

## WHO ARE ENTITLED TO DUTY AND TAX FREE PRIVILEGES?

Section 105 of the Tariff and Customs Code of the Philippines as amended by Executive Order No. 206 provides duty and tax free privileges to the following individuals, the extent of which depends on their particular status:

- **Returning Resident.** A Returning Resident is a Filipino national who had gone abroad and is now returning. Only those Returning Residents who have uninterrupted stay abroad for at least six (6) months prior to their return to the Philippines are entitled to duty and tax free privileges.
- **Oversea Filipino Worker (OFW).** An OCW is a Filipino national who worked in a foreign country under an employment contract. Only OCWs who have uninterrupted stay abroad for at least six (6) months are entitled to duty and tax free privileges.
- **Former Filipino.** A Filipino national who has acquired foreign citizenship abroad and is now returning. Only former Filipinos who are coming to settle permanently in the Philippines and have stayed abroad for six (6) months are entitled to the duty and tax exemption privileges.

## ARE BALIKBAYANS ALSO ENTITLED TO CERTAIN DUTY AND TAX PRIVILEGES?

BALIKBAYAN is another term for an OFW or a former Filipino. A returning resident is also a BALIKBAYAN when he has stayed abroad for at least one (1) year. Therefore Balikbayans are entitled to duty and tax free privileges.

## WHAT IS THE EXTENT OF DUTY AND TAX FREE PRIVILEGES OF RETURNING FILIPINOS/BALIKBAYANS?

The extent varies as follows:

- **Returning Resident.** Personal effects and household goods used by him abroad for at least six (6) months and the dutiable value of which is not more than Ten Thousand Pesos

(PHP10,000.00) are exempt from duties and taxes. Any amount in excess of PHP10,000.00 is subject to fifty percent (50%) duty for the first PHP10,000.00 exemption across the board as provided for under Section 105 (F) of the TCCP

- **Oversea Filipino Worker (OFW).** In addition to the privileges granted to Returning Residents as described above, an OCW may be allowed to bring in, duty and tax free, Ten Thousand Pesos (PHP10,000.00) worth of USED home appliances provided:

- o the quantity is limited to one of each kind;
  
- o the privilege has not been enjoyed previously during the calendar year which fact must be declared under oath by the owner;
  
- o the owner's passport is presented at the port/airport of entry;
  
- o any amount in excess of PHP10,000.00 will be subject to taxes and duties;
  
- **Former Filipino.** Professional instruments and implements, tools of trade, occupation or employment, wearing apparel, domestic animals, and personal household effects shall be exempt from payment of Customs duties and taxes. Provided that the change of residence was bonafide, the privilege of free entry was never availed of before and that the articles are brought from their former place of abode.

### **ARE FAMILY MEMBERS OF RETURNING RESIDENTS, OCWS AND FORMER FILIPINOS ALSO ENTITLED TO CERTAIN PRIVILEGES?**

Yes, provided they themselves satisfy Sections I. 1. to 3. above.

### **WHAT ARE THE CONDITIONS AND LIMITATIONS ATTACHED TO TAX EXEMPTION PRIVILEGES?**

- Presentation to the Bureau of Customs of a favorable written endorsement which department controls the availment of duty and tax free exemptions.
- The goods extended duty and tax free privileges are not to be sold, bartered nor traded.
- The quantity is not commercial.
- The goods are not prohibited importations.
- For regulated items, endorsement from the proper regulatory agency. (See Chapter 5).

## DUTY FREE SHOPPING

### WHAT ARE DUTY FREE STORES?

Duty free stores are retail establishments licensed by the government to sell duty and tax free merchandise for the convenience of travellers. Government earns revenues from the operations of these stores which are utilized to defray tourism and other related projects.

