

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

PHILIPPINES

Revision

The following notification has been received from the delegation of the Philippines in response to the Questionnaire on Import Licensing Procedures annexed to document L/5640/Rev.9. The notification replaces the information previously contained in L/5640/Add.26/Rev.3 and sets out the import licensing régime of the Philippines as of 15 February 1993.

Outline of system

1. Imports into the Philippines are free unless otherwise subject to the requirements of prior approval by appropriate government agencies/committees concerned responsible for implementing the legislation prohibiting/regulating imports. The Tariff and Customs Code of 1978 (Presidential Decree No. 1464) and the Central Bank Charter (Republic Act No. 265, as amended by Presidential Decree No. 72), provide the primary legal bases for the control and regulation of imports in the Philippines. However, there are special laws that prohibit/regulate the importation of some commodities and designate certain government agencies/committees to administer import regulations. Import licence applications must be submitted to the appropriate administrative body responsible for issuing licences (import permits/clearances/authorizations). The licence holder is required to submit it to the Central Bank or its authorized agent banks for authority to buy foreign exchange to pay for imports of goods covered by the licences, and to the Bureau of Customs at the time of customs declaration.

Purposes and coverage of licensing

2. All commodities/commodity groups subject to automatic and non-automatic import licensing are embodied in the Tariff and Customs Code of 1978 (Presidential Decree 1464), as amended, and in the Philippines Standard Commodity Classification Manual. Commodity groups of which importation is restricted are listed in Annex A.

3. The system applies to goods originating from any country, the choice of the source of the supply being left entirely to the prospective importers.

4. The licensing is intended mainly to (a) safeguard public health, safety, security and welfare; (b) develop and rationalize domestic

industry; (c) meet the economic development needs of the Philippines by way of ensuring an adequate supply of commodities not available locally in sufficient quantities; and (d) for balance-of-payment and trade surveillance purposes.

5. The Tariff and Customs Code of 1978 (Presidential Decree 1464), as amended, and the Central Bank Charter (Republic Act 265) as amended, provide the primary legal bases of licensing. There are special laws (see second column of Annex A) that govern the importation of, and designate the appropriate agencies/bureaus which administer the licensing régime on a specified commodity or group of commodities. Central Bank Circular No. 1348, as amended by Central Bank Circular No. 1353, consolidates all rules and regulations to govern import transactions. The licensing system is statutorily required. Legislation in certain instances leaves the designation of products to be licensed to administrative discretion under well-defined criteria. In some cases, the system may be abolished without legislative approval for as long as the basic criteria provided in basic legislation no longer apply to the particular product/s being licensed (see Annex B).

Procedures

6. For quota products:

- I. All regulations are circulated and made available to interested parties. They are also published in the Official Gazettes and/or in the newspapers.
- II. Import quotas are on an annual basis. They are allocated on a first-come-first-served basis directly to qualified or registered importers. Since the quotas are allocated in the name of the importers, they are not published in order to avoid possible disclosure of business secrets. However, they can be made known to governments, upon request when necessary and appropriate.
- III. Quotas are granted on the basis of an importer's past performance in relation to historical growth in sale. Applications are not considered on an arbitrary or formula basis but on the merits of each individual case. Adequate controlling and monitoring systems are provided to ensure that licences allocated are actually used for imports. Unused allocations are not added to quotas for a succeeding period. The names of quota-holders may be known to government and export promotion bodies of exporting countries upon request.
- IV. The time allowed for submitting application for licences is usually up to the end of the authorized period which is normally up to the end of a quarter, semester or end of the year.
- V. Under normal circumstances, an application for an import licence, if complete in all respects, can be granted within two weeks or even sooner.

- VI. Licences are issued with a specified period of validity for shipment of goods. It is up to the importer to import goods any time during the validity period of the import licence. Goods should be shipped from the exporting country only after the import licence is issued.
 - VII. Only one administrative body considers the application for licence.
 - VIII. See answer to 6.II and 6.III.
 - IX. Not applicable.
 - X. Not applicable.
7. For non-quota products:
- (a) Where there is no quantitative limit on importation of product, application must be filed at least two weeks before estimated loading date of the product.
 - (b) Licences can be granted immediately depending on the urgency of the request.
 - (c) Applications may be filed on any working day.
 - (d) Generally, consideration of application for import permit is effected by only one administrative organ, except for two product groups which are regulated by two agencies.
8. In the event of denial or disapproval by the pertinent administrative body of an application for import licence, the applicant is informed of the reason for such disapproval and given the right to make a written appeal for reconsideration of its original decision.

