

[LETTER OF INSTRUCTION No. 1479, September 11, 1985]

TO: The Chairman, Civil Aeronautics Board
The Commissioner, Bureau of Internal Revenue
The General Manager, Philippine Tourism Authority
The Director, Bureau of Tourism Services

WHEREAS, the widespread use of airline tickets, issued abroad by passengers originating in the Philippines has resulted in the evasion of the payment of travel taxes, thereby depriving the country of much needed tax, revenues arising from income, percentage, common carrier/a takers and local taxes;

WHEREAS, this practice has also reduced the yield for the airlines and adversely affected the economic viability of local travel agents;

WHEREAS, the payment in foreign currency for these tickets issued outside the Philippines by passengers originating in the Philippines tends to encourage, black marketing in foreign exchange and provides a vehicle wherewith to circumvent circumvent existing Central Bank rules and regulations; and

WHEREAS, it has become necessary to eradicate this practice in the interest of the national economic recovery and development program.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby order and instruct that:

1. Airline tickets issued outside the Philippines for international air transportation of passengers originating in the Philippines shall not be valid for such transportation. Any passenger, airline or travel agent found to be issuing or in any way assisting in the issuance of such, tickets shall be liable as provided in paragraphs 2 and 3 hereof, without prejudice to their criminal prosecution, for tax evasion as warranted.

For this purpose, a passenger travelling abroad from the Philippines shall be deemed originating in the Philippines if:

- a) He is a resident of the Philippines; or
- b) His travel abroad from the Philippines is subject payment of the travel tax imposed under PD 1183, as amended ;
- c) The first leg of his actual trip starts in the Philippines as verified by the absence of the corresponding immigration entry on his passport subsequent to the date of issuance of the airline ticket abroad.

An airline ticket is deemed issued outside the Philippines if it shows on its face that it has been issued outside the Philippines.

2. Accordingly, the Civil Aeronautics Board, is hereby directed to issue an order to all airlines operating to, from or through the Philippines including off-line carriers with sales offices and or general sales agents in the Philippines; and