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SENATE  
S.B. No. 2373

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

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**AN ACT AMENDING SECTION 709 OF PRESIDENTIAL DECREE 1464, OTHERWISE KNOWN AS  
THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED**

**EXPLANATORY NOTE**

For the Overseas Filipino Workers (OFW), going back home to the Philippines is something they look forward to. And part of this experience is putting up a package of gifts to bring home to family, relatives and friends. The *balikbayan box* has been the symbol for the OFWs – of their sacrifices and travails going abroad, of their desire to provide better lives for their loved ones.

Yet, sending a *balikbayan* box home becomes burdensome for these modern-day heroes. Currently, these packages undergo a tedious process in the customs and are charged fees that are discouraging for OFWs to send more regularly. Thus, there is a need to provide the ten million Filipinos abroad, who have been already contributing greatly to the economy the past four decades, a better customs administration by reducing the *de minimis* threshold.

The *de minimis* threshold is the minimal volume of declaration of goods in the customs for consignments. Low thresholds for customs declaration signify increased documentation and processes for shipments at entry points in the country. Increased documentation leads to larger turnover and delivery time of goods, and larger administration costs that would yield lower revenue impact for both businesses and government.

Presently, the Philippines has the lowest *de minimis* threshold in the ASEAN, at PhP10 or US\$0.23.<sup>1</sup> The ASEAN average threshold is at a hundred dollars, which is four hundred times that of the Philippines'. The extremely low Philippine threshold has not been changed since 1957 and is clearly antiquated. It needs to be updated to be reflective of current prices.

By increasing the *de minimis* level to Ten Thousand Pesos (PhP10,000.00), the proposed measure provides a more realistic and relevant threshold. It enables the Bureau of Customs to focus its efforts in looking out for high-value, high-risk and high-revenue goods for collection and enforcement, thereby making customs processes more efficient.

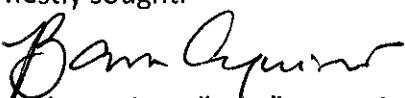
Then, the *balikbayan* boxes and other low-value and low-risk packages and of OFWs and others, such as entrepreneurs and individuals, who purchase small goods online, are allowed to go through customs faster with minimum fees.

As the saying goes, MAMI: minimum activities for maximum impact for government, private institutions and individuals.

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<sup>1</sup> Based on BSP exchange rate of US\$1 : PhP43.8 as of 26 August 2014.

In view of the foregoing, the approval of this bill is earnestly sought.

  
Senator Paolo Benigno "Bam" A. Aquino IV

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*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1           **SECTION 1.** Section 709 of the Tariff and Customs Code of the Philippines (TCCP), as  
2 amended, is hereby further amended to read as follows:

3           *"Sec. 709. Authority of the Collector to Remit Duties –* A Collector shall have  
4 discretionary authority to remit the assessment and collection of customs duties, taxes,  
5 and other charges when the aggregate amount of such duties, taxes and other charges  
6 is less than [ten pesos] **TEN THOUSAND PESOS (P10,000.00)** and he may dispense with  
7 the seizure of articles of less than [ten pesos] **TEN THOUSAND PESOS (P10,000.00)** in  
8 value except in cases of prohibited importations or the habitual or intentional violation  
9 of the tariff and customs law."

10           **SECTION 2. *Implementing Rules and Regulations.*** – The Commissioner of the Bureau of  
11 Customs shall, within thirty (30) days from the effectivity of this Act, issue the necessary rules  
12 and regulations for the implementation of this Act.

13           **SECTION 3. *Separability Clause.*** – If any provision of this Act is subsequently declared  
14 invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain  
15 in full force and effect.

16           **SECTION 4. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations, and  
17 other issuances, or parts thereof, inconsistent with the provisions of this Act are hereby  
18 repealed or modified accordingly.

19           **SECTION 5. *Effectivity Clause.*** – This Act shall take fifteen (15) days after its publication  
20 in the *Official Gazette* or in a newspaper of general circulation

21           Approved,