Eligibility of importers to apply for licence

- 9. (a) Under the restrictive (non-automatic) licensing system, only persons, firms and institutions duly registered as bona fide importers, domestic users, breeders, producers, traders, etc. are eligible to apply for licences, except in instances when only the Government or its entities/agencies may import the products sought to be imported by applicants (e.g. rice, which is State traded).
- (b) Under the non-restrictive (automatic) system, all persons, firms and institutions, are eligible to apply for licences as long as they meet the basic requirements/criteria laid down by the agencies/bureaus concerned.

For certain imports (e.g. used trucks and engines), there is a system of registration of persons or firms permitted to engage in importation. This system ensures that only qualified applicants are granted licences. A registration fee is charged in some cases as indicated in Annex C.

Documentational and other requirements for application for licence

10. The information usually required in applications includes name and address of importer, business of importer, name and address of exporter/shipper, country of origin, means of transport, description and amount of goods to be imported. The documents required to support the application, which vary from agency to agency, usually include (a) pro forma invoice covering the importation applied for, (b) SEC registration certificate for corporations and partnerships and Bureau of Domestic Trade registration certificate for single proprietorship, (c) financial statement, and (d) a copy of export contract of L/C application, among others.

11. In the case of actual importation, the documents required may include (a) commercial invoice; (b) bill of lading; (c) clearance certificate from pertinent administrative bodies; and (d) formal customs entry.

12. For the list of licensing fees or administrative charges imposed, see Annex D.

13. There is no deposit or advance payment requirement associated with the issuance of licences.

Conditions of licensing

14. There are no set rules for the period of validity of a licence. Some licences are issued for a particular shipment only, with a validity period adequate to cover the whole process of importation. Others are issued with a period of validity identical with that of the quota. The period of validity ranges from one month to one year, and in all cases, renewable upon written application by interested parties to the concerned agency/bureau.

15. There is no penalty for the non-utilization of a licence subject to quota or a portion of it.

16. Licences are made in the name of the applicant-importer only and are non-transferable.

17. Attached to the issue of an import permit/clearance/authority may be conditions/requirements imposed by a particular agency.

Other procedural requirements

18. There are no other administrative procedures required prior to importation apart from import licensing.

19. Except under conditions of an economic crisis, foreign exchange is automatically provided by authorized agent banks to a holder of an import licence.

ANNEX A

LIST OF REGULATED IMPORT ITEMS TOGETHER WITH IMPLEMENTING LAWS, REGULATIONS
AND/OR ADMINISTRATIVE ORDERS AND ADMINISTERING AGENCIES/BUREAUS

ITEMS	LAW, REGULATIONS AND/OR ADMINISTRATIVE ORDERS ¹	AGENCIES/BUREAUS
Onions, potatoes, garlic and cabbages	- RA 129 (16-6-55)	Bureau of Plant Industry
Rice	- EO No. 1028	National Food Authority
Corn	- NFA Letter Circular No. 09 - Adm. Order No. 272 (S-1992) - NFA Circular No. 92-041	National Food Authority

¹The following abbreviations mean:

- BPI - Bureau of Plant Industry
- CB - Central Bank
- EO - Executive Order
- FIA - Fertilizer Industry Authority
- FPA - Fertilizer and Pesticides Authority
- LOI - Letter of Instruction
- MAAB - Central Bank of the Philippines
Memorandum to Authorized Agent Banks
- MC - Memorandum Circular
- NBI - National Bureau of Investigation
- PD - Presidential Decree
- RA - Republic Act
- RAC - Revised Administrative Code of the
Philippines
- TCB - Telecommunications Control Bureau (now
National Telecommunications Commission)

