

[EXECUTIVE ORDER NO. 660, September 13, 2007]

**RATIONALIZING THE TAX PRIVILEGE COVERING IMPORTATIONS
BY REGISTERED ENTERPRISES WITHIN THE SUBIC SPECIAL
ECONOMIC ZONE, AND FOR OTHER PURPOSES**

WHEREAS, under existing laws, registered businesses and enterprises within the Subic Special Economic Zone are exempt from national internal revenue taxes and customs duties on their importations of raw materials, capital goods and equipment for their business operations.

WHEREAS, there is a need to ensure that raw materials, capital goods and equipment, which will be imported by registered enterprises within the Subic Special Economic Zone, are only those required for their business activities and operations

WHEREAS, the Government needs additional revenue to finance the country's economic and development programs and projects

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order and direct as follows:

SECTION 1. Importations of registered businesses and enterprises or locators within the Subic Special Economic Zone in excess of the requirements of their registered business or authorized business activity consisting of raw materials, capital goods and equipment shall be deemed brought into or sold within the customs territory and, therefore, subject to the payment of taxes and customs duties in accordance with existing customs and tax laws.

SECTION 2. The Bureau of Customs and the Bureau of Internal Revenue in coordination with the Subic Bay Metropolitan Authority, shall issue appropriate issuances or circulars to clarify and/or simplify the documentation, procedures tax treatment and payment of taxes and duties of the excess importations with the end of effectively implementing this Order.

SECTION 3. All executive issuances, rules and regulations or parts thereof, which are inconsistent with this Executive Order, are hereby repealed or modified accordingly.

SECTION 4. This Executive Order shall take effect immediately.

Done in the City of Manila, this 13th day of September in the year of Our Lord, two thousand and seven.

(Sgd.) GLORIA MACAPAGAL-ARROYO