

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

First Regular Session

House Bill No. 800



Introduced by **HON. ROZZANO RUFINO B. BIAZON**


EXPLANATORY NOTE

This bill seeks to amend Republic Act No. 10863 (RA 10863), otherwise known as the "*Customs Modernization and Tariff Act*," by proposing to include a new provision that would allow the Bureau of Customs (BoC) to use part of its income for its modernization program.

The passage of RA 10863 is loadable as it updated the Tariff and Customs Code of the Philippines to pave the way for reforms and the modernization of the Bureau of Customs. RA 10863 is envisioned to transform the BoC into an efficient and effective agency with the wherewithal to carry out its primary mandate.

However, the achievement of this vision would not be possible if the Bureau would be stymied by obsolete or lack of equipment and modern information and technology systems. In order that the BoC may be given more leeway to pursue its modernization in this respect, it is respectfully submitted that it should be allowed to use part of its income. In this manner, said agency would hopefully be able to move faster in modernizing its equipment and information and technology systems.

In view of the foregoing, early passage of this bill is earnestly sought.


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AN ACT
AMENDING REPUBLIC ACT NO. 10863 OTHERWISE KNOWN AS THE
“CUSTOMS MODERNIZATION AND TARIFF ACT”

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

Section 1. Republic Act No. 10863 is hereby amended by inserting a new section after Section 205 which shall become the new Section 206 and shall read as follows:

“SEC. 206. USE OF INCOME. – THE BUREAU OF CUSTOMS IS AUTHORIZED TO USE AT LEAST ONE PERCENT (1%) OF ITS ANNUAL INCOME DERIVED FROM ITS COLLECTION OF CUSTOMS DUTIES AND TAXES TO ENABLE IT TO PURSUE THE VARIOUS COMPONENTS OF ITS MODERNIZATION PROGRAM SUCH AS, BUT NOT LIMITED TO:

- A. ACQUISITION, UPGRADING AND MODERNIZATION OF EQUIPMENT AND INFORMATION AND TECHNOLOGY EQUIPMENT AND SYSTEMS; AND**
- B. CONSTRUCTION, REPAIR AND REHABILITATION OF STRUCTURES AND FACILITIES.**

PROVIDED, THAT NO AMOUNT OF SAID INCOME SHALL BE USED TO FUND PERSONAL SERVICES EXPENDITURES.”

Sec. 2. The succeeding sections of the same Act are hereby amended and renumbered accordingly.

Sec. 3. *Implementing Rules.* – Within one hundred twenty (120) days after the effectivity of this Act, the Commissioner of the Bureau of Customs shall promulgate the implementing rules and regulations necessary for the effective implementation of this Act.

Sec. 4. *Repealing Clause.* – All laws, executive orders and regulations inconsistent with or contrary to this Act are hereby considered repealed and/or amended accordingly.

Sec. 5. *Separability Clause.* – If any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions not affected thereby shall remain in full force and effect.

Sec. 6. *Effectivity.* – This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,