CONGRESS OF THE PHILIPPINES EIGHTEENTH CONGRESS Third Regular Session

## SENATE

## S. No. 2493

(In Substitution of S.B. Nos. 2396 and 2402, taking into consideration H.B. No. 9884)

- PREPARED AND SUBMITTED BY THE COMMITTEE ON PUBLIC SERVICES (UPON THE RECOMMENDATION OF THE SUBCOMMITTEE ON VINTAGE VEHICLE REGULATION ACT) WITH SENATORS GATCHALIAN, ZUBIRI, TOLENTINO, VILLAR, RECTO AND SOTTO III AS AUTHORS THEREOF
- AN ACT REGULATING USE THE AND OTHER ACTIVITIES RELATED ТО VINTAGE AUTOMOBILES AND OTHER HISTORICAL. CLASSIC, OR COLLECTOR MOTOR VEHICLES, AND PROVIDING FOR THEIR EXEMPTION FROM THE STANDARDS AND RESTRICTIONS SET BY LAWS, AND REGULATIONS ISSUED AFTER THE DATE OF THEIR MANUFACTURE

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

- 1 SECTION 1. Short Title. This Act shall be known as
- 2 the "Vintage Vehicle Regulation Act".

1	SEC. 2. Declaration of Policy. – Section 14 Article XIV
2	of the Constitution declares that the State shall foster the
3	preservation, enrichment, and dynamic evolution of a
4	Filipino culture based on the principle of unity in diversity
5	in a climate of free artistic and intellectual expression.
6	Section 16 of the same Article declares that the country's
7	artistic and historic wealth constitutes the cultural
8	treasure of the nation and shall be under the protection of
9	the State which may regulate its disposition.

10 The State recognizes that motor vehicles are integral part of Philippine culture, embedded in its history and 11 chronicles of government, transportation, industry, social 12 life, and popular culture. The State acknowledges that 13 surviving vintage vehicles, as well as their related tools, 14 accessories, buildings, 15 equipment, literature. and collectible ephemera, deserve and require sustainable 16 17 conservation, and that motoring heritage aids 18 contextualization, documentation, interpretation, and 19 understanding of the development of the nation's way of 20 life and how it continues to transition. Within this context, the preservation of vintage vehicles is in accord with policy
 of the State to preserve its heritage and patrimony.

3 The State recognizes the large and expanding international markets for the restoration of these vintage 4 5 vehicles. The State is keenly aware that the country's unique conditions, the capability of its small and medium 6 industries, and the quality of its human resource make it 7 competitive in those markets. It is therefore the declared 8 9 policy of the State to provide an environment that will 10 encourage its entrepreneurs and industries to participate in those markets and permit its businessmen, technicians, 11 and workforce to acquire the knowledge and skills 12 necessary for the purpose. In furtherance of such policies, 13 the State shall pursue the following objectives: 14

(i) protect, preserve, enhance, and promote the
nation's heritage by preserving vintage vehicles and in
furtherance thereof permit the importation of such vehicles
in historically correct condition;

(ii) establish and strengthen regulatory policies that
 encourage their preservation, maintenance, occasional use,
 and registration;

4 (iii) increase economic opportunities by creating 5 conditions favorable to small and medium industries that 6 may participate in the international markets for the 7 restoration and repair of vintage vehicles and the 8 manufacture of their spare and replacement parts; and

9 (iv) encourage tourism through the promotion of 10 automobile tours, establishment of vintage vehicle or car 11 museums, exhibits, vintage motorsports, and similar 12 events.

SEC. 3. Coverage. – This Act shall apply to all aspects
of the regulation of the importation and exportation,
registration, and use of vintage vehicles.

