

PROVIDING CERTAIN TAX EXEMPTIONS TO THE SOUTHEAST ASIAN REGIONAL CENTER FOR GRADUATE STUDY AND RESEARCH IN AGRICULTURE AND FOR OTHER PURPOSES.

PRESIDENTIAL DECREE NO. 1171, July 12, 1977

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WHEREAS, the Southeast Asian Regional Center for Graduate Study And Research in Agriculture (SEARCA) is a non-profit and non-stock corporation dedicated to provide technical and educational assistance on problems related to agricultural development of member countries, which include the Philippines, Thailand, Laos, Kampuchea, Singapore, Vietnam, Malaysia and Indonesia;

WHEREAS, SEARCA continues to articulate Philippine Commitment to regional cooperation among Southeast Asian and other countries in Asia and elsewhere through education, science and culture;

WHEREAS, Republic Act No. 6450, entitled "An Act Exempting from Certain Taxes the Southeast Asian Regional Center for Graduate Study and Research in Agriculture, And for other Purposes" expired on June 18, 1977 and there is a need to extend the tax privileges provided therein;

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 as part of the law of the land:

SECTION 1. Tax Exemption.-The provisions of existing laws or ordinances to the contrary notwithstanding, the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) and its grantees, shall be exempt from the payment of gift, franchise, specific, percentage, real property, exchange, import, export, and all other taxes, duties and fees provided under existing laws or ordinances: Provided, That this exemption shall extend to goods imported and owned by SEARCA to be leased or used by members of its staff and to goods brought in or imported for the personal use of foreign personnel whose services are paid by specific donor entities, agencies, or governments or from funds granted by these donors: Provided, further, That should such goods or articles subsequently be sold, transferred or otherwise disposed of in the Philippines to persons or entities not entitled to tax exemption as herein provided, the proper customs duties and taxes under existing laws shall be imposed: Provided, finally That non-Filipino citizens or non-resident aliens who are experts in their respective fields and are servicing in staff of the Regional Center shall be exempt from the payment of Philippine income tax on all salaries and stipends wages or other income derived solely and by reason of service under SEARCA.

SEC. 2. Additional Exemptions; Allowable Deduction.-All gifts, bequest, donations and contributions which may be received by SEARCA from any source whatsoever, or which may be granted by the Center to any individual or non-profit organization for educational or scientific purposes shall be exempt from the payment of taxes of any kind and all gifts, contributions and donations to the center shall constitute allowable deductions in full from the income of the donor or giver for income tax purposes.

SEC. 3. Penalty.-(a) Any persons or any officer or employee of the Government who fraudulently takes advantage of the provisions of this Decree to avoid payment of taxes, duties and fees imposed under any existing law,

regulation, or ordinance shall be punished by a fine equivalent to ten times the amount of all taxes, duties and fees due, but in no case less than ten thousand pesos: Provided, That if the offender who committed the violation is an alien, he shall, after appropriate proceedings, be deported.

(b) Any officer or employee of the Center who violates or any person who shall connive with such officer or employee in the violation of the rules and regulations promulgated in pursuance of this Decree shall suffer the same penalties as provided in the preceding paragraph.

SEC. 4. Implementing Rules and Regulations.-The Secretary of Finance shall promulgate the necessary rules and regulations for the effective implementation of this Decree, which rules and regulations shall include provisions requiring SEARCA, whenever it makes any importation or exportation under this Decree to inform the Bureau of Internal Revenue and the Bureau of Customs immediately thereafter, and to furnish said bureaus with sufficient copies of any document covering the importation, or exportation, indicating the quantity and the description thereof and stating therein the probable use and disposition of said importation or exportation.

SEC. 5. Repealing Clause.-Any provision of any law, decree, rule or regulation which is inconsistent with this Decree is hereby revoked or amended accordingly.

DONE in the City of Manila, this 12th day of July, in the year of Our Lord, nineteen hundred and seventy-seven.

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

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

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