



Republic of the Philippines
Office of the President
DANGEROUS DRUGS BOARD

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BOARD RESOLUTION NO. 10
Series of 2013

SUBJECT: GRANTING EXEMPTION FROM SPECIFIC MEASURES OF REGULATORY CONTROL REQUIREMENTS TO CERTAIN FINISHED PRODUCTS OF TSUNEISHI INDUSTRIES (CEBU), INC.

WHEREAS, under Section 81 (b) and (r) of Article IX of RA 9165, otherwise known as the Comprehensive Dangerous Drugs Act of 2002, 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, TSUNEISHI INDUSTRIES (CEBU), INC. with business address at West Cebu Industrial Park-SEZ, Buanoy, Balamban, Cebu City, Philippines is seeking exemption from regulatory measures for the following products containing controlled chemicals, to wit:

1. BISCON THINNER – 10-20% Toluene
2. CERABOND 2000 (BASE) – 1-5% MEK
3. CERABOND TU Grey (Base) – 5-10% Toluene
4. CR/ACRI THINNER A – 1- 5% Toluene
5. EPICON THINNER – 10-20% Toluene
6. EPICON T-500 HARDENER – 1-10% Toluene
7. EPICON T-500 GREY BASE – 1-10% Toluene; 1-5% Methyl Ethyl Ketone
8. EPICON T-500 LIGHT GREY BASE – 1-10% Toluene
09. EPICON T-500 RED BROWN BASE – 1-10% Toluene; 1-5% MEK
10. EPICON ZINC RICH PRIMER B-2 GREY BASE – 5-10% Toluene
11. EPOMARINE AC (M) (HARDENER) – 9% Toluene
12. EPOMARINE AC Mark 2 (HARDENER) – 10-20% Toluene
13. EPOXY THINNER A – 10 - 20% Toluene
14. EVAMAX 100P GREY BASE – 1-5% Methyl Ethyl Ketone (MEK)
15. GALVANITE No. 200 Primer (Base) – 5-10% 2-Butanone (MEK)
16. GALVANITE No. 200 Primer (Hardener) – 5-10% 2Butanone (MEK)
17. GALVANITE No. 200 Thinner – 5-10% 2 Butanone (MEK)
18. NIPPON E-MARINE A/C 2 HARDENER – 5-10% Toluene
19. NIPPON E-MARINE A/C TC HARDENER – 5-10% Toluene
20. NIPPON E-MARINE FINISH M GRAY N-7 070 BASE – 5-10% Toluene
21. NOVA 2000 (HARDENER) 1-10% Toluene
22. SILICON HR SILVER (BASE) – 7.20% Toluene
23. SPRAYON RED INSULATING VARNISH – 17% Toluene; 18% Acetone
24. SPRAYON CLEAR INSULATING VARNISH – 26% MEK; 30% Acetone
25. STEEL PAINT BLUE – 7.10% Toluene
26. STEEL PAINT RED – 6.8% Toluene
27. STEEL PAINT WHITE – 5.6% Toluene
28. STEEL PAINT YELLOW – 5.99% Toluene
29. THINNER No. 17 – 39-41% Toluene
30. UNIPRIME 100 HARDENER C – 1-5% Toluene
31. UNIPRIME 100 HARDENER – 24% Toluene
32. URETHANE THINNER A – 15-25% Toluene
33. UNYMARINE FINISH Hardener – 5-10% Toluene

34. UNYMARINE FINISH K-LINE GREY 10GY 6/03 BASE – 1 – 10% Toluene; 1-5% Methyl Ethyl Ketone (MEK)
35. UNYMARINE FINISH K-LINE RED BASE – 5-15% Toluene
36. UNYMARINE FINISH WHITE BASE – 0-10% Toluene; 0-5% Methyl Ethyl Ketone (MEK)

37. UNYMARINE FINISH BLACK BASE – 5-15% Toluene
38. UNIZINC 80 GREEN – 15 - 25% MEK
39. VINYLIA BTM SILVER BROWN – 14-19% Toluene
40. VINYLIA BTM (P) SILVER BROWN – 16% Toluene