16 SEC. 4. *Definition of Terms.* – As used in this Act:

(a) Authentic Spare Part refers to a replacement part,
whether old or newly produced, that is identical in
appearance and function to an original component
installed in the vehicle or in vehicles belonging to the same

model line as the vehicle at the time of manufacture, but 1 2 not necessarily made of the same material, including 3 chassis and monocoque shell and subframe replacements of the same pattern as the original. This will include spare 4 5 parts from the manufacturer's stock intended for the later 6 servicing or repair of vehicles of the same model line as the vehicle; 7 (b) Concours D 'Elegance or Concours refers to a 8 9 vintage vehicle which condition is for exhibition or contest: 10 (c) Automobile Lineage Brand refers to the original 11 manufacturer's name or latest brand name as a result of corporate merger or acquisition; 12 (d) Motor vehicle refers to any self-propelled vehicle 13 14 including designed to carry passengers or goods, automobiles, pick-up trucks, vans, sports utility vehicles, 15 Asian utility vehicles, and motorcycles. A trailer, caravan, 16 or other vehicle intended to be towed by attachment to a 17 18 motor vehicle shall be deemed a motor vehicle for purposes 19 of this Act:

(e) Original components refer to parts of the vehicle,
 including the motor, chassis, and gearbox, that were
 originally installed by its manufacturer at the time of its
 production;

5 (f) *Restoration Mode or RESTOMOD* refers to vintage
6 car that has been restored but modified with modern parts
7 and technology;

8 (g) Spare parts refer to component parts, sub-9 assemblies or complete assemblies, identical to or 10 interchangeable with original components of a vintage 11 vehicle, and accessories that are permitted to be installed 12 on a vintage vehicle under Section 12 hereof; and

(h) *Vintage vehicle* refers to a motor vehicle, whether
powered by an internal combustion engine, electricity, a
combination of both, or other means, that is at least forty
(40) years old reckoned from the date of manufacture,
whose chassis, engine, steering assembly, and suspension
assembly are either original or authentic and whose body
has not been altered in general appearance, subject only to

the exceptions in Section 12 hereof. It shall exclude
 replicas and reproductions of vintage vehicles.

3 5. Exemption. – In recognition of their small SEC. number, their expected limited use, and the historical fact 4 5 that the technology available at the time of their manufacture will not permit them to meet modern 6 7 standards, vintage vehicles registered under this Act shall 8 not be required to meet clean-air, anti-pollution, safety, 9 road-use, and other standards that were not in force at the 10 time of their manufacture, either as a condition for their registration and use on public roads or otherwise, the 11 provisions of the Clean Air Act (RA 8749) and any other 12 law or regulation notwithstanding. However, vintage 13 14 vehicles manufactured after December 31, 1967 must be fitted with safety belts as mandated by Republic Act 15 16 No. 8750 or the Seat Belts Use Act of 1999.

SEC. 6. Importation. – Vintage vehicles, whether
concours, RESTOMOD and/or for repair or restoration,
authentic components, original or replica body shells,
engines and transmissions, spare parts and accessories

1 may be imported into the Philippines by any person or2 entity.

3 SEC. 7. Exportation. - A vintage vehicle may be exported without restriction: *Provided*. That in the interest 4 5 preserving the cultural and historical heritage of 6 associated with vintage vehicles, the exportation of vintage 7 vehicles that have historical significance to the country, such as vehicles of Presidents of the Philippines, as 8 9 certified by the National Historical Commission of the Philippines (NHCP) in accordance with rules 10 and 11 guidelines, shall be prohibited, except for the purpose of 12 repair or restoration abroad as authorized by the NHCP.

SEC. 8. Valuation for Tariffs, Import Duties and other 13 Taxes. - The Bureau of Customs (BOC), for purposes of 14 valuation for tariffs, import duties and other taxes of 15 imported vintage vehicle, shall differentiate concours, 16 17 RESTOMOD and for restoration vintage vehicle, 18 restoration mode and for restoration shall have a lower 19 valuation against concours for the same make and model of 20 vintage vehicle. For purposes of this section, for restoration vintage vehicle shall mean a vintage vehicle,
 whether containing the important parts such as engine,
 transmissions, chassis and body or just the body shell,
 which is for further modification or restoration in the
 Philippines.

SEC. 9. Availment of Fiscal and Tax Incentives. -6 Restoration shops and companies which are in the business 7 of importation of vintage vehicles for restoration in the 8 9 Philippines and for export of the same, shall be eligible to 10 avail themselves of the fiscal and tax incentives provided in Republic Act No. 11534, otherwise known as "An Act 11 Reforming the Corporate Income Tax and Incentives 12 System, amending for the purpose Sections 20, 22, 25, 27, 13 14 28, 29, 34, 40, 57, 109, 116, 204 and 290 of the National Internal Revenue Code of 1997, as amended and creating 15 therein new Title XIII, and for other purposes," and other 16 17 applicable laws. The restoration shops and companies shall 18 comply with all the requirements provided for by law in the availment of fiscal and tax incentives. 19

SEC. 10. Right-hand Drive Vehicles. – The prohibition 1 2 on the importation, registration, and use of right-handdrive vehicles shall not apply to vintage vehicles 3 manufactured on or before December 31, 1970 or to vintage 4 5 principally for vehicles intended racing or other 6 motorsport.

