

AMENDING SECTIONS 106 (c) AND 2004 OF THE TARIFF AND CUSTOMS CODS OF THE PHILIPPINES

PRESIDENTIAL DECREE NO. 2028, February 04, 1986

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/b3bc8ac26298/>

I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution; do hereby amend pertinent provisions of the Tariff and Customs Code as follows:

SECTION 1. Section 108 (c) of the Tariff and Customs Code, as amended, is hereby further amended to read as follows:

"(c) On Articles made from Imported Materials— Upon exportation of articles manufactured or produced in the Philippines, including the packing, covering, putting up, marking or labeling; thereof either in whole or in part of imported materials for which duties have been paid, refund or tax credit shall be allowed for the duties paid on the imported materials so used including the packing, covering, putting up, marking or labeling; thereof, subject to the following conditions:

- The actual use of the imported materials in the production or manufacture of the article exported with their quantity, value and amount of duties paid thereon, having been established;
- The duties refunded or credited shall not exceed one hundred (100) per cent of duties paid on the imported materials used;
- There is no determination by the National Economic and Development Authority of the requirement for certification or non-availability of locally-produced or manufactured competitive substitutes for the imported materials used at the time of importation.
- The exportation shall be made within one (1) year after the importation of materials used and claim of refund or tax credit shall be filed within six (6) months from the date of exportation;
- When two or more products results from the use of the same imported materials, an apportionment shall be made on its equitable basis.

For every application of a drawback, there shall be paid to and collected by the Bureau of Customs as filing, processing and supervision fees the sum of Five Hundred (P500.00) Pesos which amount may be increased or decreased when the need arises by the Minister of Finance upon the recommendation of the "Commissioner of Customs."

"Section 2004. Verification by the Commissioner.—A careful account shall be kept by the Collector of all articles delivered by him to any bonded manufacturing warehouse, and a sworn monthly return, verified by the custom officer in charge, shall be made by the manufacturer containing a detailed statement of all imported articles used by him in the manufacture of the exported articles.

All documents, books and records of accounts concerning the operation of any bended manufacturing warehouse shall, upon demand, be made available to the Collector or his representative for examination and/or audit.

Before commencing-business the operator of any bonded manufacturing warehouse shall file with the Commissioner a list of all the articles intended to be manufactured in such warehouse, and state the formula of manufacture and the names and quantities of the ingredients to be used therein."

SEC. 3. This decree shall take effect thirty (30) days after approval.

Done in the City of Manila, this 4th day of February, in the year of Our Lord Nineteen Hundred and Eighty-Six.

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

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant

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.