### WHERE ARE THESE STORES LOCATED?

Those operated by the Philippine Tourism Authority (PTA) are located at the Fiesta Mall Shopping Center

The following are the existing stores:

**Ninoy Aquino International Airport**, Pasay City  
Departure Lounge  
Arrival Area  
Arrival Ramp Extension

**Fiesta Mall Shopping Center**  
Ninoy Aquino Avenue, Parañaque

### WHAT ARE SPECIAL ECONOMIC ZONES?

Special Economic Zones are selected areas of the country with highly developed infrastructure or which have the potential to be developed into agri-industrial, tourist/recreational, commercial, banking, investment and financial centers. Duty and tax free flow of goods are allowed provided such goods are consumed therein. Once these goods are brought out of the ecozones, they become subject to applicable duties and taxes.

### **WHO ARE ENTITLED TO DUTY FREE SHOPPING PRIVILEGES?**

All passengers arriving from abroad are entitled, subject to the limitations in Section II. 6. and the conditions in Section II. 7.

### **WHEN CAN ARRIVING PASSENGERS AVAIL OF THE PRIVILEGE?**

All passengers arriving from abroad can avail of the privilege within forty-eight (48) hours from date of arrival, upon presentation of a valid passport, flight ticket and boarding pass.

### **WHAT ARE THE LIMITS TO DUTY FREE PRIVILEGES?**

Duty Free privileges of arriving passengers are subject to the following limitations:

1. Amount:

Balikbayans

18 years old & above - USD2,000

Minors (below 18 years) - USD250

All Other Passengers

18 years old & above - USD1,000

Minors (below 18 years) - USD250

2. Quantity:

- Cigarettes - two (2) reams
- Tobacco - two (2) tins
- Liquor and/or Wine - two (2) bottles
- Non consumable items of each kind whose value exceeds USD200.00 - only one (1)

### **CAN FREQUENT TRAVELERS AVAIL OF THE PRIVILEGE EVERY TIME HE/SHE**

## **TRAVELS?**

Yes, but the total purchases for the calendar year must not exceed Ten Thousand US Dollars (USD10,000).

## **WHAT ARE THE CONDITIONS ATTACHED TO DUTY FREE SHOPPING?**

The duty-free shopping privilege shall be subject to the following conditions:

- Purchases shall only be made in US Dollars (USD) or other acceptable foreign currencies;
- Purchase shall be made within forty-eight (48) hours from date of arrival;
- The privilege is non-transferable. Purchases shall be made personally by the passenger himself;
- The Balikbayan privilege can be availed of only once a year and if the Balikbayan arrives again within the year, he/she will be considered a regular passenger for shopping purposes;
- A minor can purchase consumable items only. A minor cannot purchase liquors, wines, cigarettes, electronics and home appliances;
- A tourist can purchase electronics and home appliances but the purchase shall be subject to payment of duties and taxes

## **MOTOR VEHICLES, BOATS AND YACHTS**

### **CAN ANYONE BRING IN A MOTOR VEHICLE?**

Yes, provided that the motor vehicle is brand-new. Under Bangko Sentral ng Pilipinas (BSP) Circular 92, Series of 1995, dated October 19, 1995, the importation of a brand new motor vehicle of all types, including motorcycles has been liberalized and would no longer thus require prior authority to import.

## **WHEN IS A MOTOR VEHICLE BRAND NEW?**

Under the guidelines presently awaiting approved by the office of the President, a motor vehicle is brand new if and only if the following criteria are satisfied: a) That the motor vehicle is of current or advance year model; b) It has never been registered or used; and c) It is covered by a certificate of first ownership.

## **HOW ABOUT MOTOR VEHICLES WHICH ARE NOT OF CURRENT OR ADVANCE YEAR MODEL?**

They shall be processed as in used motor vehicle.

## **WHAT ABOUT USED VEHICLES?**

Only qualified individuals may bring in a used motor vehicle which shall be duly covered by a prior authority to import. Under Appendix 1-D of BSP Circular-Letter, Series 1995, dated October 19, 1995, the importation of used motor vehicles continue to be regulated and would therefore require prior authority from the Bureau of Import Services (BIS), Department of Trade and Industry (DTI).