SEC. 11. Period Specification. - A vintage vehicle 7 registered or otherwise benefitting under this Act shall be 8 9 preserved and maintained in a historically correct 10 condition, which, for purposes of this Act and subject to Section 12 hereof, shall mean that (i) its chassis, engine, 11 steering, and suspension shall not have been replaced or 12 modified except with original or authentic components, and 13 14 (ii) its body has not been changed in general appearance.

15 SEC. 12. Permitted Modifications. – The following
16 modifications shall be permitted on vintage vehicles:

(i) modifications of a type that can be demonstrated to
have been made when the vintage vehicle was in
production or within ten (10) years of the end of
production;

(ii) modifications to brakes, suspension, axles and
 running gear to improve efficiency or safety;

3 (iii) use of carburetors or fuel injection systems not
4 original to the vintage vehicle to improve efficiency,
5 economy or environmental performance;

6 (iv) installation of a new, modern engine of the same 7 brand or manufacture and of the same general 8 specification as the engine original to the vintage vehicle or 9 vehicles belonging to the same historic model line or 10 automobile brand lineageas the vintage vehicle; and

(v) installation of after-market accessories and
equipment, such as radios, air-conditioning, and
directional lights, to permit the convenient or safe use of
the vehicle.

15 SEC. 13. *Limited Use.* – A vintage vehicle that (i) is 16 imported after the effectivity of this Act, or (ii) is registered 17 under this Act, or (iii) otherwise benefits from any 18 exemption or privilege under this Act shall be used only for 19 personal purposes and/or leisure driving. A vintage vehicle 20 shall in no event be used for commercial purposes, except only for motion pictures, advertisements, pictorials,
 weddings, and motorcades. In no event shall a vintage
 vehicle be used as a public utility vehicle or for the
 commercial transport of persons or goods.

5 SEC. 14. Registration. - All vintage vehicles (i) imported after the effectivity of this Act or (ii) benefiting 6 from any exemption or privilege under this Act shall be 7 vintage vehicle 8 registered with the  $\mathbf{as}$ a Land 9 Transportation Office (LTO) in order to benefit from the provisions of this Act. Such registration shall be valid for 10 three (3) years. The LTO is not precluded to provide a 11 longer validity of registration. For vintage vehicles which 12 are not regularly used, on permanent exhibit or in 13 museums, the LTO shall provide a system for onsite 14 registration or where the vintage vehicle parked or 15 exhibited, and may impose additional fees for this purpose. 16 17 In the case of vintage vehicle on permanent exhibit or in 18 museums, the registration with the LTO is at the option of 19 the owner or museum if the vintage vehicle is no longer in 20 running condition.

1 SEC. 15. *License Plate.* – The LTO shall issue to each 2 registered vintage vehicle license plates that contain the 3 words "vintage vehicle" in addition to the usual letters and 4 numerals appearing in license plates. The model year or 5 year of manufacture shall be indicated on any appropriate 6 part of the plate.

7 16. Applicability of Prohibitions. – SEC. The prohibitions set out in this Act shall not apply to motor 8 9 vehicles that are not registered under this Act or which do 10 not seek to benefit from any exemption or privilege under 11 this Act. Such motor vehicles shall be subject to all laws and regulations governing the registration and use of 12 motor vehicles in general, including all air emission, 13 14 safety, roadworthiness and other standards.

15 SEC. 17. Inspection. – A vintage vehicle applying for 16 registration or the renewal of its registration under this 17 Act shall be subject to inspection in compliance with 18 Sections 11 and 12 hereof and, if manufactured after 19 December 31, 1975, in compliance with the minimum 20 safety and roadworthiness guidelines established by the

LTO in consultation with stakeholders. In no event shall
 the standards for safety inspection for vintage vehicles
 registered under this Act exceed or be more stringent than
 those that were in force at the year the vehicle was
 manufactured.

