

GUIDELINES IMPLEMENTING CERTAIN PROVISIONS OF EXECUTIVE ORDER NO. 250

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/44d1b3f4b5fe/>

I

Coverage

The following rules are hereby provided to carry into effect certain provisions of Executive Order No. 250 re Implementing the Rationalization of Duty Free Shops/Outlets and their Operations in the Philippines pursuant to Executive Order No. 140.

II

Definition of Terms

For purposes of implementing E.O. No. 250, the following terms shall be construed as follows:

A. Duty Free Shop - a retail establishment located within the premises of international ports of entry, airport or seaport, authorized to sell tax and duty-free merchandise, consisting of consumables and light durables, for the convenience of travellers. Such establishments have been introduced to special economic zones in Subic and Clark on contention that these are permissible on free port area.

B. International Port of Entry - any airport or seaport declared as such by the relevant authorities where international aircraft or vessels flying routes customarily stop to discharge and load foreign trade goods, repairs, transshipment of cargo, or disembarkation of passengers, and for which reasons customs and immigration officers are stationed thereat for purposes of enforcing the collection of corresponding duties, taxes or fees.

C. Consumables - items for consumption (i.e. for satisfying a personal need rather than for producing goods or services).

D. Light Durables - non consumable items portable or transportable as accompanied personal baggage in the course of travel.

E. Heavy Durable - any durable item not portable or too large to be shipped as accompanied personal item in the course of travel.

F. Special Economic Zone/Freeport - any territory within the former military reservations and their extensions identified under Republic Act No. 7227, otherwise known as the "Bases Conversion and Development Act of 1992" and declared as such and whose territorial jurisdiction as such has been officially circularized by the concerned authorities. As such, exportation or removal of goods from territory of zone/freeport to the other parts of the Philippine territory shall be subject to payment of corresponding taxes and duties.

G. International travellers - any individual who arrives from a cargo foreign destination, as evidenced by a passport and passenger ticket.

H. Zone resident in secured area - any individual who, by virtue of domicile or employment, resides on permanent basis in the secured area. The term does not include individuals who have entered into short or long-term property

lease but are not engaged in registered business activity in the zone, outsiders engaged in doing business within the zone, transients and/or week-enders.

I. Other zone resident - any individual who, by virtue of domicile or employment resides on a permanent basis within the zone but outside the secured area.

III

General Provisions

A. Phase Out of Duty Free Shop - the following duty free stores/outlets located outside international port of entry and/or outside the secured and fenced in areas of SBMA (Subic) and CDC (Clark) shall be closed effective 01 January 1995.

a. DFP Paskuhan Village, San Fernando, Pampanga

b. DFP Philippine International Convention Center, Roxas Boulevard, Manila

Sales in the above stores/outlets shall not be allowed beginning 01 January 1996.

No other Duty Free Shop shall be allowed to operate outside the international ports of entry and/or outside the secured and fenced are of economic zone/freeports.

For the purposes of this provision the Bureau of Customs shall coordinate with the operator of duty free stores/outlets to be phased out for the winding down of their operations and shall submit an inventory report on the merchandise, equipment, and other paraphernalia involved therein. The operator shall be held accountable for all items and shall dispose of the same in accordance with rules and regulations of the Bureau of Customs.

B. Duty Free Shopping Privileges

1. The following may avail of duty free shopping privileges in accordance with their respective purchase limits:

- Tourists and Filipinos arriving from foreign destinations - One Thousand Dollars (US\$1,000) [but not to exceed Ten Thousands (US\$10,000)] in any given year. Such privilege can only be availed within the forty-eight (48) hours from arrival and on a one-time shopping basis only.

- Overseas Contract Workers and Balikbayans, pursuant to the terms and conditions of R.A. No. 6768 (An Act Instituting a Balikbayans Program) - An additional One Thousand Dollars (US\$1,000) [but not exceed Eleven Thousand Dollars (US\$11,000)] in any given year. Such privilege can only be availed of within forty-eight (48) hours from arrival and on a one-time shopping basis only.

- Residents, eighteen (18) years of age or above of special economic zone/freeports - One Hundred Dollars (US\$100) per month per person, subject to the following conditions:

i. The fact of residency has been duly established by presentation of a barangay certification together with any of the following documents: voter's identification, Taxpayer Identification Number, Social Security System or Government Service Insurance System Identification, driver's license.

ii. There shall be no accumulation, tacking or pooling or advance use of privilege; and

iii. The privilege shall be non-transferable. Any excess of the privilege which is not consumed during a given month shall be automatically forfeited.

2. Sales in excess of the duty free shopping privilege mentioned above may be allowed, subject to the payment of a fifty percent (50%) tariff rate and the corresponding taxes thereon.

3. The Two Hundred Dollars (US\$200) duty-free shopping privilege per person per year of non-residents of special economic zones and/or freeports shall be terminated at midnight of 31 December 1995.

4. Notwithstanding the foregoing, no limits shall be imposed on any item brought from duty free/outlet and consumed only within the secured and fenced-in areas of special economic zones/freeports.

Effective 01 January 1996, sales to non-resident shoppers may be allowed, subject to the payment of a fifty percent (50%) tariff rate and the corresponding taxes thereon.

C. Items to be Sold by Duty Free Stores/Outlets

Unless otherwise prohibited by existing laws, there shall be no limit on the range of items sold by duty free stores/outlets located in the secured and fenced-in area of special economic zone/freeports, provided that imported heavy durables carried by such duty free stores/outlets can only be sold to the residents of the secured area of said zones/freeports; sale thereof shall be duly recorded in a form specifying the name and address of the resident and the type/unit and price of the imported heavy durables purchased.

In the event that any imported heavy durables is moved out of the secured area of a zone and/or freeport, the same shall be subject to the payment of the corresponding duties and taxes thereon and no deduction shall be made for whatever duty free privilege the buyer may be entitled to.

The range of items to be sold at duty free stores/outlets operated by Duty Free Philippines outside of special economic zones/freeports shall be limited only to consumable light durables, imported television sets of sizes not manufactured in the Philippines, and locally manufactured heavy durables.

Sale to purchasers not qualified to import tax and duty free household goods and appliances under existing laws, rules and regulations, of the following items shall be subject to the corresponding duties, effective 01 January 1996:

- a. Television Sets
- b. Laser Disc Players
- c. Karaoke/Videoke
- d. Stereo Components
- e. Ovens
- f. Ranges
- g. Washing Machines
- h. Refrigerators
- i. Housewares
- j. Furniture
- k. Tools
- l. Sporting Equipment
- m. Generators
- n. Kitchenware
- o. Musical Instruments
- p. Electric Fans
- q. Airconditioners
- r. Livelihood Equipment (Sewing machine, Motors, Casserols, Baking Equipment, etc.)
- s. Vacuum Cleaner
- t. Telecommunications Equipment (Cellular Phones, Answering Machines, Walkie-Talkies, etc.)

D. Reports and Information Requirements

A monthly report of the operations of the duty free stores/outlets shall be submitted to the Commissioner, including among others, the volume and value of sales by type of customers and type of duty free shopping limits, duties and taxes collected, volume, value, and type of merchandise imported, transferred, and/or disposed of, and such other related information.

E. Effectivity

This Order shall take effect fifteen (15) days after its approval and publication in the Official Gazette or in two (2) newspapers of general circulation.

Adopted: 6 Dec. 1995

(SGD.) GUILLERMO L. PARAYNO
Commissioner

Approved:

(SGD.) ROBERTO F. DE OCAMPO
Secretary of Finance

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.