## **WHO IS QUALIFIED TO IMPORT USED MOTOR VEHICLES?**

Under Executive Order No. 248 as Implemented by BIS, in relation to BSP Circular-Letter, Series of 1995, dated October 19, 1995, the following individuals may be allowed to bring in used motor vehicles: 1. A returning Filipino or a former Filipino citizen who has stayed abroad for more than a year; 2. An immigrant to the Philippines (shall be at least a holder of a 13G Visa duly issued by the Bureau of Immigration and Deportation). Provided further that: 1. Only one (1) unit motor vehicle per family is allowed to be brought in. (A motorcycle is considered a motor vehicle for this purpose). 2. The vehicle is registered in his name for at least six (6) months prior to shipment to the Philippines; 3. Proof can be presented that the vehicle was acquired out of the earnings abroad.

**IS PERSONAL PRESENCE OF THE CAR OWNER NECESSARY?**

Personal presence by the car owner of the used motor vehicle is required.

**IS THERE ANY OTHER RESTRICTION ON THE MOTOR VEHICLE THAT MAY BE BROUGHT IN?**

Yes, whether brand-new or not, the motor vehicle should be left-hand drive.

**ARE THE IMPORTED VEHICLES SUBJECT TO TAXES AND DUTIES?**

Yes. Whether brand-new or used, purchased or donated, the imported vehicle is subject to 40% Customs duty, 10% VAT and Ad Valorem Tax from 15% to 100% depending on its piston displacement. Its book value serves as the tax and not the purchase price nor the acquisition cost. The book value is sourced from universally accepted motor vehicle reference books such as the Red Book, Blue Book, World Book depending on the origin of the imported vehicle.

**ARE SPARE PARTS SENT WITH THE MOTOR VEHICLE ALSO TAXABLE?**

Yes. These are taxed separately.

**HOW CAN WE INQUIRE THE TAXES AND DUTIES PAYABLE?**

By writing and providing information about the vehicle as to the make, brand, year model, and piston displacement, Vehicle Identification Number (VIN) or chassis number or sending a copy of the registration to:

**Valuation Center and Library**

Bureau of Customs  
South Harbor, Manila

or

**One Stop Processing Center for Motor Vehicle**

Manila International Container Port  
North Harbor, Manila

**ARE THERE OTHER CHARGES ASIDE FROM TAXES AND DUTIES?**

Yes. There are other non customs charges that may be due on the shipment such as: storage and arrastre fees which may be collected by the privately-owned arrastre operator; demurrage by the shipping line and wharfage dues by the Philippine Ports Authority (PPA).

**HOW IMPORTANT IS THE PRIOR IMPORT AUTHORITY (PIA)?**

It is very important if the vehicle would not qualify as brand-new as herein defined. A used motor vehicle not covered by PIA shall be seized and may only be released upon payment of the heavy penalties on top of the taxes and duties due thereon.

**HOW IS PRIOR IMPORT AUTHORITY (PIA) OBTAINED?**

By submitting to Bureau of Import Service (BIS) a duly accomplished application form which may be obtained from it and the following documents duly authenticated by the nearest Philippine Consulate abroad where the car owner resides; 1. Proof of his continuous stay abroad for at least one (1) year; 2. Copy of the registration papers showing that the vehicle is registered in his name for at least six (6) months; 3. Proof that the car was acquired out of the earnings abroad.

**WHERE IS THE BUREAU OF IMPORT SERVICE (BIS) LOCATED?**

The address is as follows:



**Bureau of Import Service**

3rd Floor, Welding Industries of the Philippines Bldg.  
349 Sen. Gil Puyat Avenue  
Makati City, Metro Manila  
Tel. No. 895-7466

**IS DEPRECIATION IN VALUE ACCORDED TO IMPORTED VEHICLE?**

Yes, if the imported motor vehicle is an older model or an earlier than the current year model. The depreciation schedule is 10% per year counted downwards from the current year which has a depreciation rate of zero percent (0%). Motor vehicles with a piston displacement of 2000 cc and above may be given a maximum depreciation of 50%, while those below 2000 cc, up to the maximum of 70%.

