

## AN ACT EXEMPTING FROM PAYMENT OF SPECIAL IMPORT TAX, SPECIFIC TAX, FEES, DUES AND CUSTOMS DUTIES, IMPORTATIONS AND LOCAL SALE OF NAPHTHA; WHEN USED AS A RAW MATERIAL BY CHEMICAL INDUSTRIES...

REPUBLIC ACT NO. 4068, June 18, 1964

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Any provision of law to the contrary notwithstanding, any person, partnership, company or corporation engaged or which shall engage in the manufacture of chemical products, including the direct reduction of iron ore shall be entitled to exemption from the payment of special import tax, specific tax, fees, dues, customs duties and all other taxes of whatever nature description, payable by such person, partnership, company or corporation in respect to their local purchase importation of naphtha when used as a feedstock or raw material in chemical industries and the direct reduction of iron ore and only when, in the course of such manufacture, its chemical structure is changed: Provided, however, That naphtha when used as a fuel, solvent, lubricant, feedstock for petroleum refineries or for other purposes, subject to the corresponding taxes, dues and customs duties: Provided, further, That the exemption from the special import tax, specific tax, fees, dues and customs duties and all other taxes of whatever nature and description on such naphtha shall be made only when the Department of Finance, after investigation, finds that the following concur:

- Naphtha sought to be exempted has the following specifications:

Gravity, °API ..... 60 to 88

Distillation, ASTM, °F..... 80 to 450

Total Sulfur, wt. % ..... 0.01 to 0.2

Unsaturation, vol. % ..... trace to 1.0

Aromatics, vol. % ..... trace to 30

- It will be used directly and exclusively as feedstock or raw material and that, in the course of manufacture, its chemical structure is changed.

- It will be stored separately and such, storage, shall be provided with facilities to measure or record the quantity of naphtha used as raw material or feedstock.

- The shipping and other supporting documents covering the local purchase or importation are in the name of the tax exemption firm to whom the goods shall be delivered directly.

SEC. 2. Any person, partnership, company or corporation eligible to tax exemption privileges under the preceding section and enjoying tax exemption privileges on its local purchase and importations of raw materials under other existing laws, shall not enjoy tax exemption privileges under this Act without relinquishing its tax exemption privileges under other existing laws insofar as its local purchase and importations of naphtha are concerned.

SEC. 3. The Department of Finance shall promulgate the rules and regulations necessary for the implementation of this Act; Provided, That any violation of this Act or of the rules and regulations issued in accordance with this section, and any misrepresentation of any essential fact required by said rules, shall subject the offender to cancellation of his exemption privilege and to the payment of double the duties and taxes involved; and to imprisonment of not less than two nor more than four years and a fine of not less than ten thousand pesos nor more than twenty thousand pesos. Where the offender is a partnership, corporation or other entity, the president, manager or person in charge thereof shall be criminally responsible therefor and, in the case of an alien, he shall be ordered deported.

SEC. 4. All existing laws, executive orders, and administrative rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 5. This Act shall be effective for a period of five years beginning January first, nineteen hundred sixty-five to December thirty-first, nineteen hundred sixty-nine.

Approved, June 18, 1964.

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