



Republic of the Philippines
MANILA INTERNATIONAL AIRPORT AUTHORITY
MIAA Administration Building, MIA Road Pasay City, Metro Manila

MAR 31 2017

MEMORANDUM CIRCULAR NO. 06
Series of 2017

TO : ALL CONCERNED

SUBJECT : Implementing Guidelines on the Integration of the Passenger Service Charge (PSC) Honoring Exemption at the Point of Sale of Airline Ticket

1. GENERAL STATEMENT

- 1.1. It is the policy of the current administration (OP Cabinet Action / Decision File No. 02-63016 and DOTC Department Order No. 2016) to streamline business processes and make frontline services responsive to the people's need. In connection therewith, Executive Order No. 903, Section 4 (b), 5 (c) and (n) states the MIAA's purposes and objectives, thus: "Section 4 (b) To formulate and adopt for application in the Airport, internationally acceptable standards of airport accommodation and service; Section 5 (c) To promulgate rules and regulations governing the planning, development, maintenance, operation and improvement of the Airport...; (n) To perform such other acts and transact business, directly or indirectly necessary, incidental or conducive to the attainment of the purposes and objectives of the Authority, including the adoption of necessary measures to remedy congestion in the Airport."
- 1.2. There is an urgent need to address the congestion in all Ninoy Aquino International Airport (NAIA) Terminals with the increasing volume of passengers through the adoption of immediate measures to dramatically trim down the processing time of passengers, thereby promoting smoother, seamless, convenient, safe and hassle-free travel experience;
- 1.3. The MIAA and the Air Carriers recognize that such congestion and queuing problems will escalate further as traffic volume continuously increases and must be urgently addressed.
- 1.4. 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.
- 1.5. The MIAA signed a Memorandum of Agreement (MOA) with the Air Carriers for the Integration of Domestic terminal fee effective August 2012 and International terminal fee effective February 2015.

- 1.6. To further improve passenger service and ease congestion at the terminals MOA was signed on March 15, 2017 to amend the original agreement.

2. PURPOSE AND SCOPE

- 2.1. This Memorandum Circular (MC) defines the policies and provides uniform procedures in 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 - refers to bi-monthly reporting of Collection, from 1st up to the 15th day and 16th day until the end of the month.
- 3.5. Departing Passenger - refers to any person carried or to be carried by the Air Carrier departing NAIA Terminals
- 3.6. Exemption Certificates - refers to the following:
 - 3.6.1. 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 exemptions for OFWs from payment of PSC (for international travels only)
 - 3.6.2. 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)
 - 3.6.3. MIAA Exemption Certificate (MEC) – document issued by the MIAA certifying bearer as a legitimate exempted passenger under MIAA Administrative Order No. 1 (for International travel only)
- 3.7. Extra Crew - refers to additional crew and/or operating crew of the airlines listed in the flight's General Declaration.
- 3.8. Infant - refers to any child who is below two years old at the time of departure.
- 3.9. Passenger Service Charge (PSC) – refers to the terminal fee imposed by MIAA on departing passengers, presently pegged at the following rates:

3.9.1. *International PSC - Php 550.00 inclusive of 12% VAT*

3.9.2. *Domestic PSC - Php 200.00 inclusive of 12 % VAT*

- 3.10. Internationally - Recognized Exempted Passenger - refers to Infants, Flight and Extra Crew
- 3.11. 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.
- 3.12. MIAA - refers to the Manila International Airport Authority.
- 3.13. 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.
- 3.14. Online Booking – refers to purchase of ticket through the internet, including transactions through telephones and mobile applications.
- 3.15. Online Third Party Travel Agencies - shall include Third Party websites processing passenger booking by extracting data from Air Carriers' websites.
- 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 - shall mean on or before the end of the current month for PSC collected from 1st day to 15th day of the month and on or before the 15th day of the succeeding month for PSC collected from the 16th day to end of the month.
- 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. Transit Passenger - refers to a passenger who arrives on an aircraft from any international terminal and is not required to check-in in boarding the aircraft to his intended destination.

4. STATEMENT OF POLICY

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

a. *International* : ₱ 550.00 inclusive of 12% VAT
b. *Domestic* : ₱ 200.00 inclusive of 12% VAT

- 4.2. Upon presentation of Exemption Certificate no PSC will be collected by the Air Carrier.

- 4.3. 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.