WHEREAS, Section 4(2-d, e & f), Article II of the same Regulation also provides that the Board may exempt from specific measures of regulatory control requirements any preparation with liquid chemical mixture containing less than 30% by weight of the Table II chemical; or solid, semisolid and highly viscous chemical mixture containing Table II chemical; or when the Board is satisfied that the mixture is formulated in such a way that the controlled chemical cannot be easily used for the illicit manufacture of a dangerous drug and that the controlled chemical or chemicals contained in the mixture cannot be readily recovered;

WHEREAS, to assist the Board in evaluating requests for exemption, it promulgated Board Resolution No.1 Series of 2008 entitled “**Creating a Technical Working Group (TWG) to assist the Board in considering request of Manufacturers and Importers of finished products from specific measures of regulatory control requirements**”;

WHEREAS, it has been determined by the DDB Technical Working Group (TWG) that **TSUNEISHI INDUSTRIES (CEBU), INC.** is a multinational company, and a joint venture of Aboitiz Group of the Philippines and Kambara Group of Japan. It is engaged in ship building and ship repair and has been in the business since 1993. The business undertaking of the company on the use of paints and thinners are indispensable due to the increasing demand of the product in their in their operation. The company is a handler of PDEA License **P5IM-00572001-R037H as Importer End-user issued on 27 January 2012 and valid until 07 February 2013.** The products contain controlled chemicals below the 30% threshold

WHEREAS, after due deliberation and evaluation, the TWG decided to recommend to the Board the exemption of **TSUNEISHI INDUSTRIES (CEBU), INC.’S** finished products that contains less than the 30% threshold of the Table II chemical, in accordance with the provisions of Section 4-2(d, e & f);

WHEREAS, the DDB Technical Working Group (TWG) opined **that products containing controlled chemicals above the 30% threshold** can be given exemption, due to having satisfied the conditions as provided for in Section 4-2(f);

WHEREAS, after satisfying the requirements stipulated under the above mentioned regulations, **TSUNEISHI INDUSTRIES (CEBU), INC.’ products are no longer covered by the provisions of Section 10 (Application for import, export or transit permits), and Section 11 (Grant of import, export or transit permits), of BR No.3, S. 2003;**

WHEREAS, during the Caucus of the Board held on 12 December 2012, the matter was presented and was eventually unanimously approved in principle by those in attendance, subject to confirmation by the Board at its next regular meeting;

WHEREAS, in order to facilitate its confirmation, the said matter, along with the other concerns approved in principle during the Caucus, was subjected to an Ad

Referendum, which was thereafter signed by at least nine (9) Members of the Board constituting a quorum on January 16, 2013.

WHEREFORE, be it **RESOLVED**, as it is hereby **RESOLVED, GRANTING EXEMPTION** and the issuance of a Certificate of Exemption, which shall be valid for one (1) year unless revoked, to **TSUNEISHI INDUSTRIES (CEBU), INC.'S** products that contain controlled chemical below the 30% threshold of the Table II chemicals, in accordance with the following provisions of Section 4-2(d, e & f).

a. That the above cited exemptions shall still be subject to the following conditions:

- (1) The TSUNEISHI INDUSTRIES (CEBU), INC. shall secure a license from the PDEA and comply with the reporting requirements as provided for in Board Regulation No. 3, Series of 2003;
- (2) The Board shall strictly monitor subject finished products from their importation to distribution to end-users;
- (3) The DDB-PDEA Monitoring Team shall have free access to the TSUNEISHI INDUSTRIES (CEBU), INC. premises where the finished products are kept and/or used;
- (4) The TSUNEISHI INDUSTRIES (CEBU), INC. shall assume full responsibility for any misuse of the imported finished products, caused either by its own negligence or by negligence of all persons acting under their name or control and supervision; and
- (5) Any violation of the provisions of Board Regulation No. 3, Series of 2003, shall be a ground for the revocation of the certificate of exemption at anytime and would be dealt with severely.

APPROVED and ADOPTED this 16th day of January, in the year of Our Lord, 2013 in Quezon City.

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

Attested:

(Sgd) **Assistant Secretary AMADOR S. PABUSTAN**
OIC-Secretary of the Board