

[REPUBLIC ACT NO. 5490, June 21, 1969]

AN ACT MAKING MARIVELES, PROVINCE OF BATAAN, A PORT OF ENTRY BY AMENDING SECTION SEVEN HUNDRED ONE OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED, PROVIDING FOR THE ESTABLISHMENT, OPERATION AND MAINTENANCE OF A FOREIGN TRADE ZONE THEREIN; CREATING A FOREIGN TRADE ZONE AUTHORITY; AND AUTHORIZING THE APPROPRIATION OF THE NECESSARY FUNDS THEREFOR.

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

SECTION 1. *Declaration of Policy.*—It is hereby declared to be the policy of the government to stimulate, expedite, encourage and promote foreign commerce as a means of making the Philippines a vital center of international trade, strengthening our foreign exchange position, of hastening industrialization, of overcoming domestic unemployment, of accelerating the development of the country and insuring the economic security of all the people as provided in the Constitution.

SEC. 2. *Mariveles Port: establishment of foreign trade zone therein: admission of foreign and domestic merchandise.*—To attain the above policy, Mariveles, Province of Bataan, is hereby made a principal port of entry by further amending section seven hundred one of Republic Act Numbered Nineteen hundred thirty-seven, otherwise known as Tariff and Customs Code of the Philippines, as amended, to read as follows:

"SEC. 701. *Collection Districts and Ports of Entry thereof.*—For administrative purposes, the Philippines shall be divided into as many collection districts as there are at present existing, the respective limits of which may be changed from time to time by the Commissioner of the Bureau of Customs, upon approval of the department head. The principal ports of entry for the respective collection districts shall be Manila, Sual, Tabaco, Cebu, Pulpandan, Sia-in, Iloilo, Davao, Legaspi, Zamboanga, Jolo, Aparri, Jose Panganiban, Cagayan, Tacloban, San Fernando, Hinigaran, Dumaguete City, San Jose, Maasin, Maa, Iligan City, Batangas, Bulatay, Supang, Virac, Cabugao, Gaang, Dagupan City, Bislig, Catbalogan, Surigao and Mariveles."

There is hereby established in the Mariveles Port a foreign trade zone herein referred to as the Zone. Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs and internal revenue laws and regulations of the Philippines, except as otherwise provided in this Act, be brought into the Zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with

foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this Act, and be exported, destroyed or sent into customs territory of the Philippines therefrom, in the original package or otherwise under the following terms and conditions:

1. When foreign merchandise is sent from the Zone into the customs territory of the Philippines, it shall be subject to the laws and regulations of the Philippines affecting imported merchandise;
2. Whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the Commissioner of Customs shall take under supervision any lot or part of a lot of foreign merchandise in the Zone, cause it to be appraised and taxes determined and duties liquidated thereon. Merchandise so manufactured under the supervision and regulation prescribed by the Secretary of Finance, and whether mixed or manufactured with domestic merchandise or not may, under regulation prescribed by the Secretary of Finance, be exported or destroyed, or may be sent in customs territory the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation, or manufacture of the entered article. Allowance shall be made for recoverable and irrevocable waste; and if recoverable waste is sent into customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in the Zone; the liquidated duties and determined taxes shall be distributed to several products in accordance with their relative value at the time of separation with due allowances for waste as provided for above;
3. Subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of Finance may deem necessary, articles, the growth, product, or manufacture of the Philippines, on which all internal revenue taxes have been paid, if subject thereto, and articles previously imported on which duty and or tax has been paid, which have been admitted free of duty and tax, may taken into the Zone from the customs territory of the Philippines, placed under the supervision of the Commissioner, and whether or not they have been combined with made part, while in said Zone, of other articles, may be fought back thereto free of quotas, duty, or tax;
4. If in the opinion of the Secretary of Finance their identity has been lost, such articles not be entitled to free entry by reason of non-compliance with the requirements made hereunder by the Secretary of Finance shall be treated when they re-enter customs territory of the Philippines as foreign merchandise under the provisions of the customs, tariff and internal revenue laws in force at the time;
5. Under the rules and regulations of the Secretary of Finance, articles which have been taken into the Zone from customs territory for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines and fermented liquors), or storage shall be construed to be exported for the purpose of—