Attorney, If payor is an individual or a non corporate entity authorizing undersigned to do the acts in Paragraph 6;
8. Under penalty of perjury, estafa or any other false misrepresentation under the laws of the Republic of the Philippines, I hereby affix my signature hereunder free duress and undue influence as proof of the above statements.

Signature over printed name

Date