

STRENGTHENING THE PRESIDENTIAL ANTI-DOLLAR SALTING TASK FORCE.

PRESIDENTIAL DECREE NO. 2002, December 16, 1985

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WHEREAS, there is a need to further strengthen the government's efforts to stop blackmarketing and salting abroad of foreign exchange;

WHEREAS, there are acts and activities constituting blackmarketing or salting abroad of foreign exchange which have not been clearly defined by existing laws, rules and regulations;

WHEREAS, the prevailing economic conditions and developments as well as the economic crisis require that the authority, powers, functions and prerogatives of the Presidential Anti-Dollar Salting Task Force created under Executive Order No. 934, as amended by Presidential Decree No. 1936 be extended to enhance its effectiveness against blackmarketeers, the salters of foreign exchange abroad, and other economic saboteurs;

WHEREAS, it is also necessary to reinforce, harmonize and realign the various laws, rules and regulations against blackmarketing and salting abroad of foreign exchange such as the reward system for informers under Letter of Instruction Nos. 1356 and 1445 and Central Bank Monetary Board Resolution dated February 9, 1981;

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

SECTION 1. Sections 1 and 2 of Presidential Decree No. 1883 are hereby amended to read as follows:

"Section 1. Blackmarketing of, and other illegal acts involving foreign exchange.—The trading, purchase or sale of foreign exchange without any lawful authority shall constitute blackmarketing of foreign exchange under this Section and any person found committing such acts shall upon conviction suffer the penalty of reclusion temporal (minimum of 12 years and one day and maximum of 20 years) and/or a fine of not less than Fifty Thousand (P50,000.00) Pesos.

Failure or refusal by any authorized foreign exchange trader or dealer to issue Official Central Bank Receipts for the purchase or sale of foreign exchange, or failure to remit and/or declare foreign exchange purchased in accordance with the existing rules and regulations on foreign exchange shall likewise constitute blackmarketing and any person found committing such acts shall, upon conviction, suffer the penalty prescribed above.

The possession of foreign exchange equivalent to not less than Ten Thousand US Dollars (US\$10, 000.00) by any person who does not have legitimate source of or lawful authority to possess foreign exchange shall be prima facie evidence of blackmarketing.

SEC. 2. Salting abroad of foreign exchange.—The following acts shall constitute salting abroad of foreign exchange and any person found committing such acts shall upon conviction suffer the penalty prescribed in Section 1 above:

- The retention abroad by any person engaged in the business of exportation, of his export proceeds of earnings or part thereof, beyond the period prescribed by laws, rules and regulations, or the retention abroad by any person of

the proceeds or earnings from his undeclared exports. The term “exports” includes both products and services.

The undervaluable, underdeclaration, misdeclaration, or nondeclaration, either as to price or quantity, of exports, shall constitute prima facie evidence of salting abroad of foreign exchange as defined in this paragraph.

- The remittance and retention abroad by any person engaged in the business of importation, of foreign exchange by overvaluing or over declaring his imports either as to price or quantity.

- Any activity or transaction resulting in, or involving the unauthorized remittance, transfer and/or retention abroad of foreign exchange by any person through misdeclaration, misrepresentation, falsification and/or illegal or fraudulent means,”

SEC. 2. Section 1 of Presidential Decree No. 1936 which defines the powers and functions of the Presidential Anti Dollar Salting Task Force is hereby amended to include the following paragraphs:

“f. After due investigation but prior to the filing of appropriate criminal charges with the fiscal’s office or the courts as the case may be, to impose a fine and/or administrative sanctions as the circumstances warrant upon any person found committing or to have committed acts constituting blackmarketing or salting abroad of foreign exchange, provided said person voluntarily admits the facts and circumstances constituting the offense and presents proof that the foreign exchange retained abroad has already been brought into the country.

Thereafter, no further civil or criminal action may be instituted against said person before any other judicial regulatory or administrative body for violation of Presidential Decree No. 1883.

The amount of the fine shall be determined by the Chairman of the Presidential Anti-Dollar Salting Task Force and paid in Pesos taking into consideration the amount of foreign exchange retained abroad, the exchange rate differentials, uncollected taxes and duties thereon, undeclared profits, interest rates and such other relevant factors.

The fine shall be paid to the Task Force which shall retain Twenty percent (20%) thereof. The informer, if any, shall be entitled to Twenty percent (20%) of the fine. Should there be no informer, the Task Force shall be entitled to retain Forty percent (40%) of the fine and the balance shall accrue to the general funds of the National government. The amount of the fine to be retained by the Task Force shall form part of its Confidential Fund and be utilized for the operations of the Task Force.”

SEC. 3. The effectivity of Presidential Decree No. 1936 as amended, is hereby extended up to December 31, 1983.

SEC. 4. All the provisions of Letters of Instructions Nos. 1356 and 1445 are hereby incorporated and made integral parts of this

Decree subject to the following amendments:

Sections 2 and 3 of Letter of Instructions No. 1356 shall read as follows:

" Section 2. — The amount of reward shall be 20 % of the proceeds of the foreign exchange and Philippine currency actually forfeited to the National Government.

" Section 3.—The Central Bank of the Philippines is hereby authorized to pay the informer's rewards out of the proceeds of the imported and exported goods, foreign exchange and Philippine currency forfeited to the National Government."

SEC. 5. All laws, decrees, orders, instructions, rules and regulations inconsistent herewith are hereby repealed, amended and modified accordingly.

SEC. 6. This Decree shall take effect immediately.

DONE in the City of Manila this 16th day of December, in the year of Our Lord, Nineteen Hundred and Eighty-Five.

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

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant

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