

PROVIDING EXEMPTION FOR THE PAYMENT OF CUSTOMS AND TARIFF DUTIES, SPECIAL IMPORT TAX AND COMPENSATING TAX COVERING IMPORTATION OF SUGAR MILLS, MACHINERY, SPARE PARTS AND EQUIPME...

PRESIDENTIAL DECREE NO. 791, September 03, 1975

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WHEREAS, the sugar industry contributes a very sizeable amount in the foreign exchange earnings of the country during the past years prompting the government to encourage more production of sugarcane and the establishment of new sugar mills to further increase production of sugar to supply the traditional as well as the new foreign markets;

WHEREAS, the current cost of sugar mills, machinery and equipment has multiplied to about two and a half times of the cost of sugar mills in the late 1960's and early 1970's due to worldwide inflation which correspondingly increased the financial requirements of the sugar industry;

WHEREAS, all the new sugar mills are being financed by government financial institutions and, therefore, in the event of collapse of its operations by reason of financial problems resulting from high cost of acquisition of the mill, the said government financial institutions will ultimately suffer the loss;

WHEREAS, there is a need to provide government assistance and incentive in the production and processing of sugar in view of the present uncertain and fluid economic conditions confronting the sugar industry which undoubtedly will affect adversely the future foreign exchange earning of the country to the prejudice of the national economy;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order:

SECTION 1. Any person, partnership, company or corporation who or which now engaged or shall engage in the business of manufacturing, milling, processing or refining of sugar shall be exempted from the payment of special import tax, compensating tax and customs and tariff duties in respect to the importation of plant machinery, spare parts and other equipment effective upon approval of this Decree until June 30, 1980.

SEC. 2. The exemption granted under this Decree shall only cover the importation of plant machinery, spare parts and other equipment directly and actually needed and will be used exclusively in the manufacture, milling, processing or refining of sugar by the grantee of the exemption under this Decree and the shipping documents covering the importation are in the name of the tax-exempt firms to whom the goods shall be delivered directly by the customs authorities.

SEC. 3. Any grantee under this Decree who shall make use of the privilege hereunder for purposes other than those for which such privilege were granted or who shall in any manner violate the provision of this Decree shall be penalized with imprisonment of not less than five (5) years but not exceeding ten (10) years and a fine of not less than P10,000.00 but not exceeding P200,000.00 and in addition, such violation shall ipso facto cause

forfeiture of exemption, aside from the payment of all taxes and duties due in accordance with the existing laws.

Any person or any officer or employee of the Government who shall connive with the grantee of tax exemption in the violation of the provisions of this Decree shall suffer the same penalties prescribed in the first paragraph of this section. In case the grantee is a juridical person, the official or officials who consented to the commission of the offense or tolerated the violation of the provisions of this Decree shall be the person or persons liable.

SEC. 4. Any person, partnership, company or corporation who or which may qualify for similar exemption privilege under existing law or other laws hereinafter decreed or enacted and is qualified under this Decree, may choose which privilege the grantee desires to avail of, but in no case shall such grantee be entitled to both privileges simultaneously.

SEC. 5. All acts, executive orders, administrative orders or commissions, rules and regulations or part thereof inconsistent with any of the provisions of this Decree are hereby repealed or modified accordingly.

SEC. 6. This Decree shall take effect upon approval and shall continue to be effective until June 30, 1980.

Done in the City of Manila, this 3rd day of September, in the year of Our Lord, nineteen hundred and seventy-five.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

ROBERTO V. REYES

Acting Executive Secretary

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