As in the case of any motor vehicle and in the interest
of public safety and responsible ownership, the LTO shall
conduct random inspection of registered vintage vehicles
on public roads and highways.

SEC. 18. Lost Papers. - (a) A vintage vehicle that has 10 no certificate of registration, official receipt of registration 11 payment, or other evidence of ownership or registration 12 may be registered as a vintage vehicle under this Act, 13 14 subject to the submission by the applicant of (i) a notarized affidavit that states that the applicant is the owner, is in 15 possession of the vehicle, knows of no claim on the vehicle, 16 and which describes the circumstances by which the 17 18 applicant came to acquire the vehicle, (ii) clearance from 19 the relevant police agency that there is no record of the 20 vehicle having been stolen, and (iii) payment to the LTO of a one-time reconstitution fee of Ten thousand pesos
 (P10,000.00) in addition to the regular fees and charges for
 the registration of vintage vehicles.

4 (b) Publication of Notice of Application for Registration. The LTO shall publish a notice of the 5 application in a newspaper of general circulation once a 6 7 week for three (3) consecutive weeks at the expense of the applicant and on its website within three (3) days from 8 9 receipt of each complete application, describing the vehicle 10 and stating that the applicant has applied for registration. If the LTO receives no objection to the application or claim 11 by third parties on the vehicle within three (3) months 12 from the date of publication, it shall register the vehicle as 13 14 a vintage vehicle under this Act. The registration of a vintage vehicle shall be without prejudice to rights of 15 persons who may claim ownership of the vintage vehicle 16 17 under applicable laws.

(c) Date of manufacture. The date of manufacture of a
vintage vehicle with lost, incomplete, or inconsistent
papers may be ascertained through the car manufacturer

1 or the assistance of vintage car associations or interest 2 groups. If details such as the exact date of manufacture 3 cannot be ascertained, the registration paper and entry in 4 the database of the LTO shall indicate this fact and an 5 annotation that the "date of manufacture is not available 6 but has been estimated by [name of authority/association]".

SEC. 19. Vintage Vehicle Restoration Database;
Education. - (a) Recognizing the historical and cultural
value and contribution of vintage vehicles to employment
and the industry in general, the LTO shall establish and
maintain a national database that lists and describes
vintage vehicles in the country, which it shall share with
the NHCP for purposes of Section 7 hereof.

(b) To support the local restoration industry, the LTO shall include in its database authorized and licensed companies and shops engaged in the repair or restoration of vintage vehicles or in the manufacture of spare and replacement parts for vintage vehicles, private sector associations and interest groups, and relevant government agencies, such as the Technical Education and Skills Development Authority, and actively engage them, in
 strengthening opportunities and programs for skills and
 technological development in these and related industries.

4 (c) The LTO shall promote and encourage the 5 conscientious, correct and safe maintenance of vintage 6 vehicles through consistent information and education 7 campaigns and other means.

SEC. 20. Implementing Rules and Regulations. - The 8 9 LTO shall, after public hearings and consultation with 10 concerned sectors of society, including at least five (5) vintage vehicle owners or representatives from owners' 11 groups or associations, formulate and issue the necessary 12 rules and regulations for the effective and speedy 13 implementation of this Act within sixty (60) days of its 14 effectivity. Likewise, the LTO shall consult with vintage 15 vehicle owners or representatives from owners' groups or 16 17 associations in the development of other relevant policies and issuances. Any draft issuance or policy shall also be 18 circulated electronically via email and other social media 19 20 channels for meaningful engagement of stakeholders especially owners, collectors, restorers, mechanics, and
 enthusiasts.

SEC. 21. Separability Clause. – If any provision of this
Act is declared invalid or unconstitutional, such parts not
affected by such declaration shall remain in full force and
effect.
SEC. 22. Repealing Clause. – All laws, orders, rules
and regulations and other issuances, or parts thereof,

9 which are inconsistent with this Act are hereby repealed,
10 amended or modified accordingly.

SEC. 23. *Effectivity*. – This Act shall take effect fifteen
(15) days after its publication in the *Official Gazette* or in a
newspaper of general circulation.

Approved,