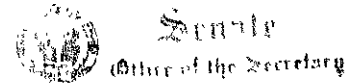


SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Third Regular Session )



75 AUG 24 P3:42

SENATE

S.B. No. 2913

RECEIVED BY: 

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Introduced by Senator Ralph G. Recto

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**AN ACT**  
**EXEMPTING FROM DUTIES AND TAXES "BALIKBAYAN BOXES"**  
**CONTAINING PERSONAL AND HOUSEHOLD EFFECTS OF OVERSEAS**  
**FILIPINO WORKERS (OFW), OTHER FILIPINOS RESIDING ABROAD AND**  
**RESIDENTS OF THE PHILIPPINES RETURNING FROM ABROAD**

**Explanatory Note**

Article XIII, Section 3 of the 1987 Philippine Constitution declared that the State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. In recognition of this policy, Congress has enacted laws that promote, protect and ensure full protection to Overseas Filipino Workers (OFWs).

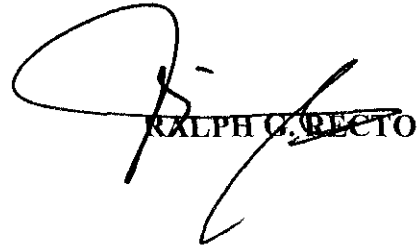
In recognition of the significant contributions of OFWs and other Filipinos residing abroad to the Philippine economy through their foreign exchange remittances, the Government afforded some benefits and privileges to them such as those provided under the Republic Act No. 6768, as amended by Republic Act No. 9174, otherwise known as the "Balikbayan Program." Under the program, the "balikbayans" and their families shall be entitled to tax-exempt maximum purchase in the amount of One Thousand Five Hundred United States dollars (US\$ 1,500.00) or its equivalent in Philippine peso and in other foreign currencies at all government-owned and-controlled/operated duty-free shops, and Kabuhayan shopping privilege and additional tax-exempt purchase in the maximum amount of Two Thousand United States dollars (US\$ 2,000.00) or its equivalent in Philippine peso and other acceptable foreign currencies, exclusive for the purchase of livelihood tools at all government-owned and controlled/operated duty-free shops.

Section 105 (f) of the Tariff and Customs Code of the Philippines (TCCP), as amended by Executive Order No. 206, includes in the list of conditionally-free importations the personal and household effects of residents of the Philippines returning from abroad which shall neither be in commercial quantities nor intended for barter, sale or hire and that the total dutiable value of which shall not exceed Ten Thousand Pesos (P10,000.00).

Under the existing rules and regulations of the Bureau of Customs (BOC) which was laid down in 1990, the "balikbayan boxes" shall contain non-commercial goods or goods not in commercial quantity strictly for personal use only, such as wearing apparel, clothing, foodstuffs/grocery items/canned goods, and the tax-exempt value of which must not exceed US\$500.00. However, this value no longer reflects the present value of money considering, among others, the effect of inflation rate. The tax-exempt value should now be increased to US\$2,000.00. The value shall be adjusted every six (6) years to its present value using the Consumer Price Index (CPI).

The intent of this bill is to increase the tax-exempt value of “balikbayan boxes” sent by OFWs, other Filipinos residing abroad and residents of the Philippines returning from abroad to their families and relatives in the Philippines. This is to recognize Philippine tradition and culture of promoting and preserving strong family ties.

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

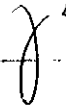


RALPH C. RECTO

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

1           **SECTION. 1.** *Short Title.* – This Act shall be known as the "Balikbayan Box  
2 Law."

3           **SEC. 2.** *Declaration of Policy.* – The State shall afford full protection to labor,  
4 local or overseas, organized and unorganized, and promote full employment opportunities  
5 for all. Towards this end, the State shall provide adequate benefits and privileges to  
6 overseas Filipino workers, other Filipinos residing abroad and residents of the Philippines  
7 returning from abroad in recognition of their significant contributions to the Philippine  
8 economy.

9           **SEC. 3.** *Definition of Terms.* - For purposes of this Act:

10           (a)    The term "Overseas Filipino Worker (OFW)" refers to a person who is to  
11 be engaged, is engaged or has been engaged in a remunerated activity in a state of which  
12 he or she is not a citizen or on board a vessel navigating the foreign seas other than a  
13 government ship used for military or non-commercial purposes or on an installation  
14 located offshore or on the high seas, to be used interchangeably with migrant worker.; and

15           (b)    The term "Balikbayan Boxes" are packages of personal and household  
16 effects which are non-commercial goods or goods not in commercial quantity strictly for

1 personal use only sent by OFWs, other Filipinos residing abroad and residents of the  
2 Philippines returning from abroad to their families or relatives in the Philippines.

3 **SEC. 4. *Duty and Tax Exemption.*** – The value of the contents of balikbayan boxes  
4 not exceeding Two Thousand United States Dollars (US\$2,000.00) shall be exempt from  
5 duties and taxes imposed under the Tariff and Customs Code of the Philippines (TCCP)  
6 and the National Internal Revenue Code (NIRC) of 1997, as amended. Provided, that  
7 every six (6) years after the effectivity of this Act, the value herein stated shall be adjusted  
8 to its present value using the Consumer Price Index, as published by the Philippine  
9 Statistics Authority (PSA).

10 **SEC. 5. *Implementing Rules and Regulations.*** – The Department of Finance  
11 (DOF), Bureau of Customs (BOC) and the Bureau of Internal Revenue (BIR) shall  
12 promulgate the necessary rules and regulations for the effective implementation of the  
13 provisions of this Act.

14 **SEC. 6. *Separability Clause.*** - If any provision of this Act is declared invalid or  
15 unconstitutional, other provisions hereof which are not affected thereby shall remain in  
16 full force and effect.

17 **SEC. 7. *Repealing Clause.*** – All laws, orders, decrees, rules and regulations, and  
18 other parts thereof inconsistent with the provisions of this Act are hereby repealed,  
19 amended or modified accordingly.

20 **SEC. 8. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its  
21 publication in Official Gazette or in at least two (2) national newspapers of general  
22 circulation.

23 *Approved,*