

[REPUBLIC ACT NO. 650, June 15, 1951]

AN ACT TO REGULATE IMPORTS AND FOR OTHER PURPOSES

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

SECTION 1. No commodity may be imported into the Philippines without an import license issued in accordance with the provisions of this Act, with the exception of the cases mentioned in section ten hereof: *Provided*, That the President of the Philippines, at any time may, by executive order, when the public welfare so demands, direct the importation of any class or kind of commodity without the need of any kind of license which directly or indirectly limits or controls importation and foreign exchange.

SEC. 2. The import license provided for in section one of this Act shall be issued by the President of the Philippines through such existing board or instrumentality of the Government as he may choose or create to assist him in the execution of this Act. No other government instrumentality or agency shall be authorized to qualify or question the validity of any license so issued. Questions of legality and interpretation of any license shall be decided exclusively by said board or instrumentality subject to appeal to the President.

SEC. 3. The President, on recommendation of the board or instrumentality provided for in section two, shall, in accordance with the provisions of this Act:

1. Issue rules and regulations for the enforcement of this Act;
2. Formulate policies for the granting of quota allocations and import licenses;
3. Budget the dollars certified and made available for imports by the Central Bank of the Philippines, among commodities or groups of commodities;
4. Delete or add items to appendix "A"; and
5. Reduce or ban the importation of non-essential commodities and those that are already produced economically and in sufficient quantities in the Philippines, except what may be imported under section ten of this Act.

SEC. 4. In budgeting the dollars available for essential imports, dollars shall be allocated for the importation of machinery, equipments, and raw materials for essential industries which should be encouraged and protected: *Provided, however*, That in the granting of dollar exchange, first priority shall be given to any government agency which is charged with the duties and functions of stockpiling essential articles, goods, or commodities, and/or with the stabilization of prices; and to all government agencies and instrumentalities for their essential needs as approved by the Department Secretary concerned.

Second priority shall be granted the needs of bona fide producers as regards the capital equipment and raw materials needed by them to the extent that they are not produced locally in adequate quantities.

After meeting the requirements mentioned above in the preceding paragraphs, the balance of the available foreign exchange shall be distributed among business firms and bona fide importers in accordance with the rules and regulations in the allocation of quotas, in proportion to their individual average importation in the year 1949, including such reasonable allocation for bona fide new Filipino importers as would encourage them to participate in importation.

The term "producers" shall include not only producers of agricultural and industrial products, but also public utilities, hospitals, publishers, educational institutions and, in general, institutions promoting the economic development of the country.

SEC. 5. The Monetary Board of the Central Bank of the Philippines shall certify and publish, immediately upon the passage of this Act, every six months thereafter, and also at any other time as it may deem advisable, the value of foreign exchange which shall be available for imports for the corresponding period.

SEC. 6. No import license shall be issued without available foreign exchange to cover such license, with the exception of cases enumerated in section ten of this Act.

SEC. 7. Upon the presentation to the Bureau of Customs of a duly issued import license, it shall be the ministerial duty of said Bureau to allow the entry of the import items covered by such import license.

SEC. 8. Unless extended in accordance with the rules and regulations, import licenses issued under this Act and which are not used within thirty days after their issue by the opening of a letter of credit or a similar transaction shall be null and void. Import licenses are non-transferable.

SEC. 9. Anyone who has been granted an import and corresponding foreign exchange license shall account for the investment of the latter, and, if found to have an unexpended balance, the allocation for such balance shall be cancelled. The foreign exchange corresponding to quota allocations and import licenses not used, may be the subject of new quota allocations to be issued in conformity with the rules and regulations.

SEC. 10. The following shall not be subject to import control and can be brought into Philippine jurisdiction without license:

- a. Commodities of a value not exceeding five thousand pesos (P5,000) already used in a foreign country by the person or family importing the same, and which are being imported for the personal use of the person or family importing them, as well as gifts sent from abroad through the post office, of a value not more than one hundred pesos (P100) each gift, unless there is evidence of abuse in the use of this privilege; and

- b. Commodities brought from abroad by a person who is returning to the Philippines, provided they are not being brought for commercial purposes, and do not exceed one thousand pesos (P1,000) in value, unless there is evidence of abuse in the use of this privilege.

SEC. 11. Any provisions of law to the contrary notwithstanding, import license shall be granted for the following:

- a. Commodities brought from abroad without requiring foreign exchange and imported for purposes of investment in the Philippines: Provided, That the proceeds from these goods shall be deposited in any bank and may not be withdrawn therefrom except upon proper showing to the depository bank that said proceeds will be invested in the Philippines.
- b. Goods imported from countries with which the Philippines has barter trade agreements, preference being given to producers who export to said countries.

SEC. 12. Quota allocations and import licenses granted in favor of an importer who is not a producer, covering essential commodities listed in Appendix "A" may be subjected by the Board of Directors of the Price Stabilization Corporation to a system of controls and rationing in its distribution, subject to such rules and regulations as may be issued by the said Board.

