

[REPUBLIC ACT NO. 426, May 19, 1950]

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. As used in this Act:

a. Definitions:

1. "Import quota" refers to the total value of any item of import allowed for entry into the Philippines for any specified period.
2. "Quota allocation" refers to the total value of imports of any particular item allowed to an importer, or that portion of the import quota granted to the importer.
3. "Import license" refers to the permit issued by the Import Control Board to import any particular shipment of commodities.
4. "Foreign exchange" refers to any medium for effecting international payments.
5. "Old importer" refers to any person, whether natural or juridical, who imported a particular commodity in the years nineteen hundred forty-six, nineteen hundred forty-seven and/or nineteen hundred forty-eight.
6. "New importer" refers to all other importers.
7. "Board" refers to the Import Control Board.
8. "Commissioner" refers to the Chief of the Import Control Administration.

b. Appendices A, B, C and D as attached, are hereby an integral part of this Act.

SEC. 2. There is hereby created an Import Control Board composed of three members who shall be appointed by the President of the Philippines with the consent of the Commission on Appointments and shall hold office for two years, one of whom shall be designated as Chairman by the President. One member shall represent the Central Bank; one, the businessmen; and one, the consumers: *Provided*, That with the exception of the member representing the Central Bank, no other member shall be connected with the Government or any of its agencies, instrumentalities or corporations owned or controlled by it.

The two members of the Board not representing the Central Bank shall each receive a *per diem* compensation at the rate of twenty-five pesos for every meeting

attended, but the total of which *per diems* for the whole year shall not exceed six thousand pesos for each member.

SEC. 3. The Import Control Board shall:

1. Establish the policies governing the fixing and allocation of quotas for any article, goods or commodity, pursuant to the provisions of this Act;
2. Promulgate such rules and regulations as may be necessary for the proper enforcement and/or implementation of this Act;
3. Exercise supervision and control over the Import Control Administration, and review, on appeal, any decision, ruling or opinion issued by the Import Control Administration or by its Commissioner; and
4. Be responsible for carrying out the provisions of this Act and such rules and regulations issued thereunder.

SEC. 4. In order to provide for the proper administrative machinery in carrying out the policies, rulings, orders or opinions of the Import Control Board as well as the provisions of this Act, there is hereby created the Import Control Administration whose chief shall be known as Commissioner and who shall have the following powers:

1. To grant quota allocations among importers in accordance with the policies established by the Import Control Board and the provisions of this Act;
2. To receive and act on applications for quota allocations and import licenses and issue the corresponding quota allocations import licenses for applications approved pursuant to the policies laid down by the Import Control Board and the provisions of this Act;
3. To carry out and implement all policies and resolutions established by the Import Control Board; and
4. To appoint the personnel of his office subject to the approval of the Import Control Board: *Provided*, That all appointments in the administration shall be subject to the Civil Service Law, rules and regulations.

The Commissioner shall be appointed by the President of the Philippines, with the consent of the Commission on Appointments, and shall hold office for two years. He shall receive a salary of ten thousand pesos *per annum*. He shall not hold any office in any Government entity, agency or corporation, nor shall he have any pecuniary interest in any company or corporation affected by the functions of this office.

- a. The Import Control Administration shall have an auditor who shall be appointed by the Auditor General and shall receive a compensation of six thousand pesos *per annum*. He shall audit the accounts of the Import Control Board and the Import Control Administration as well as all quota of all items of imports and the allocations of the same of all importers in accordance with auditing laws and usual auditing practices.
- b. The Import Control Administration shall create a Research and Statistics Division to submit statistical data for the guidance of the

Import Control Board for fixing import quotas and granting import allocations.

- c. The President of the Philippines shall have direct control and supervision and control over the Board and the Import Control Administration.

SEC. 5. Any person desiring to import any article, goods or commodities into the Philippines shall file an application for a corresponding quota allocation and license with the Import Control Administration. For old importers, the application shall be executed under oath and shall contain, among others, their name, address, nationality, stock on hand of the goods applied, the amount of their importation in the years nineteen forty-six, nineteen forty-seven and nineteen forty-eight of the articles, goods or commodities applied for; and if a new importer, his application shall contain a statement of his actual financial resources to finance the importation of the goods applied for.

