



Republic of the Philippines
Office of the President
DANGEROUS DRUGS BOARD

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BOARD RESOLUTION NO. 142
Series of 2013

SUBJECT: COMPLIANCE OF THE JANUARY 30, 2013 SHIPMENT OF CONNELL BROS. CO. PILIPINAS, INC. WITH DDB / PDEA ADMINISTRATIVE / REGULATORY REQUIREMENTS

WHEREAS, pursuant to Section 81 (b) and (r) of Article IX of RA 9165, otherwise known as the Comprehensive Dangerous Drugs Act of 2002 (RA 9165), the Board issued Board Regulation No. 3, Series of 2003 which provides for the “Comprehensive Guidelines on Importation, Distribution, Manufacture, Prescription, Dispensing and Sale of, and Other Lawful Acts in Connection with any Dangerous Drugs, Controlled Precursors and Essential Chemicals and other Similar or Analogous Substances”;

WHEREAS, pursuant to Section 81 (b) and (r) of Article IX of RA 9165, the Board likewise issued Board Regulation No. 5, Series of 2006, which provides for the “Imposition of Fines and other Sanctions for Violations Committed on the Pertinent Provisions of Board Regulation No. 3, Series of 2003;

WHEREAS, CONNELL BROS. CO. PILIPINAS, INC., with business address at ADB Avenue, Ortigas Center, Pasig City, is engaged in the distribution of various chemicals to different companies all over the country;

WHEREAS, on January 30, 2013, subject shipment arrived at the Port of Manila from Bangkok, Thailand with **CONNELL BROS. CO. PILIPINAS, INC.** as consignee, consisting of Viacryl, VSC 1017/25X with a total weight of 3,600 kilos, each unit containing 0.7% Toluene by weight, which is used as top coat for roof tiles to give it a glossy finish;

WHEREAS, subject shipment arrived without the necessary PDEA license and importation permit / certificate of exemption, in violation of Section 6 (2) of Board Regulation No. 3, Series of 2003 which states that no operator shall import any dangerous drug or controlled chemicals and their preparations in the absence of a PDEA license and a separate import permit or Certificate of Exemption;

WHEREAS, Section 29 (d) of Board Regulation No. 3, Series of 2003 provides that a consignment of a dangerous drug or controlled chemical is liable to forfeiture if there is no import permit from the PDEA;

WHEREAS, on March 14, 2013, the PDEA directed **CONNELL BROS. CO. PILIPINAS, INC.** to pay Php 10,000.00 fine as provided for in Board Regulation No. 5, Series of 2006 without prejudice to the conduct of forfeiture proceedings by the Bureau of Customs;

WHEREAS, after evaluation of the Technical Working Group (TWG) on Exemption, it has been determined that the violation committed by **CONNELL BROS. CO. PILIPINAS, INC.** was not willful, considering that the company relied on the Material Safety Data Sheet (MSDS) dated March 30, 2007 issued by Cytec Industries

Malaysia (Cytec), its supplier of Viacryl, which shows the absence of any controlled chemical in its composition and that it was not apprised by Cytec of a new MSDS wherein there was a material change as of January 25, 2013 in the product's chemical composition, particularly the introduction of 0.7% Toluene;

WHEREAS, the TWG took note of the fact that prior to **CONNELL BROS. CO. PILIPINAS, INC.** January 30, 2013 shipment, the company encountered no problems relative to licensing and permit issues, taking into consideration that it causes importation of Viacryl and other similar products three to four times a year;

WHEREAS, the TWG also made a background review and found out that **CONNELL BROS. CO. PILIPINAS, INC.** has not been previously involved in any violation of rules and regulations enforced by the PDEA;

WHEREAS, **CONNELL BROS. CO. PILIPINAS, INC.** has paid the Php 10,000.00 fine and to subject the shipment to forfeiture proceedings due to a cause not attributable to the company would not be commensurate to the violation committed and may be construed as an act that will hamper operations of legitimate industries;

WHEREAS, the Toluene content is only 0.7%, therefore, the controlled chemical component is very minimal and neither does it present a risk of abuse nor the quantity of the same be recovered to present such risk;

WHEREAS, the mixture is formulated in such a way that the controlled chemical component can neither be extracted nor it can be used for the illicit manufacture of dangerous drug.

WHEREFORE, be it **RESOLVED**, as it is hereby **RESOLVED**: That –

- a. That the penalty of **TEN THOUSAND PESOS (Php 10,000.00)** be imposed against **CONNELL BROS. CO. PILIPINAS, INC.** as a result of its importation of products containing controlled chemicals without the proper import permit / certificate of exemption;
- b. The January 30, 2013 shipment of **CONNELL BROS. CO. PILIPINAS, INC.** has satisfactorily **COMPLIED** with the DDB / PDEA administrative and regulatory requirements;
- c. The recommendation of forfeiture be **WITHDRAWN** without prejudice to whatever sanctions the Bureau of Customs may impose for violation/s of the Tariff and Customs Code;
- d. **CONNELL BROS. CO. PILIPINAS, INC. SUBMIT** with the Board an **EXPLANATION** of corrective measures that it would undertake to avoid a repetition of the incident within **TEN (10) WORKING DAYS**;
- e. The DDB – PDEA Monitoring Team shall be allowed access to **CONNELL BROS. CO. PILIPINAS, INC.** premises where raw materials and finished products are being kept and / or used; and
- f. **CONNELL BROS. CO. PILIPINAS, INC. IS STERNLY WARNED THAT A REPETITION OF SAID ACT SHALL BE DEALT WITH MORE SEVERELY.**

APPROVED and ADOPTED this 6th day of May, in the year of Our Lord, 2013 in Pampanga.

(Sgd) **Secretary ANTONIO A. VILLAR, JR.**
Chairman, Dangerous Drugs Board

Attested:

(Sgd) **Undersecretary JOSE MARLOWE S. PEDREGOSA**
Secretary of the Board