Coal and coal derivatives	<ul style="list-style-type: none"> - PD 1206 as amended by P.D. 1573 and EO 172 and EO 193 - Bureau Order No. 78-02-01 - MAAB 39 (6-9-83) - MAAB 46 (11-10-83) 	Energy Regulatory Board
Refined petroleum products	<ul style="list-style-type: none"> - PD 1206, P.D. 1573 - Rules and Regulations of Bureau Implementing the Importation Provisions of PD 1206 	Energy Regulatory Board
Sodium cyanide	<ul style="list-style-type: none"> - MAAB 38 (5-5-77) 	Bureau of Food and Drugs
Penicillins/derivatives	<ul style="list-style-type: none"> - MAAB 90 (23-11-77) - Rules and Regulations on the Monitoring System for Importation of Antibiotics 	Bureau of Food and Drugs
Chlorofluorocarbon	<ul style="list-style-type: none"> - MAAB 2 (14-1-83) 	Bureau of Food and Drugs
Acetic anhydride	<ul style="list-style-type: none"> - MAAB 17 (21-01-81) 	Dangerous Drugs Board
Dangerous Drugs	<ul style="list-style-type: none"> - CB Circular letter (14-4-80) 	Dangerous Drugs Board
Colour reproduction machines	<ul style="list-style-type: none"> - Memo of Agreement between CB and NBI (17-10-77) - MAAB 88 (21-11-77) 	National Bureau of Investigation and Central Bank
Pesticides	<ul style="list-style-type: none"> - PD 1144 - FPA Rules and Regulations No. 1 (S-1977) - Manual of FPA Regulatory Policies and Implementing Guidelines and Procedures (1985) - FPA Pesticide Circulars No. 04 (S-1989) and No. 01 (S-1990) 	Fertilizer and Pesticides Authority

Truck and automobile tyres and tubes, used, of all sizes	- LOI 1086 (25-11-90) - MAAB 1 (10-1-90)	Bureau of Import Services
Used/new trucks and engines (non-stationary and/or transport use) special purpose vehicles	- EO 782 (13-3-82) amended by EO 354 (29-3-89) and EO 361 (22-6-89) - Guidelines for the importation of CBU second-hand buses for public transport operations (30-8-89)	Bureau of Import Services
Replacement parts for motor vehicles	- MAAB 1 (10-1-90)	Bureau of Import Services
Completely built-up second-hand buses for public transport operations	- EO 782 (13-3-82) amended by EO 354 (29.3.89) and EO 361 (22-6-89)	Bureau of Import Services
Brand new trucks with more than 18 tons GVW	- Memo Order 157 (9-2-88)	Board of Investments
CKD cars and components/parts thereof for assembly under the Progressive Car Manufacturing Program (PCMP) now known as the Car Development Program (CDP)	- CB Circular 1029 (12-10-84)	Board of Investments
CKD trucks and components/parts thereof for assembly under the Progressive Truck Manufacturing Program (PTMP) now known as the Commercial Vehicle Development Program (CVDP)	- CB Circular 1029 (12-10-84)	Board of Investments

Board of Investments

- CB Circular 1029 (12-10-84)

CKD motorcycles and components/parts thereof for assembly under the Progressive Motorcycle Manufacturing Program (PMMP) now known as the Motorcycle Development Program (MDP)

Board of Investments

- CB Circular 1029 (12-10-84)

Components/parts and supplies imported by registered participants under the PCMP, PTMP, PMMP PEPCEP and DEMP (Programs) for resale domestically and not for assembly

Maritime Industry Authority

Warships of all kinds

- PD 474 (4-6-74)
- MAAB 73 (20-10-75)
- MC 8 (1-1-77)
- MC 10 (1-1-77)
- MC 17 (20-9-78)
- MC 20 (4-9-79)
- MC 21 (12-9-79)
- MC 21-A (27-6-80)
- MC 24 (15-7-82)
- MC 23-A (12-8-82)
- MC 25-B (12-8-82)
- MC 25-A (1-6-83)
- MC 29 (25-8-83)
- MC 25 (23-4-85)
- PD 760 (7-31-75)
- PD 866 (1-2-76)
- MC 9 (11-16-76)
- MC 22 (8-25-80)

