

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



'15 DEC 14 P2:19

SENATE

S.B. NO. 3033

RECEIVED BY: 

Introduced by SENATOR FERDINAND R. MARCOS, JR.

AN ACT DECLARING THE REASONABLE IMPORTATION OF OVERSEAS FILIPINO WORKERS FOR THE PERSONAL USE AND CONSUMPTION OF THEIR FAMILIES AS EXEMPT FROM THE PAYMENT OF IMPORT DUTIES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

For every Overseas Filipino Worker (OFW), a "balikbayan box" is the equivalent of a "love letter" to his or her spouse and the rest of the family. Every item inside that box is carefully thought of, bought for a specific person and with endearing and loving purpose, and, needless to say, bought with the hard-earned pay of our "modern-day heroes". Indeed, the significance of the "balikbayan box" is not so much the value of its contents, but rather the sacrifices that it embodies and the sentimentality that it expresses.

So if a single item there gets lost, we can only imagine the pain caused to an OFW, who have invested so much emotion and money just to get those goods home. More so if the worth of these items is diminished or, worse, rendered valueless, on account of the import duties assessed on them and collected by the Bureau of Customs from the OFWs.

The record-high remittance money being pumped into the Philippine economy by our "modern-day heroes", as the fruit of their hard work made even harder by the feeling of loneliness and longing that accompanied the same, are already more than sufficient contribution by our OFWs to the gross domestic product (GDP) and to the total revenues of our country. Hence, consistent with the government policy to exempt the OFW remittances from income taxation, the government should likewise institutionalize a twin and complementary duty-free treatment of the highly expected "padala" and the "pasalubong" of OFWs to their families in the Philippines, aside from the existing limited duty-free treatment of personal effects of OFWs and used home appliances brought home by them.

By the grant of additional exemption from import duties upon the reasonable packages that the OFWs send with love to their families in the Philippines, the government's fiscal incentive package for OFWs comes full circle.

Our OFWs have sacrificed and risked so much, and continue to do so, for the benefit not only of their families but of the entire country as well. Hence, they most certainly deserve this special tax and customs treatment from the government.

In view of thereof, the passage of this bill is earnestly requested.


FERDINAND R. MARCOS, JR.

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



'15 DEC 14 P2:19

SENATE

SENATE BILL NO. 3033

RECEIVED BY: *J*

Introduced by Senator FERDINAND R. MARCOS, JR.

AN ACT DECLARING THE REASONABLE IMPORTATION BY OVERSEAS FILIPINO WORKERS FOR THE PERSONAL USE AND CONSUMPTION OF THEIR FAMILIES AS EXEMPT FROM THE PAYMENT OF IMPORT DUTIES, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress Assembled:

1 **SECTION. 1. Short Title.** – *This law shall be known as "Duty-Free Padala/*
2 *Pasalubong Act of 2015".*

3
4 **SEC. 2. Duty-free Importation by Overseas Filipino Workers.** – Goods,
5 articles, personal items and effects, herein referred to as "padala" and/or "pasalubong"
6 under this Act, which are sent by an Overseas Filipino Worker to his or her family in the
7 Philippines, shall be exempt from the payment of customs duties.

8
9 **SEC. 3. Definition of Terms.** – For purposes of this Act, the following terms are
10 hereby defined:

11
12 1) "Padala and/or Pasalubong" refer to the articles and effects that are intended
13 for the reasonable private and personal use and consumption, which are neither in
14 commercial quantities nor for purposes of resale or merchandise, and whose
15 importation into and possession in the Philippines are not otherwise prohibited by law,
16 and which are imported to the Philippines by an Overseas Filipino Worker by way of
17 accompanying baggage or through courier or postal service.

18
19 2) Commercial quantity shall be deemed such quantity of a given kind or class of
20 items and articles, which are in excess of what is compatible to and reasonably
21 commensurate with a person's normal requirements for personal use.

1 3) Overseas Filipino Workers (OFWs) refer to Filipinos who are engaged in a
2 remunerated activity in another state or country, or on board a vessel navigating the
3 foreign seas other than a government ship used for military or non-commercial
4 purposes or on an installation located offshore or on the high seas, and who are
5 registered with the Philippine Overseas Employment Administration (POEA) and/or the
6 Overseas Worker Welfare Administration (OWWA), in accordance with Republic Act No.
7 10022.

8 4) Family refers to the OFW's spouse, children, parents, and relatives up to the
9 fourth civil degree.

10 **SEC. 4. Compliance with Existing Customs Declaration and Clearing**
11 **Procedures.** – This Act shall not be used to circumvent national customs laws and
12 rules, or to commit smuggling and fraud against the Government. Notwithstanding the
13 provisions of this Act, all importations of Overseas Filipino Workers shall be declared
14 with honesty and good faith and in the regular course of business, and shall be cleared
15 and released through the normal procedure as provided under existing customs rules
16 and regulations.

17 **SEC. 5. Penalties.** – a) Persons who shall use this Act to commit smuggling and
18 commit fraud upon the Government shall be subject to criminal prosecution, and the
19 items smuggled or imported in violation hereof shall further be subject to forfeiture in
20 favor of the State, in accordance with Republic Act No. 1937, as amended, or the
21 Revised Tariff and Customs Code of the Philippines.

22 b) Customs officials and personnel who shall violate the provisions of this Act
23 shall, after due notice and hearing, be removed or dismissed from service with
24 disqualification to hold any appointive public office for five (5) years, without prejudice to
25 any other liabilities which may have been incurred under existing laws, rules or
26 regulations.

27 **SEC. 6. Implementing Rules and Regulations.** – Within sixty (60) days from
28 effectivity of this Act, the Department of Finance shall promulgate the rules and
29 regulations to effectively implement and monitor the provisions of this Act.

30 **SEC. 7. Separability Clause.** – The provisions of this Act are hereby declared to
31 be separable and if any clause, sentence, provision or section of this Act or its
32 application thereof to any person or circumstance should, for any reason, be held invalid
33 or unconstitutional, such invalidity or unconstitutionality shall not affect the other
34 provisions or application of this Act which can be given force and effect.
35

1 **SEC. 8. Repealing Clause.** – The relevant provisions of Republic Act No. 1937,
2 as amended, or the Revised Tariff and Customs Code of the Philippines, are hereby
3 amended. All laws, decrees, charters, executive orders, administrative orders,
4 proclamations, rules and regulations, or parts thereof insofar as they are inconsistent
5 with the provisions of this Act are hereby repealed or modified accordingly.

6
7 **SEC. 9. Effectivity.** – This Act shall take effect fifteen (15) days after completion
8 of publication in the Official Gazette or in a newspaper of general circulation.

9
10 Approved,