Exempted passengers (**International flights only**) such as Pilgrims, Philippine Sports Commission Delegates and Others authorized by law / Office of the President will follow the systems and procedure under 5.1.1. However, Exemption for departing Overseas Filipino Workers (**International flights only**) will be honored at the point of sale of airline ticket subject to following conditions:

- 5.1.1. For over-the-counter booking within the Philippines

Upon presentation and surrender of any of the Exemption Certificates to the Air Carrier representative or travel agent, **no** IPSC shall be collected. The proof of exemption such as the valid Overseas Employment Certificate (OEC) or other acceptable exemption documents shall be presented by the departing OFW / BM to the Air Carrier representative at the check-in-counter. In case of failure to present said proof of exemption, the IPSC will be collected by the Air Carrier.

- 5.1.2. For over-the-counter booking outside the Philippines (Effective April 30, 2017)

Upon presentation of any of the Exemption Certificates or their declaration that they are exempt from IPSC payment to the Air Carrier representative or travel agent, **no** IPSC shall be collected. The Exemption Certificate shall be presented and surrendered by the departing OFW / BM to the Air Carrier representative at the check-in-counter. In case of failure to present and surrender said proof of exemption, the IPSC will be collected by the Air Carrier.

5.1.3. For Online Booking

Effective July 31, 2017, Air Carriers shall exempt only OFW and BM from payment of IPSC in Online transactions. Provided that the Air Carrier shall not be held liable for its Online Third Party Travel Agencies' systems inability, for whatever cause or reason, to exempt OFWs from payment of at point of online sale. (for international travel only.)

Exemption of passengers booking online shall be validated when the Passenger checks-in for the flight, during which the Passenger shall be required to present any of the documents listed in Paragraph 3.6 as proof of exemption.

In case of failure to present and surrender said exemption certificate upon check-in, the PSC will be collected by the Air Carrier.

- 5.2. The MIAA shall provide one photocopying machine, including operator and paper, for each terminal to service passengers without extra copy of exemption documents, free of charge.
- 5.3. 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.
- 5.4. The PSC collected by the Air Carrier is to be regarded as monies held in trust on behalf of MIAA.

6. TRANSITION PERIOD

- 6.1. During the first year of implementation or until April 29, 2018, MIAA will continue to provide refund counters at the Terminals. After which, refunds of flown exempted passengers will be processed at the MIAA Administration Building, MIA Road, NAIA Complex, Pasay City, during Business Hours.
- 6.2. During the first four months of the implementation of this MC or until August 31, 2017, interest charges shall not be assessed for under-remittances, if any, made within fifteen (15) days after the date of remittance, in recognition of the complexity of adjusting the Air Carriers' system to bi-monthly reporting.

7. REMITTANCE AND SETTLEMENT

- 7.1. The Air Carrier shall be responsible for all PSC collected from the time of Collection up to Remittance to MIAA.
- 7.2. The due date of remittance for the PSC collections from 1st to 15th day of the month shall be on or before the end of the current month. The PSC collections from 16th day to end of the month shall be remitted on or before the 15th day of the succeeding month.

- 7.3. 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.
- 7.4. To avoid the late remittance of the PSC, the Air Carrier has the option to make an advance payment to MIAA amounting to the average 15-day remittance of the Air Carrier, based on 2016 data. The full amount of bi-monthly PSC payment paid by Air Carrier shall be deducted from its advance payment, without interest for late remittance.
- 7.5. If the advance payment is insufficient for PSC bi-monthly deduction, the Air Carrier shall remit the balance plus 18% interest per annum thereof. Excess in deposit shall be applied to next month's remittance.
- 7.6. In case the declaration by the Air Carrier of the amount to be remitted to MIAA is less than the amount due, the penalty shall be eighteen percent (18%) per annum on the difference.
- 7.7. Submission of fraudulent remittance report with the intention to defraud the government shall have a surcharge of twenty five percent (25%) of the **full** amount.

The penalty 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, the eighteen percent (18%) interest for late remittance shall apply

- 7.8. 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.
- 7.9. Mode of Remittance
Air Carrier of its agent shall remit the collected PSC to MIAA through any of the following modes of payment:
 - a. Bank Credit - the Air Carrier deposits or transfers the PSC collections to the following MIAA Bank Account:

Landbank of the Philippines
Account Name : MIAA for Terminal Fee Remittances
Savings Account No. 0271-1322-39
 - b. Direct Payment – (cash or check payments) – In case of check payments, the same shall be in the name of the "MIAA for Terminal Fee Remittances".
- 7.10. 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 sent through facsimile to (02) 877 1748 or email to collection@miaa.gov.ph or miaa.collection@gmail.com.
- 7.11. 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.