- MC 24-A (4-28-87)	
- MC 25-D (7-1-86)	
- MC 29-B (7-11-86)	
- MC 31 (12-2-85)	
- MC 50 (7-26-89)	
- MC 56 (8-20-90)	
(MC Nos. 23-A and 29 (Schedule of Fees) have been revised under MC 29-B and 31)	
- MC 33-A (12-28-89)	
- MC 38 (4-29-87)	
- MC 42 (7-8-88)	
- MC 42-A (3-26-90)	
	Philippine Constabulary Firearms and Explosives Unit
Various chemicals for the manufacture of explosives	
- Sections 883-885 RAC	
- RA Nos. 2255 and 3023	
- Standard Operations Procedure No. 9 (4-12-73)	
- MAAB 5 (21-1-84)	
	Philippine National Police
Firearms, ammunitions and parts	
- Revised Administrative Code (Sections 878, 833 and 834)	
	Central Bank
Coins of precious and non-precious metals and banknotes	
- CB Circular No. 289	

ANNEX B

PRODUCTS OF WHICH IMPORTATION WAS PREVIOUSLY
BANNED/REGULATED BUT IS NOW LIBERALIZED

PRODUCT	ISSUANCE DATE	IMPLEMENTING CENTRAL BANK CIRCULARS/MAAB
(1) Animal, animal effects, animal products, meat and meat products, incl. meat of bovine animals of sub-group 011.1	25 September 1992	CB Circular 1356
(2) Canned sardines/mackerel	25 April 1988	CB Circular 1174
(3) Fish and fish preparations	25 September 1992	CB Circular 1356
(4) Meat of bovine animals	19 October 1988	CB Circular 1187
(5) Feedgrains and feedgrain products	24 March 1986 18 July 1986	CB Circular 1096 CB Circular 1109
(6) Unmanufactured leaf tobacco for blending purposes	6 June 1986 18 July 1986	CB Circular 1105 CB Circular 1109
(7) Textile items/fabrics, garment accessories, etc.	25 April 1988	CB Circular 1174
(8) Consumer durable goods	25 September 1992	CB Circular 1356

(9) Basic iron and steel products	30 April 1986 18 July 1986 26 September 1986 1 July 1987 23 July 1987 25 April 1988 24 December 1987	CB Circular 1100 CB Circular 1109 CB Circular 1117 CB Circular 1149 CB Circular 1150 CB Circular 1174 CB Circular 1167
(10) Brand new tyres	30 April 1986 26 September 1986	CB Circular 1100 CB Circular 1117
(11) Basic refractories	25 April 1988	CB Circular 1174
(12) Paper and paperboard products except imports by EPZA-registered enterprises	30 April 1986 18 July 1986 26 September 1986 1 July 1987 23 July 1987 24 December 1987 19 March 1991	CB Circular 1100 CB Circular 1109 CB Circular 1117 CB Circular 1149 CB Circular 1150 CB Circular 1167 CB Circular 1279
(13) Synthetic resins and synthetic resin products except imports by EPZA-registered enterprises and semi-conductor firms	30 April 1986 18 July 1986 26 September 1986 1 July 1987 5 November 1987 25 April 1988	CB Circular 1100 CB Circular 1109 CB Circular 1117 CB Circular 1149 CB Circular 1161 CB Circular 1174
(14) High tariff rate items	6 June 1986 18 July 1986 26 September 1986 24 December 1987 25 April 1988	CB Circular 1105 CB Circular 1109 CB Circular 1117 CB Circular 1167 CB Circular 1174

(15) Newprint	14 September 1989	CB Circular 1210
(16) Machinery, equipment and spare parts for use of registered participants on the program i.e. PEMP, PTMP, PMMP, DEMP and PEPCEP as well as the following:		
(a) Pulp and Paper Industry Rationalization Program	22 December 1988	CB Circular 1192
(b) Coconut Industry Rationalization Program	14 July 1989	CB Circular 1205 Phase II
(17) Liquid caustic soda	26 September 1986	CB Circular 1117
(18) Banned (NEC) and unclassified consumer (UC) items	6 June 1986 1 July 1987 23 July 1987 22 December 1988 19 March 1991 27 April 1992 27 July 1992	CB Circular 1105 CB Circular 1149 CB Circular 1150 CB Circular 1192 CB Circular 1279 CB Circular 1337 CB Circular 1347
(19) Fruits and nuts (not including oil nuts), fresh and dried	9 January 1987 25 April 1988	CB Circular 1128 CB Circular 1174
(20) Cigar and cigarettes	25 April 1988 14 July 1989	CB Circular 1174
(21) Glass products	9 January 1987 22 July 1987 24 December 1987	CB Circular 1128 CB Circular 1150 CB Circular 1167
(22) Cement items	31 March 1989	CB Circular 1195

