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BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 303

AMENDING EXECUTIVE ORDER NO. 444, S. 1997, PROVIDING FOR THE RATIONALIZATION OF DUTY FREE STORES/OUTLETS AND THEIR OPERATIONS IN THE PHILIPPINES PURSUANT TO EXECUTIVE ORDER NOS. 250, 250-A, S. 1995, 419, S. 1997 AND 140, S. 1993, AND FOR OTHER PURPOSES

WHEREAS, the operations of duty free shops have been expanded under existing administrative issuances;

WHEREAS, the operation of duty free shops in the Subic Special Economic and Freeport Zone and the Clark Special Economic Zone is authorized under existing laws to provide for the consumption/needs of their locators, which generate export receipts for government;

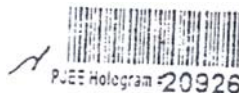
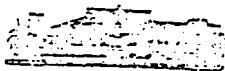
WHEREAS, Executive Order No. 444, s. 1997, while limiting the establishment of duty free shops to international ports of entry and the fenced-in areas of freeport zones as authorized by existing laws, granted special duty free shopping privileges and expanded the allowable items in duty free outlets;

WHEREAS, the current operations of duty free shops, particularly in terms of number of stores or outlets and range or scope of goods sold, have resulted in weakening government's efforts to protect local enterprises and products and have created opportunities to commit frauds upon customs;

WHEREAS, there is an imperative need to provide for an improved system of duty free shop operations consistent with the conventional concept and purpose of duty free shops as observed in most countries.

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order the following:

SECTION 1. *Prohibited Duty Free Shop Operations.* The operation of duty free shops located outside the country's international ports of entry and the fenced-in areas of the Clark Special Economic Zone (Clark) and the Subic Special Economic and Freeport Zone (Subic) shall be prohibited. The establishment of new duty free shops/outlets and the expansion of existing ones shall likewise be prohibited even within the international ports of entry and the fenced-in areas of Subic and Clark.



SEC. 2. Termination of Special Shopping Privileges. All special shopping privileges as granted under Section 3 of Executive Order No. 444, s. 1997, are hereby deemed terminated. The grant of duty free shopping privileges shall be restricted to qualified individuals as provided by law.

SEC. 3. Allowable Items in Duty Free Stores/Outlets. Only items that are traditionally sold in duty free shops in ports of entry abroad, mainly portable consumables and light durables, shall be held for sale in existing duty free stores. A *balikbayan* shall be allowed to buy one item of every product category of non-consumables whose selling price exceeds US\$200 in accordance with Republic Act No. 6768.

SEC. 4. Implementing Rules and Regulations. The implementing rules and regulations to effectively carry out the provisions of this Order shall be promulgated by the Department of Trade and Industry within two (2) weeks upon effectivity of this Order. The rules shall include, among others, the definition of portable consumables and light durables and the provision for a transition period, not to exceed two (2) months from date hereof, for the implementation of this order.

SEC. 5. Administrative Sanctions. Violation of any of the provisions of this Order shall be subject to administrative sanction of suspension or cancellation of the operation of the concerned duty free shop.

SEC. 6. Separability Clause. The provisions of this Executive Order are hereby declared separable. In the event that provisions of this Executive Order are declared illegal or unconstitutional, the other provisions not so declared shall remain in full force and effect.

SEC. 7. Amending Clause. All provisions of executive orders, letters of instruction, issuances, memoranda and proclamations not consistent with the provisions of this Executive Order are hereby repealed or modified accordingly.

SEC. 8. Effectivity. This Executive Order shall take effect immediately.

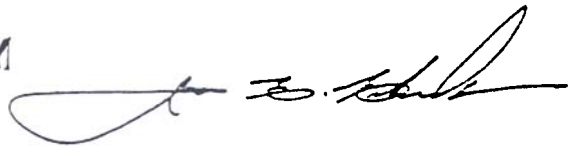
DONE in the City of Manila, this 20th day of October in the year of our Lord, two thousand.

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Date



By the President:



RONALDO B. ZAMORA
Executive Secretary



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