**IS THE IMPORTATION OF MOTOR VEHICLE SUBJECT TO PRE-SHIPMENT INSPECTION (PSI) BY SGS IN THE COUNTRY OF EXPORTATION?**

Under Joint Order 1-91, individual owned motor vehicle is not subject to pre-shipment inspection by SGS. The importation thereof need not be covered by a Clean Report of Findings (CRF) issued by SGS. Non individually- owned vehicle or those imported for commercial purpose should therefore undergo PSI and their importation should be covered by CRF.

**HOW LONG DOES IT TAKE TO CLEAR MOTOR VEHICLE IMPORTATIONS FROM CUSTOMS?**

Given a complete documentation, clearance for the release of the imported vehicle in the One Stop Shop Processing Center (OSPC) takes place within forty-eight (48) hours from the filing of Customs entry.

**ARE IMPORTATION OF BOATS, YACHTS AND MOTORIZED FARM IMPLEMENT ALLOWED?**

Yes, subject to the payment of taxes and duties.

## **PETS/ANIMALS AND HOUSEHOLD PLANTS**

### **ARE THERE RESTRICTIONS OR CONDITIONS TO THE ENTRY OF PETS/ANIMALS AND HOUSEHOLD PLANT?**

Yes, there are quarantine and regulatory agency restrictions and conditions to the importations of pets/animals and household plants.

### **WHAT IS THE VETERINARY QUARANTINE REQUIREMENT PRIOR TO THE SHIPMENT OF PET ANIMALS?**

A health certificate must be obtained from the concerned government agency at the port of origin. The certificate will be required by the Veterinary Quarantine Officer at the airport/port of disembarkation. Any pet without such a certificate will be detained by Bureau of Animal Industry (BAI) until cleared. For pet fishes, in lieu of a health certificate, a prior import permit must be obtained from the Bureau of Fisheries and Aquatic Resources (BFAR).

### **ARE THERE REQUIREMENTS PRIOR TO SHIPMENT OF HOUSEHOLD PLANTS?**

Yes, Phytosanitary Certificate must be obtained from the concerned Government Agency at the port of origin and presented to the Plant Quarantine Officer. Plants arriving in the country without this certificate as well as those falling in the alert list may be detained.

### **HOW ABOUT THE COMMERCIAL SHIPMENT OF ANIMALS, PLANTS AND THEIR PRODUCTS OR BY-PRODUCTS?**

For the pertinent rules and regulations on commercial shipment of animals, plants and their products/ by-products, write to:

**Bureau of Animal Industry**

Visayas Avenue  
Diliman, Quezon City

or

**The Director**

Bureau of Plant Industry  
692 San Andres, Malate, Manila.

### WHAT ARE THE PROHIBITED IMPORTATIONS?

These are generally those not allowed to be brought into the country except when given permission under high controlled conditions as provided for in the laws prohibiting them. Some of these prohibited items are the following:

- Dynamite, gunpowder, ammunitions and other explosives, firearms and weapon of war, and parts thereof
- Dynamite, gunpowder, ammunitions and other explosives, firearms and weapon of war, and parts thereof
- Written or printed articles, negatives or cinematographic film, photographs, engravings, lithographs, objects, paintings, drawings or other representations of an obscene or immoral character
- 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 and by whom unlawful abortion is produced
- Roulette wheels, gambling outfits, loaded dice, marked cards, machines, apparatus or mechanical devices used in gambling or 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
- Lottery and sweepstakes tickets except those authorized by the Philippine government, advertisements thereof, and list of drawings therein
- Any article manufactured in whole or in part of gold, silver, or other precious metal or alloys thereof, the stamps, brands or marks of which do not indicate the actual fineness of quality of said metals or alloys
- Any adulterated or misbranded articles of food or any adulterated or misbranded drugs in violation of the provision of the "Food and Drug Act"
- 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

