

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 510

PROMULGATING RULES AND REGULATIONS IMPLEMENTING SECTION 13 OF REPUBLIC ACT NO. 650, ENTITLED "AN ACT TO REGULATE IMPORTS AND FOR OTHER PURPOSES."

Pursuant to the powers vested in me by section 3 of Republic Act No. 650, I, Elpidio Quirino, President of the Philippines, do hereby promulgate the following rules and regulations implementing section 13 of Republic Act No. 650:

SECTION 1. By "bona fide Filipino merchants" are meant:

(a) Any natural person of legal age of Filipino or American citizenship or any juridical entity not less than 60 per centum of the capital of which is owned by Filipino and/or American citizens, duly registered with the Bureau of Commerce or the Securities and Exchange Commission and licensed to engage in wholesale or retail trade. Such merchant must have a definite place of business open to retailers and/or to the public for retail and must be provided with sufficient facilities to actually store stocks of merchandise.

(b) Cooperative associations registered with the Cooperatives Administration Office and Filipino retailers association registered with the Bureau of Commerce, Department of Commerce and Industry.

For purposes of section 13, government entities and other public institutions or corporations, such as the Armed Forces of the Philippines, the National Development Company, the Price Stabilization Corporation (PRISCO) and its retail stores, company stores, and direct consumers, such as producers and contractors who are Filipinos or Americans, shall be considered "Filipino merchants."

SEC. 2. The term "Importers" refer to those who import goods for wholesale or retail: *Provided however*, That an exclusive distributor who has a contract with an importer to handle goods imported under the latter's license shall be responsible for compliance with the provisions of section 13 of the Import Control Law: *And provided, further*, That importers of the following products are excluded from the necessity of selling 50 per centum of their imports of these products to Filipino merchants:

1. Explosives, fuse, blasting caps and explosive accessories;
2. Fertilizers of all categories;
3. Agricultural machinery of all kinds, including tractors, agricultural implements and spare parts therefor; and

gasoline, kerosene and diesel, parts thereof of all kinds and spare parts therefor.

SEC. 3. Immediately after the release of an importer's goods from customs, or whenever practicable, even when the goods are still in transit, the importer and the exclusive distributor mentioned in section 2 shall send notice in writing to, and the same to be duly acknowledged by, the Import Control Commission, the Price Stabilization Corporation, the Cooperatives Administration Office, the Bureau of Commerce and its provincial commercial agents in the port of entry of the goods. Likewise, it shall be the duty of the Commissioner of Customs and/or his duly authorized representatives to give notice to the Director of Commerce, the Price Stabilization Corporation, the Cooperatives Administration Office, or their authorized representatives, of any receipt of importation in accordance with the provisions of section 7, of Republic Act No. 650.

The notice shall contain a sufficient description of the imported goods and state the importer's selling price and other essential particulars. He shall also attach samples of the goods in the case of textiles and in other cases in which samples may be required by the Import Control Commission. Samples shall not be required in the case of remnants and textile staples, such as blue denims, blue chambray for workshirts, bleached sheetings, white and plain color flannels, numbered ducks and ounce ducks, white cottons, khaki, white and solid color shirtings, indicating in the case of white cottons, the number of threads per square inch, in khaki, the color, and whether 2 by 2 or 1 by 1, and in white and solid color shirtings, the number of broadcloths and the width.

SEC. 4. Subject to the provisions of section 12 of Republic Act No. 650, the entire 50 per centum of the goods held in reserve shall be sold to organized cooperative associations, retailers' associations, and other bona fide Filipino merchants: *Provided, however,* That in the interest of and for the benefit of these merchants and cooperatives, the Price Stabilization Corporation shall have first priority in the acquisition of the entire 50 per centum of the above-mentioned goods, the same to be allocated and distributed as the Price Stabilization Corporation and the representatives of said merchants may determine. However, in the disposal of capital equipment and raw materials needed by domestic producers which are not produced locally in adequate quantities but included in the 50 per centum of the goods held the Import Control Law, first priority shall be given to bona fide Filipino producers or manufacturers.

