

DIRECTING THE RATIONALIZATION OF INCENTIVES AND GRANTING THE PRESIDENT AUTHORITY TO MODIFY AND/OR REVISE SUCH INCENTIVES AND EXEMPTIONS.

PRESIDENTIAL DECREE NO. 1816, January 16, 1981

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WHEREAS, there is need for fiscal incentive statutes to be responsive and meaningful to changing circumstances such that they would not become inadequate, obsolete, redundant or no longer necessary;

WHEREAS, it is necessary to realign incentive statutes so as to gear them to policies existing at any given time, such as the current industrialization policies and the thrust to encourage export-oriented and labor-intensive industries utilizing indigenous materials, and

WHEREAS, corollary thereto, there is likewise a need to harmonize incentive statutes being implemented by various government agencies in order to prevent competing, conflicting or confusing programs.

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

SECTION 1. Any general or special law to the contrary notwithstanding, the President may, on his own, initiative or upon recommendation of the Fiscal Incentives Review Board, modify and/or revise any fiscal incentive granted under any statute when any of the following conditions exist:

- When it is reasonably evident that the incentives granted are no longer adequate, necessary or appropriate.
- When there is need to modify incentive privileges in the light of technological, economic and social changes; or
- When there is need to redesign the tax incentive schemes to obviate unemployment and avoid economic and social dislocation.

SEC. 2. The authority granted under Section one hereof shall be exercised on, but not limited to the following statutes enumerated, to wit:

- Republic Act Numbers 660 (as amended by Republic Act Number 728), 720 (as amended by Republic Act Numbers 3128 and 5930 and Presidential Decree Number 69), 1407 (as amended by Presidential Decree Numbers 664 and 764), 1910, 2067 (as amended by Republic Act Number 3589), 2369 (as amended by Presidential Decree Numbers 237 and 238), 2889, 3054, 3384, 3425 (as amended by Republic Act Number 702), 3470 (as amended by Republic Act Number 5326 and Presidential Decree Number 817), 3589, 3850, 3854, 3856, 4071, 4093 (as amended by Republic Act Numbers 4887 and 6110), 4132, 4156 (as amended by Presidential Decree Numbers 6366 and 741), 4412, 4481, 4690, 4850, 5186 (as amended by Presidential Decree Numbers 92 and 485), 5850 (as amended by Presidential Decree Number 69), 6042, 6055, 6135 (as amended by Presidential Decree Numbers 92, 485, and 1646);
- Presidential Decree Numbers 4 (as amended by Presidential Decree Numbers 699 and 1485), 7 (as amended by Presidential Decree Number 45), 8 (as amended by Presidential Decree Number 87), 24 (as amended by

Presidential Decree Number 735), 31, 64, 175, 181, 198 (as amended by Presidential Decree Number 768), 205, 215, 231, 232 (as amended by Presidential Decree Number 852), 243 (as amended by Presidential Decree Number 353), 246, 264, 269, 292, 294, 321, 348, 373, 389 (as amended by Presidential Decree Numbers 705 and 1559), 425, 453, 463, 464, 492 (as amended by Presidential Decree Numbers 860), 507, 517, 520, 529, 535, 551 (as amended by Presidential Decree Numbers 648 and 852), 552, 564, 572, 579, 604, 615, 625, 634, 645, 666, 674 (as amended by Presidential Decree Number 751), 675, 681, 685, 690, 694, 696 (amending Presidential Decree Number 286), 697 (as amended by Presidential Decree Number 762), 698, 700, 703, 728, 729, 745, 750, 751, 757, 778 (as amended by Presidential Decree Number 913), 783, 789, 791 (as amended by Presidential Decree Number 924), 796, 805, 857, 882, 926, 930, 936, 938, 972, 977, 990, 992, 998, 1034, 1035, 1048, 1068, 1074, 1080, 1101, 1107, 1113, 1114, 1115, 1127, 1129, 1142, 1145, 1159, 1171, 1175, 1184, 1191, 1192, 1197, 1201, 1217, 1249, 1253, 1267, 1287, 1289, 1319, 1378, 1388, 1394, 1399, 1400, 1419, 1432, 1442, 1444, 1448, 1449 (amending Presidential Decree Number 66), 1475, 1491 (amending Presidential Decree Number 588), 1504, 1512, 1522 (amending Presidential Decree Number 1352), 1531, 1584, 1588, 1591, 1610 (amending Presidential Decree Number 1609), 1620, 1667 (amending Presidential Decree Number 1167) and 1662;

- The following Sections of the National Internal Revenue Code, as amended: Sections 27, 77, 122, 123, 139 (as amended by Presidential Decree Number 69), 157, 202, 203, 204 (4) (as amended by Section 105 of the Tariff and Customs Code of the Philippines and Presidential Decree Numbers 237, 238, 413, and 440), 260 and 279;

- Sections 104, 105, 106, 2002 (a), 2703, and 3203 of the Tariff and Customs Code of the Philippines, as amended; and

- Batasang Pambansa Numbers 21 and 44.

SEC. 3. Any modification of incentive pursuant to this law shall have prospective application: Provided, that, all rights previously vested in the aforesaid laws shall not be affected thereby.

SEC. 4. All laws, acts, decrees, orders and ordinances inconsistent with any of the provisions of this Decree are hereby repealed or modified accordingly.

SEC. 5. This Decree shall take effect immediately.

Done in the City of Manila, this 16th day of January, in the year of our Lord, nineteen hundred and eighty-one.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant

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