- Opium pipes and parts thereof, of whatever material
- Used clothing and rags (RA 4653)
- Toy guns (LOI 1264 dated July 21, 1982)

**WHAT ARE THE REGULATED/RESTRICTED COMMODITIES?**

As defined under Central Bank Circular No. 1389, series of 1993, as amended, regulated or restricted commodities are generally allowable importations but clearance/permits must be obtained from appropriate government agencies before they can be imported. Some of these commodities and their corresponding Regulatory Agency are as follows:

**COMMODITY DESCRIPTION/COMMODITY GROUP (PSCC CODE)**

**REGULATORY AGENCY ISSUING PERMIT/CLEARANCE**

Acetic anhydride (513.77-01)

Dangerous Drug Board (DDB)

Rice

National Food Authority

Sodium Cyanide (523.81-01)

Environmental Management Bureau

Chlorofluorocarbon and other Ozone Depleting Substances (511.36-03/04.511.37-00/511.38-01/511.38-02/511.38-03/511.38-04/511.38-05/511.38-06/511.38-07/511.38-08/511.38-09/511.38-10/511.38-11/511.38-12/511.38-13/511.38-14/511.38-15/511.38-16/511.38-17/511.38-18/511.38-19/511.38-20/511.38-21/511.38-22/511.38-23/511.38-24/511.38-25/511.38-26/511.38-27/511.38-28/511.38-29/511.38-30/511.38-31/511.38-32/511.38-33/511.38-34/511.38-35/511.38-36/511.38-37/511.38-38/511.38-39/511.38-40/511.38-41/511.38-42/511.38-43/511.38-44/511.38-45/511.38-46/511.38-47/511.38-48/511.38-49/511.38-50/511.38-51/511.38-52/511.38-53/511.38-54/511.38-55/511.38-56/511.38-57/511.38-58/511.38-59/511.38-60/511.38-61/511.38-62/511.38-63/511.38-64/511.38-65/511.38-66/511.38-67/511.38-68/511.38-69/511.38-70/511.38-71/511.38-72/511.38-73/511.38-74/511.38-75/511.38-76/511.38-77/511.38-78/511.38-79/511.38-80/511.38-81/511.38-82/511.38-83/511.38-84/511.38-85/511.38-86/511.38-87/511.38-88/511.38-89/511.38-90/511.38-91/511.38-92/511.38-93/511.38-94/511.38-95/511.38-96/511.38-97/511.38-98/511.38-99/511.38-100)

Environmental Management Bureau

Penicillin/derivatives (541.31-00/542.13-01/542.13-09)

BFAD

Refined petroleum products (Appendix 1-A)

Energy Regulatory Board

Coal and Coal derivatives (321.10-00/321.21-00/ 321.22-00/322.10-00)

Energy Regulatory Board

Color Reproduction Machines NBI and Cash Department (Subgroup 751.3)

Bangko Sentral ng Pilipinas (BSP)

Various Chemicals for the manufacture of explosives (Appendix 1-B)

PNP Firearms and Explosives Office (PNP-FEO)

Onions, garlic, potatoes and cabbage, for seedlings purposes

Bureau of Plant Industry

Pesticides incl. Agricultural Chemicals (Appendix 1-C)

Fertilizer and Pesticide Authority

Motor Vehicles, Parts and Components (Appendix 1-D)

DTI/BOI/BIS

Truck and automobile tires and tubes, used, of all sizes (LOI, 1086-Nov. 25, 1980)

DTI

No-dollar imports of used motor vehicles

DTI

All commodities originating from Socialist and other centrally planned economy countries

PITC

Warships of all kinds

MARINA

Radioactive Materials

PNRI

Legal tender Philippine currency in excess of PHP5,000

Bangko Sentral ng Pilipinas (BSP)

Others (Appendix 1-B)

Bangko Sentral ng Pilipinas (BSP)

Agricultural Products produced locally in sufficient quantity (Appendix 1-F)

Department of Agriculture thru the National Food Authority