(23) Brand new trucks	22 December 1988 27 July 1992	CB Circular 1192 CB Circular 1347
(24) Cinematographic film except films under Section 101 of the Tariffs and Customs Code	22 December 1988	CB Circular 1192
(25) Radio telecommunications equipment	22 December 1988	CB Circular 1192
(26) Non-metric measuring devices	22 December 1988	CB Circular 1192
(27) Glass and silverware for use by hotels or restaurants authorized by the DOT	22 December 1988	CB Circular 1192
(28) Games and amusement consumer goods	22 December 1988	CB Circular 1192
(29) Live animals for breeding and scientific purposes	22 December 1988 14 July 1989	CB Circular 1192 CB Circular 1347
(30) Home appliances	22 December 1988 14 July 1989	CB Circular 1192 CB Circular 1205
(31) Cigar, paper and machine equipment and spare parts	14 July 1989	CB Circular 1205
(32) Radiation emitting apparatus	14 July 1989	CB Circular 1205
(33) Capital goods such as supply metres, ships, boats, floating structures and used vessels	6 October 1989 27 April 1992 27 July 1992	CB Circular 1212 CB Circular 1337 CB Circular 1347
(34) Spare parts for cars, trucks, utility vehicles, motorcycles and engine parts	29 December 1989 27 February 1990 27 April 1992 27 July 1992	CB Circular 1219 CB Circular 1231 CB Circular 1337 CB Circular 1347

(35) Raw materials, parts and components of consumer electronic products	19 March 1991 27 April 1992 27 July 1992	CB Circular 1279 CB Circular 1337 CB Circular 1347
(36) Animal and animal effects	19 March 1991	CB Circular 1279
(37) Antibiotics	27 July 1992	CB Circular 1347
(38) Fertilizers	27 April 1992	CB Circular 1337

ANNEX C

SCHEDULE OF REGISTRATION FEES/CHARGES

<u>Product</u>	<u>Amount</u>
Gamefowl breeders/importers	
- Initial registration (valid for three years)	₱ 600.00
- Renewal (for another three years)	₱ 300.00
Feedgrains and feedgrain substitutes	₱ 600.00 per annum
Dangerous drugs	₱ 72.00 per annum
Antibiotics	₱ 5,000.00 per 5 years
Pesticides	
- Application fee for the registration of a pesticide	₱ 150.00
-- per active ingredient	₱ 150.00
	+
-- per pesticide product	₱ 150.00
- Registration fee	
-- per active ingredient (three years)	₱ 450.00
	+
-- per pesticide product (three years)	₱ 600.00
Fertilizer	₱ 450.00 per product
- Organic and/or specialty products	900.00 per product
- New products	750.00 per product
- Old products	

ANNEX DLIST OF LICENCE FEES/ADMINISTRATIVE CHARGES IMPOSED

<u>Product</u>	<u>Amount</u>
Carabaos, buffaloes, cattle, horses, ponies, asses, mules, donkeys, swine and goats	₱ 45.00 per permit
Dogs and cats, and other domestic livestock	60.00 per permit
Bull semen and other animal semen; embryo	36.00 per permit
Adult chicken, geese, turkeys, ducks, pigeons, doves, quails and other adult domesticated fowls chicks, poults, ducklings, and other young fowls	45.00 per permit
Fighting or game birds	20.00 per head
Hatching eggs	40.00 per permit
Hatching eggs of game birds	6.00 per egg
For meat, meat products	35.00 per permit
Large size wild animals and birds	50.00 per permit
Medium size wild animals and birds	40.00 per permit
Small wild animals and birds	40.00 per permit
Fertilizer and fertilizer inputs	
Filing fee	₱ 150.00
Licence fee as importer (based on capitalization)	
Over ₱5M	4,000.00
Over ₱1M to ₱5M	1,500.00
Over ₱500,000 to ₱1M	600.00
Over ₱100,000 to ₱500,000	400.00
₱100,000 and below	200.00