8. REPORTORIAL REQUIREMENTS

- 8.1. 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. Locally Recognized Exempted Passengers	✓	
6. Pax load subject to 3.5% service fee	✓	✓
7. Total amount collected	✓	✓
8. Net amount due	✓	✓
b. Bank-validated deposits slip or remittance report	✓	✓

- 8.2. The Air Carrier's authorized representative shall warrant as to the correctness of the information provided to the MIAA.
- 8.3. The total number of Departing Passengers based on the Remittance Report shall be the basis of the Air Carrier's remittance of PSC Collection to the MIAA.
- 8.4. 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 B-1**)
- 8.5. Any discrepancy, undocumented exemption and/or exemption allowed in violation of the approved parameters shall be charged to the Air Carrier.

9. REFUNDS

- 9.1. The MIAA shall be responsible for the processing of refund to passengers who are exempted from the payment of PSC as provided and defined under Paragraph 3.11.
- 9.2. Exempted passengers who paid PSC shall proceed to the MIAA Administration Building:
- Requirements for claiming refund:
- a. IPSC Refund Declaration (**Annex C**)
 - b. Submit copy of Passenger Ticket / Itinerary Receipt/ Official Receipt / Invoice clearly showing payment for terminal fee with the code "LI (International)

- c. Original copy of Exemption Certificate (airport copy) or other acceptable exemption documents
- d. 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
- e. Claimant's valid government- issued ID (with photograph)

9.3. If refund is thru a representative:

- a. Documents enumerated under Paragraph 9.2
- b. Valid government-issued ID (with photograph) of the authorized representative

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

- a. Documents enumerated under Paragraph 9.2
- b. Valid government-issued ID (with photograph) of the authorized representative.

9.5. The Air Carrier shall be responsible with the processing of refunds to passengers with unused tickets. 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 with the refund and payment of PSC to exempted passengers as defined under Paragraph 3.10 who were erroneously assessed and charged with the payment thereof.

10. SERVICE FEE

10.1. In consideration for collecting and remitting the IPSC and DPSC receipts, the collecting Air Carrier shall be entitled to a **3.5%** service fee based on passenger load excluding internationally-recognized exempted passengers.

10.2. 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.

11. AUDIT REQUIREMENT

- 11.1. 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.
- 11.2. 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 three (3) years.
- 11.3. 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:
 - a. Flight Manifest
 - b. Duly signed General Declaration
 - c. Copy of OECs and MECs
- 11.4. 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.
- 11.5. 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.

12. DISPUTE RESOLUTION

- 12.1. 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.
- 12.2. 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.

13. MISCELLANEOUS PROVISIONS

- 13.1. 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.
- 13.2. 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.

13.3. The Air Carrier, at its option may provide a disclaimer on its website for third party liability

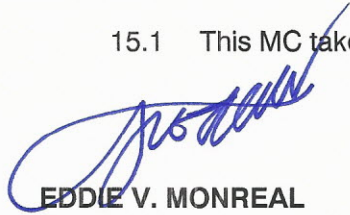
13.4. This MC shall be modified at the instance of any of the parties affected after sufficient consultations have been concluded.

14. SUPERSEDING CLAUSE

14.1 All MIAA issuances in conflict herewith are hereby superseded.

15. EFFECTIVITY

15.1 This MC takes effect April 30, 2017 in accordance with Paragraph 5.1.



EDDIE V. MONREAL
General Manager



MCAO-AKY7WY

[Type text]

PASSENGER SERVICE CHARGE

International

Domestic

Remittance Report

AIR CARRIER:		Period Covered:
1. Total Pax Load		
2. Less: Infant / Extra Crew		
3. Pax Load Subject to 3.5% Service Fee		
4. Less: Locally-Recognized Exempted Pax		
5. Paying Pax		
6. Amount Collected		
7. Less: Service Fee		
8. Add : Applicable Taxes on Service Fee		
9. Amount Due		
10. Deposit		
11. 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 - collection@miaa.gov.ph
miaa.collection@gmail.com

Annex A

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 / Official 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 from duress and undue influence as proof of the above statements.

Signature over printed name

Date