SEC. 13. All import licenses issued to any importer who is not a producer shall contain the condition that the importer shall reserve not less than fifty per cent of his imports for sale to bona fide Filipino merchants at the same mark-ups granted to his regular trade outlets. An importer who is unable to sell fifty per cent of his import to Filipino merchants shall apply to the President for authority to release the unused portions: *Provided*, That nothing contained in this Act shall in any way impair or abridge the rights granted to citizens and juridical entities of the United States of America under the Executive Agreement signed on July fourth, nineteen hundred and forty-six, between that country and the Republic of the Philippines.

SEC. 14. All applications for quota allocations and import licenses and all quota allocations and import licenses granted, as well as decisions, policies, rulings, orders and actions issued or taken under this Act shall be given wide publicity. The rules and regulations shall be published at least ten days before their respective dates of effectivity, giving all interested parties the opportunity within that time to present their views for consideration.

SEC. 15. The President may summarily bar firms or individuals from filing applications for import and/or from doing business in the Philippines for any of the following acts:

1. Any material misrepresentation in any document required by this Act or any rules or regulations issued in pursuance thereto;
2. Any violation of the provisions of this Act or any rules or regulations issued thereunder; and
3. The payment to any public official, directly or indirectly, of any fee, premium or compensation other than those allowed by laws or regulations, in connection with the issuance or granting of quota allocations or licenses.

SEC. 16. There shall be collected on all import licenses granted a license fee of two per cent of the face value of the license, which may be used to defray the expenses of licensing. Any unexpended balance thereof shall accrue to the general funds.

SEC. 17. All valid quotas and licenses regularly approved by the previous Import Control Administration, the Import Control Board and the Price Stabilization Corporation before the effectivity of this Act shall be recognized and given full force and effect.

SEC. 18. The penalty or fine of not less than two thousand pesos (P2,000) nor more than twenty thousand pesos (P20,000), or imprisonment of not less than two years nor more than five years, or both such fine and imprisonment at the discretion of the Court shall be imposed upon persons who may be found guilty of the following acts:

1. Any material misrepresentation in any document required by this Act or the rules and regulations issued thereunder;
2. Any violation of any provisions of this Act or of the rules and regulations issued in pursuance thereto by officers or employees having to do with the enforcement of the same;
3. The receiving or accepting, by any public official or employee directly or indirectly, of fees, premiums or compensations of any kind other than those allowed by law or by the rules and regulations, for the performance of any act or service connected with the issuance of import license or quota allocation;
4. Any violation of any provisions of this Act or of the rules and regulations issued thereunder: *Provided*, That in the case of aliens, the penalty to be imposed shall consist of the payment of the fine hereinabove provided for and that of immediate deportation without any further proceedings on the part of any Deportation Board; *Provided, further*, That if the violation is committed by the manager, representative, director, agent or employee of any natural or juridical person in the interest of the latter, such violation shall render the employer amenable to the penalty corresponding to the offense, without prejudice to the imposition of the corresponding penalty, either personal or pecuniary or both, upon the manager, representative, director, agent or employee committing the violation:

Provided, furthermore, That in the case of the violation being committed by or in the interest of a foreign juridical person duly licensed to engage in business in the Philippines, the immediate revocation of such license to engage in business shall form part of the penalty to be imposed:

Provided, also, That if the act committed by a public officer or employee is penalized by any other law, the penalties prescribed in the law punishing the offense shall be imposed in addition to those prescribed herein and that of perpetual absolute disqualification:

And provided, finally, That articles, goods or commodities imported in violation of this Act shall be subject to forfeiture in accordance with the procedure established in

the Revised Administrative Code, the proceedings to terminate within thirty (30) days after the importation, and under no circumstances or conditions may such goods be released to the importer without the previous approval of the President.

SEC. 19. Any sections and provisions of this Act that may be declared unconstitutional by a competent court shall not affect the remaining provisions hereof.

SEC. 20. Republic Act Numbered Four hundred and twenty-six and Executive Orders Numbered Three hundred and eighty-four and Three hundred and eighty-eight, series of 1950 and 1951, respectively, as well as any other law or order contrary to the provisions of this Act are hereby repealed.

SEC. 21. This Act shall take effect on July 1, 1951 and continue in effect until June 30, 1953 unless sooner repealed or amended by Congress.

Approved, June 15, 1951.

APPENDIX "A"

COMPLETELY DECONTROLLED ITEMS

Rice

Flour

Tinned Fish

Sardines

Squid

Makerel

Herring

Salmon

Tinned Milk

Tinned Beef

Corned Beef

Canned Vienna Sausage

Corned Meat Spread

Frozen Beef

Colege Textbooks

Used clothing

Paper and other materials for books

All items decontrolled or ordered imported without limitation as to volume and value by Executive Orders promulgated before the effectivity of this Act.

ESSENTIAL ITEMS OF IMPORT

(Italicized words are classifications, not items of import)

Animal, Products, inedible