

[EXECUTIVE ORDER NO. 823, August 19, 1982]

FURTHER AMENDING EXECUTIVE ORDER NO. 537 DATED MAY 24, 1979 CREATING THE GARMENTS AND TEXTILE EXPORT BOARD, ABOLISHING THE EMBROIDERY AND APPAREL CONTROL AND INSPECTION BOARD, AND FOR OTHER PURPOSES

WHEREAS, the bonded manufacturing system in the garments industry is regulated by different agencies with different policies and procedures;

WHEREAS, to sustain the rapid growth of the country's garment exports, particularly in the light of growing protectionism among importing countries, there is a need to integrate and rationalize government efforts, policies and procedures on garment exports;

WHEREAS, such integration and rationalization will result in greater economy and efficiency and will provide an effective monitoring mechanism that will ensure the reexportation of imported raw materials in processed form and thereby prevent smuggling;

WHEREAS, implementation of the Textile Modernization Program requires the rationalization of the bonded manufacturing system in the garments industry;

WHEREAS, under Presidential Decree No. 1416, as amended, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416, as amended, hereby order and direct:

Section 1. Board Composition. – The Garments and Textile Export Board created under Executive Order No. 537, as amended by Executive Order No. 720, hereinafter referred to as the GTEB, shall be composed of the following: The Minister of Trade and Industry as Chairman, the Deputy Minister of Finance to be designated by the Minister of Finance as Vice-Chairman, the Deputy Minister of Trade and Industry to be designated by the Minister of Trade and Industry, the Vice-Chairman of the Board of Investments and the Commissioner of the Bureau of Customs, as members.

Section 2. Powers and Functions of the GTEB. -Section 3 of Executive Order No. 537 is hereby amended to read as follows:

“Section 3. Powers and Functions. – The GTEB shall have the following powers and functions:

- a. Negotiate, conclude and implement garments and textile agreements, whether bilateral or multilateral, between the Republic of the Philippines and other countries, and for this purpose approve quota allocations and export authorizations, issue export licenses and similar authorizations;
- b. Issue licenses for the establishment and operation of all bonded garment manufacturing warehouses, and authorize the importation of textile fabrics, accessories, chemicals, packages, brands, labels and other supplies, whether on consignment or otherwise, without taxes and duties but under re-export bond provided they are manufactured or processed, either directly or through subcontractors or other exporters into finished goods for re-export; authorize the importation, without duties but under re-export bond, of machineries and equipment to be used in bonded manufacturing warehouses;
- c. Provide on a regular basis the necessary information and statistics relating to the administration of garments and textile export quotas and the flow of garments and textile exports, for monitoring purposes and in order to obtain maximum benefits from textile negotiations with other countries;
- d. Inspect and examine through its authorized personnel, books, records, shipments, importations or inventories of textile fabrics, accessories, chemicals and supplies, of all garments and textile exporters, including those in export processing zones, for the purpose of determining compliance with its rules and regulations;
- e. Maintain a data bank on statistics regarding world trade in garments and textiles for monitoring purposes and to obtain maximum benefits from bilateral and multilateral textile negotiations with other countries;
- f. Undertake the development and promotion of garments and textile exports to maximize the benefits derived from the implementation of garments and textile agreements and to hasten the diversification and expansion of export markets;
- g. Fix and collect the following fees: for the issuance of licenses to operate bonded garment manufacturing warehouses, a fee not exceeding five thousand pesos (P5,000.00); for the issuance of quota allocations and export authorizations, a fee not exceeding fifty (P0.50) centavos per square yard equivalent of the quantity allocated; and for the issuance of other licenses and related services, a fee not exceeding one fifth of one percent of the gross value of the goods to be imported or exported;
- h. In case of violations of its rules and regulations, cancel or suspend quota allocations, export authorizations and licenses for the operation of bonded garment manufacturing warehouses;
- i. Impose fines, in an amount not exceeding fifty (P0.50) centavos per square yard equivalent of the quantity unshipped in cases of unutilized allocation as defined by its rules and regulations, and not more than ten percent of the gross value of the goods to be exported in case of other violations of its rules and regulations;
- j. Promulgate and enforce rules and regulations to carry out its powers and functions including rules on liquidation of bonded importations of textile fabrics, accessories and raw materials, provided that bonded importations shall be re-