SEC. 6. No person, corporation or association shall import any article, goods or commodity into the Philippines without a proper import license issued for said purpose in accordance with this Act. Any importation or order to import any articles, goods or commodities under control under the old Import Control Law between April thirty, nineteen fifty and the date of the approval of this Act shall be considered illegal unless such order or importation was duly approved by the Import Control Board.

SEC. 7. Import quotas shall be fixed by the Import Control Board in accordance with the following schedule of percentages:

1. Prime imports which shall consist of articles, goods and commodities of prime and/or first necessity and not sufficiently available locally like those enumerated in Appendix "A" hereto attached, shall be reduced by not more than forty *per centum*.

Consistent with the policy of conserving international monetary reserves and until domestic production warrants reduction of importation, entry of these commodities shall be allowed as much as possible.

2. Essential imports consisting of articles, goods and commodities which, though not of prime and/or first necessity, are necessary for the health and material well-being of the people like those enumerated in Appendix "B", shall be reduced by not less than forty *per centum* nor more than sixty *per centum*.

Importation of these commodities shall be gradually reduced with the end in view of encouraging their domestic production.

3. Non-essential imports consisting of articles, goods and commodities which, though not necessary for the health and material well-being of the people, but whose consumption is concomitant with the rise of their standard of living, like those enumerated in Appendix "C", shall be reduced by not less than sixty *per centum* nor more than eighty *per centum*.

Importation of these commodities shall be reduced as much as possible to stimulate domestic production or manufacture thereof in sufficient quantities with the end in

view of ultimately supplying the local demand for such commodities.

4. Luxury imports consisting of articles, goods, and commodities intended primarily for ostentation or pleasure, like those enumerated in Appendix "D", shall be reduced by not less than eighty *per centum* nor more than ninety *per centum*.

To foster the habit of thrift among the people and to conserve further our dollar reserve, importation of these commodities shall be discouraged completely.

Upon the joint certification by the Secretary of Agriculture and Natural Resources and the Secretary of Commerce and Industry that the domestic supply of certain articles, goods or commodities heretofore imported is sufficient to meet the local demand, the Board shall impose the maximum percentage reduction on the import quotas for such articles, goods or commodities, as provided for in this Act. Upon the certification by the Secretary of Agriculture and Natural Resources and the Secretary of Commerce and Industry that an article or commodity not under control has a sufficient local supply to meet adequately the local demand, and the Board upon investigation, is convinced of the necessity of controlling such items to protect local industry or industries, the Import Control Board, may, place in the control list the said article or commodity.

The Import Control Board is hereby authorized to transfer a controlled import item from a lower class to a higher class of import should the Board be convinced that the local supply of said commodity warrants said transfer.

SEC. 8. The following imports shall be admitted without import quota allocation:

1. Raw materials imported to be used in the manufacture of commodities constituting prime and/or first necessity imports, as defined in this Act, as well as raw materials which in themselves constitute prime and/or first necessity imports and essential imports, when used in local or in the manufacture of dollar-saving and dollar-producing commodities, if such raw materials are not sufficiently available in the Philippines.
2. Articles, goods and commodities intended solely for the personal use of the person importing provided no foreign exchange is used.
3. Supplies and equipment intended solely for the use of the Armed Forces of the Philippines and of the United States of America, Philippine Government and semi-government hospitals, and of the Philippine National Red Cross, books, supplies and equipment for schools and those for the use of the community chest and other duly registered charitable organizations and charitable missionary establishments.
4. Articles, goods and commodities imported in exchange or bartered with Philippine products, except luxury imports as defined in this Act and controlled non-essential imports produced or manufactured locally insufficient quantities to meet the demand of the public: *Provided*, That the Import Control Board shall determine what Philippine exports shall not be permissible for barter purposes under the provisions of this Act.
5. Goods intended solely for use in religious rites and ceremonies.