SEC. 5. The obligation of the importers to reserve not less than 50 per centum of their importation for sale to bona fide Filipino merchants shall be for the following periods:

- (a) For goods falling under class A of Appendix A, 10 days;
- (b) For those under class B, 20 days;
- (c) For those under class C, 30 days; and
- (d) For non-perishables, 40 days.

SEC. 6. Where an importer's notice had been sent to, and received earlier by, the entities and persons mentioned in section 3 of this Order, the periods enumerated in the preceding section shall begin to run from the date of the goods are released from customs; otherwise, the periods shall be counted from the dates the notice is actually and respectively received by said entities or persons.

SEC. 7. Importers who have complied with the provisions of section 4 and disposed of the reserved 50 per centum of their imports to bona fide Filipino merchants shall so report to the Import Control Commission in writing, giving the names and addresses of the merchants who have purchased the goods, including a description of the goods, quantity and prices paid. Importers who, in spite of the notice given pursuant to these rules, shall have failed to sell to bona fide Filipino merchants the reserved 50 per centum of their imports or any portion thereof, shall file with the import Control Commission applications, for the release of the unused portions from the operation of section 13 of the Import Control Law, which shall forward for appropriate action: *Provided, however,* That goods enumerated be released and disposed of by importers through their regular trade outlets after twenty days from the filing of such applications upon authorization by the Import Control Commission unless sooner acted upon by the President: *and provided, further,* That in the case of commodities falling under class A, if the petition can not be acted on within ten days from the submission of the application, the importer shall be automatically released from the operation of section 13 with respect to the particular commodity.

SEC. 8. The Price Stabilization Corporation shall prepare, every 2 weeks, a list of commodities disposed of and of commodities available for disposal under the provisions of section 13 of the Import Control Law, giving the names of the importers, the description and quantities of the goods, the names of purchasers and the prices paid. This list shall be published in pamphlet form by the Price Stabilization Corporation and sold at cost to all interested parties.

SEC. 9. Importers are enjoined to comply in perfect good faith with the provisions of section 13 of the Import Control Law and these rules and regulations to facilitate the free and easy flow of goods to bona fide Filipino merchants. To this end, importers who do not have at present a sufficiency number of regular customers who are bona fide Filipino merchants to buy the reserved 50 per centum of their imported goods, shall request the Bureau of Commerce, the Cooperatives Administration Office and the Chamber of Commerce of the Philippines to certify to them a list of bona fide Filipino merchants as prospective customers. The Bureau of Commerce and the Chamber of Commerce of the Philippines shall maintain a liaison between the importers and bona fide Filipino merchants with a view to giving full force and effect to provisions of section 13, after the requirements of the entities enjoying priorities hereunder have been met.

SEC. 10. These rules and regulations may be changed or amended from time to time by the President of the Philippines when the public interests so demand, upon the recommendation of the Import Control Commission, the Price Stabilization Corporation and the Department of Commerce and Industry.

SEC. 11. Any importer found violating any of these rules and regulations shall be banned from further participating in the import business, in addition to his being subjected to the other penalties provided by law.

For this purpose, the Import Control Commission, the Price Stabilization Corporation, the Bureau of Commerce and the National Bureau of Investigation directly or through their authorized representatives shall have the power (1) to examine bills of lading, bills of sales, invoices, books, records and other pertinent documents owned or in the possession of the importers in connection with a particular importation and (2) upon the issuance of a search warrant, to inspect premises, bodegas, or store or rooms where stocks of articles, goods, or commodities are kept.

SEC. 12. This Order shall take effect immediately.

Done in the City of Manila, this 30th day of June, in the year of Our Lord nineteen hundred and fifty-two, and of the Independence of the Philippines, the sixth.

ELPIDIO QUIRINO

*President of the Philippines*

By the President:

MARCIANO ROQUE

*Acting Executive Secretary*