

## MALACANANG

Manila

EXECUTIVE ORDER NO. 206

AMENDING SECTION 105 OF THE TARIFF AND CUSTOMS CODE OF  
THE PHILIPPINES

WHEREAS, there is a need to adjust the maximum dutiable value of conditionally free importations of personal and household effects belonging to residents of the Philippines returning from abroad to a realistic level;

WHEREAS, to curb abuses in conditionally free importations under Section 105 (f) of the Tariff and Customs Code of the Philippines, the conditions for such importations must be restricted;

WHEREAS, there is also a need to recognize the magnitude of the contribution of the overseas contract workers whose lonely sacrifices in foreign lands bring in a considerable amount of foreign exchange annually thereby contributing to the national recovery effort;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 105 (f) of the Tariff and Customs Code of the Philippines is hereby amended, and a new subsection (f-1) is hereby added thereto, to read as follows:

"SECTION 105. Conditionally-Free Importations. - xx

x x x

(f) Personal and household effects belonging to residents of the Philippines returning from abroad including jewelry, precious stones and other articles of luxury which were formally declared and listed before departure and identified under oath before the Collector of Customs when exported from the Philippines by such returning residents upon their departure therefrom or during their stay abroad; personal and household effects including wearing apparel, articles of personal adornment (except luxury items),

toilet articles, instruments related to one's profession and analogous personal or household effects, excluding vehicles, watercraft, aircraft and animals purchased in foreign countries by residents of the Philippines which were necessary, appropriate and normally used for their comfort and convenience during their stay abroad, accompanying them on their return, or arriving within a reasonable time which, barring unforeseen and fortuitous events, in no case shall exceed sixty (60) days after the owner's return: Provided, That the personal and household effects 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): Provided, further, That the returning resident has not previously availed of the privilege under this section within three hundred sixty five (365) days prior to his arrival: Provided, finally, That a fifty percent (50%) ad valorem duty across the board shall be levied and collected on the personal and household effects (except luxury items) in excess of Ten Thousand Pesos (P10,000.00).

For purposes of this section, the phrase "returning residents" shall refer to nationals who have stayed in a foreign country for a period of at least six (6) months.

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(f-1) In addition to the privilege granted under the immediately preceding paragraph, returning overseas contract workers shall have the privilege to bring in, duty and tax free, used home appliances, limited to one of every kind once in a given calendar year accompanying them on their return, or arriving within a reasonable time which, barring unforeseen and fortuitous events, in no case shall exceed sixty (60) days after the owner's return upon presentation of their original passport at the Port of Entry: Provided, That any excess of Ten Thousand

Pesos (P10,000.00) for personal and household effects and/or of the number of duty and tax-free appliances as provided for under this section, shall be subject to the corresponding duties and taxes provided under this Code.

For purposes of this section, the following words/phrases shall be understood to mean:

a. Overseas Contract Workers - Holders of valid passports duly issued by the Department of Foreign Affairs and certified by the Department of Labor and Employment/Philippine Overseas Employment Agency for overseas employment purposes. It covers all nationals working in a foreign country under employment contracts, including Middle East Contract Workers, entertainers, domestic helpers, regardless of their employment status in the foreign country.

b. Calendar Year - shall cover the period from January 1 to December 31."

SECTION 2. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 3. This Executive 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 eighty-seven.

*Corason B. Aquino*

By the President:

*J. P. Arroyo*  
JOSKER P. ARROYO  
Executive Secretary