

**[DOE DEPARTMENT CIRCULAR NO. 98-05-008,
May 15, 1998]**

**REQUIRING ALL MINI-HYDROELECTRIC POWER DEVELOPMENT
CONTRACTORS TO AFFIX DOE TAX-EXEMPT STICKERS ON
MACHINERY AND EQUIPMENT, MATERIALS AND PARTS
IMPORTED PURSUANT TO REPUBLIC ACT 7156**

WHEREAS, Republic Act 7156, otherwise known as the "Mini-Hydroelectric Power Incentives Act, " and its Implementing Rules and Regulations (IRR), allow tax- and duty free importation of machinery and equipment, materials and parts shipped with such machinery and equipment, provided that such machinery, equipment, materials and parts are: (1) not manufactured domestically in reasonable quantity and quality at reasonable prices; and (2) directly and actually needed and will be used exclusively in the construction and impounding of water, transformation into energy, and transmission of electric energy to the point of use;

WHEREAS, R.A. 7156 mandates the Department of Energy (DOE) to exercise such powers as are necessary or incidental to attain the purposes of the said Act;

NOW, THEREFORE, the following rules are hereby promulgated:

1. All holders of Mini- Hydroelectric Power Development Contracts are hereby required to paste or affix DOE tax-exempt stickers on machinery and equipment imported pursuant to R.A. 7156.
2. The mini-hydro contractor shall secure the DOE tax-exempt sticker for a particular machinery and equipment, materials and parts from the DOE, through the Mini-hydro Division, immediately prior to the release of the appropriate Tax-Exemption Certificate (TEC) for such machinery and equipment, in the amount of fifty pesos (P 50.00) for a 10.16 centimeters (cm) x 13.97 centimeters (cm) sticker and one hundred pesos (P 100.00) for a 10.16 cm x 27.94 cm sticker. One sticker shall be required for one unit/piece of machinery and equipment, imported pursuant to R.A. 7156.
3. The DOE tax-exempt sticker shall be affixed or pasted on a conspicuous spot, preferably on the front side of each machinery and equipment by the importing mini-hydropower contractor, immediately upon actual release of such machinery and equipment from the Bureau of Customs.
4. The 10.16 cm x 13.97 cm sticker shall be pasted on machinery and equipment that are not more than 30.48 cm in diameter (for rounded objects or equipment) and/or more than 30.48 cm in width (for other shapes).
5. The DOE tax-exempt stickers shall be as follows: