

**[ EXECUTIVE ORDER NO. 97-A, June 19, 1993 ]**

**FURTHER CLARIFYING THE TAX AND DUTY-FREE PRIVILEGE  
WITHIN THE SUBIC SPECIAL ECONOMIC AND FREE PORT ZONE**

WHEREAS, Republic Act No. 7227 (Bases Conversion and Development Act of 1992) created a special economic and free port zone with tax and other incentives as provided in said law;

WHEREAS, Republic Act No. 7227 provides that within the framework and subject to the mandate and limitations of the Constitution and the pertinent provisions of the Local Government Code, the Subic Special Economic and Free Port Zone (SSEFPZ) shall be developed into a self-sustaining industrial, commercial, financial and investment center to generate employment opportunities in and around the SSEFPZ and to attract and promote productive foreign investments; and

WHEREAS, a special tax and duty-free privilege within a Secured Area in the SSEFPZ subject to existing laws has been determined necessary to attract local and foreign visitors to the zone.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. The following guidelines shall govern the tax and duty-free privilege within the Secured Area of the Subic Special Economic and Free Port Zone:

1.1. The Secured Area consisting of the presently fenced-in former Subic Naval Base shall be the only completely tax and duty-free area in the SSEFPZ. Business enterprises and individuals (Filipinos and foreigners) residing within the Secured Area are free to import raw materials, capital goods, equipment, and consumer items tax and duty-free. Consumption items, however, must be consumed within the Secured Area. Removal of raw materials, capital goods, equipment and consumer items out of the Secured Area for sale to non-SSEFPZ registered enterprises shall be subject to the usual taxes and duties, except as may be provided herein.

1.2. Residents of the SSEFPZ living outside the Secured Area can enter the Secured Area and consume any quantity of consumption items in hotels and restaurants within the Secured Area. However, these residents can purchase and bring out of the Secured Area to other parts of the Philippine territory consumer items worth not exceeding US\$100 per month per person. Only residents age 15 and over are entitled to this privilege.

1.3. Filipinos not residing within the SSEFPZ can enter the Secured Area and consume any quantity of consumption items in hotels and restaurants within the Secured Area. However, they can purchase and bring out of the Secured Area to other parts of the Philippine territory consumer items worth not exceeding US\$200