Processing fee

Import certificate	₱ 100.00/certificate
Letter of authority to import	100.00/letter

Pesticides

Filing fee	₱ 150.00
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Licence fee, per issuance:

Capitalization of importer

Over ₱5M	₱ 4,000.00
Over ₱1M to ₱5M	1,500.00
Over ₱500,000 to ₱1M	600.00
₱500,000 and below	400.00

Processing fee

Import certificate	₱ 100.00
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Colour reproduction machines	50.00 per permit
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Used trucks and all other special purpose vehicle	1% of the value of importation but which shall not be less than ₱500 nor exceed ₱2,000.00
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BOI-regulated products	₱ 100.00 per import authority
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Vessels for domestic or foreign use

A. Processing fee for importation of spare parts	1% of price per invoice but in no case less than ₱625.00 nor more than ₱1,625.00
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B. Processing fee for importation of vessels other than fishing vessels for domestic use	₱ 1,248.00 per vessel
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C. Processing fee for importation of fishing vessels	364.00 per vessel
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D. Processing fee for importation of
marine engines

(1) 15 HP and above	₱ 104.00 per unit
(2) Below 15 HP	52.00 per unit

E. Processing fee for
charter/importation of ocean-going
vessels

- For vessels 10 years old and below	₱ 1,200.00 per vessel
- For vessels more than 10 years old	9,600.00 per vessel

Various chemicals for the manufacture of explosives	₱ 200.00 per import permit
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Fish and fishery aquatic products	100.00 per import permit
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Antibiotics	5.00 per import clearance
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Acetic anhydride	30.00 per clearance
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ANNEX E

PROHIBITED IMPORT ITEMS PROVIDED FOR UNDER
SECTION 101 OF THE TARIFFS AND CUSTOMS
CODE OF THE PHILIPPINES (P.D. 1464)

1. Dynamite, gunpowder, ammunition and other explosives, firearms and weapons of war, and parts thereof.
2. Written or printed articles in any form containing any matter advocating or inciting treason, or rebellion, insurrection, sedition or subversion against the Government of the Philippines or forcible resistance to any law of the Philippines, or containing any threat to take the life of, or inflict bodily harm upon any person in the Philippines.
3. Written or printed articles, negatives or cinematographic film, photographs, engravings, lithographs, objects, paintings, drawings or other representation of an obscene or immoral character.
4. Articles, instruments, drugs and substances designed, intended or adapted for producing unlawful abortion, or any printed matter which advertises or describes or gives directly or indirectly information where, how or by whom unlawful abortion is produced.
5. Roulette wheels, gambling outfits, loaded dice, marked cards, machines, apparatus or mechanical devices used in gambling or in the distribution of money, cigars, cigarettes or other articles when such distribution is dependent on chance, including jackpot and pinball machines or similar contrivances, or parts thereof.
6. Lottery and sweepstakes tickets except those authorized by the Philippine Government, advertisements thereof and lists of drawings therein.
7. Any article manufactured in whole or in part of gold, silver or other precious metals or alloys thereof, the stamps, brands or marks of which do not indicate the actual fineness of quality of said metals or alloys.
8. Any adulterated or misbranded articles of food or any adulterated or misbranded drug in violation of the provisions of the "Food and Drugs Act".
9. Marijuana, opium poppies, coca leaves, heroin or any other narcotics or synthetic drugs which are or may hereafter be declared habit forming by the President of the Philippines, or any compound, manufactured salt, derivative, or preparation thereof, except when imported by the Government of the Philippines or any person duly authorized by the Dangerous Drugs Board, for medicinal purposes only.
10. Opium parts and parts thereof, of whatever material.
11. All other articles and parts thereof, the importation of which is prohibited by law or rules and regulations issued by competent authority (as amended by Presidential Decree No. 34).