

DOT RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 9174, AN ACT AMENDING THE BALIKBAYAN PROGRAM (R.A. 6768)

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Pursuant to Section 8 of Republic Act 9174, the following Rules and Regulations of the Balikbayan Program are hereby promulgated for the effective implementation thereof.

RULE I. Coverage. — These rules and regulations shall govern the benefits enumerated under Republic Act No. 9174.

RULE II. Definition of Terms. — For the purpose of this Act:

1. The term "balikbayan" shall mean:

- a. Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year from the date of last departure;
- b. A Filipino overseas worker; or
- c. a former Filipino citizen and his or her family, as this term is defined hereunder, who had been naturalized in a foreign country and comes or returns to the Philippines.

The term "family" shall mean the spouse and the children of the balikbayan who are not balikbayans in their own right traveling with the latter to the Philippines.

The term "minor" shall mean an individual whose age does not exceed 18 years old.

2. The term "livelihood tools" shall mean:

- a. instruments used by hand or by machine necessary to a person in the practice of his or her trade, vocation or profession, such as hand tools, power tools, precision tools, farm tools; tools for dressmaking, shoe repair, beauty parlor, barber shop and the like, as may be determined by the Overseas Workers Welfare Administration (OWWA), for purposes of application or use in a livelihood undertaking.
- b. A computer unit and its accessories.

RULE III. Determination of the Balikbayan Status — The following are the BALIKBAYAN CATEGORIES:

- a. Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year from the date of last departure;
- b. A Filipino overseas worker; or
- c. Former Filipino with foreign passport and members of his or her family, meaning the spouse and children of the balikbayan who are not balikbayans in their own right but who are traveling with the balikbayan.

In the availment of incentives from the agencies concerned, without prejudice to the requirements for travel tax exemption as provided under existing laws, the following documents are to be presented to show proof of their balikbayan status:

- a. Filipino citizen who has been continuously out of the country

- Philippine passport showing date of last departure

b. Filipino overseas worker:

- Passport; and any of the following:
 - POEA approved contract of employment
 - Certificate/Contract of employment by the foreign employer
 - Certificate of employment by the Philippine Embassy/Consulate
 - Contract Worker stamp on passport
 - Seaman's Service Record Book
 - E-Card (OFW Electronic Identification Card)

c. Foreign passport holder:

- Passport and any of the following:
 - Old Philippine passport
 - Foreign, naturalization papers to show former Philippine citizenship
 - Certification issued by the embassy or consulate of adoptive country that the individual is a former Filipino citizen

d. Family members of the Balikbayan who are travelling with the balikbayan should present

- Passport and any of the following:
 - Birth Certificate in case of children
 - Marriage Certificate in case of spouse
 - Adoption papers (proof of adoption) in case of legally adopted children.

RULE IV. Benefits and Privileges of the Balikbayan. — Eligible participants in the program shall be entitled to the duty and tax-free maximum purchase of goods at Philippine duty-free shops operated by Duty Free Philippines pursuant to Executive Order No. 46 Section 86, in the amount of One Thousand Five Hundred United States Dollars, (US\$1,500) or its equivalent in Philippine Peso and other acceptable foreign currencies subject to the following limitations:

a. Purchases shall be made in US dollars or its equivalent in Philippine Peso and other acceptable foreign currencies based on the list of acceptable foreign currencies provided by the Bangko Sentral ng Pilipinas.

b. The balikbayan shopping privilege provided for herein shall be subject to the following conditions:

- b.1 Purchases shall be made within fifteen (15) calendar days from the date of arrival;
- b.2 During the Christmas Season, reckoned from November 15 to January 15, the privilege is extended to thirty (30) calendar days from the date of arrival;
- b.3 The privilege shall be availed of on a one-time shopping basis only;
- b.4 In the case of senior citizens and handicapped balikbayan; they shall be allowed to enjoy the privilege within one (1) year from date of arrival in the country.

c. The privilege is non-transferable, hence purchases shall be made personally by the balikbayan, except under the following circumstances:

- c.1 That a balikbayan who has gone back abroad may still avail of the Kabuhayan shopping privilege provided for herein within a maximum period of one (1) year from date of arrival in the country, and that immediate

family members of the balikbayan shall be allowed to claim the kabuhayan tools purchased.

c.2 That an Overseas Filipino Worker (OFW), duly certified as such by the Philippine Overseas Employment Administration (POEA); Overseas Worker Welfare Administration (OWWA), Philippine Overseas Labor Officer or by the embassy/consulate of the Philippines in the country where he or she had been deployed, taking into consideration the evidence of remittance, may opt to endorse in writing the kabuhayan shopping privilege to his or her immediate family members within the second degree or consanguinity or affinity residing in the Philippines once within two (2) years from the date of effectivity of his or her contract and only during the duration of the same.

d. The privilege may only be availed of by a balikbayan only once a year;

e. Only a balikbayan of majority age under Philippine laws can enjoy the privilege: Provided, however, that family members who are minors shall continue to be entitled to purchase privilege not exceeding the allowable duty and tax-exempt limit for arriving passengers provided for under Customs Administrative Order No. 4-92; and

f. In addition to existing limitations on the number of consumables purchased such as, two (2) reams of cigarettes of any brand, two (2) bottles of wine and/or liquor of any brand as provided for under Customs Administrative Order No. 4-92; a balikbayan shall be entitled to buy only one (1) item of every product category of consumer durables the selling price of which exceeds two hundred United States dollar (US\$200.00). Attached[*] herewith is a partial List of Consumer Durables whose selling price of which may exceed two hundred United States dollars (US\$200.00)

For the effective implementation of the above limitations, the availment of duty and tax-free shopping privilege by the balikbayan shall be personal in nature. Purchases jointly made by the balikbayan family shall be considered on an individual basis for purposes of the limitation on value of purchase provided for under this Administrative Order.

RULE V. Other Benefits and Privileges. — In addition to the duty and tax-free purchases of goods at Philippine duty free shops operated by Duty Free Philippines pursuant to Executive Order No. 46 Section 86, a balikbayan and his or her family shall be entitled to the following:

a. A special promotional/incentive program for the balikbayan established by all domestic carriers pursuant to the provision of Republic Act No. 9174;

b. Visa-free entry to the Philippines for a maximum stay of one (1) year for foreign passport holders, with the exception of restricted nationals, subject to such fees and the rules and regulations of the Bureau of Immigration and Deportation;

c. Travel tax exemption to a qualified balikbayan pursuant to the provisions of Presidential Decree. No. 1183, Executive Order No. 283, and other related laws;

d. Availment of especially designated reception areas at the authorized ports of entry for the expeditious processing of documents;

e. Use of accredited transportation facilities that will ensure their safe and convenient trips upon arrival; and,

f. Kabuhayan shopping privilege, through an additional duty and tax-exempt purchase in the amount of TWO THOUSAND UNITED STATES DOLLARS (US\$2,000.00) or its equivalent Philippine Peso and other acceptable foreign currencies, exclusively for the purchase of livelihood tools at government-owned-and controlled/operated Duty-Free Shops.

The total amount of duty and tax-exempt maximum purchase as mentioned in Rule IV and sub-paragraph F of this Rule may be used for the kabuhayan shopping program, subject to the limitations imposed on the balikbayan under these rules and regulations.

RULE VI. Monitoring System. — To monitor the purchase period limit in Rule IV, item b hereof, as well as the maximum allowable purchase provided for herein, the following control system is hereby implemented in coordination with the Bureau of Customs and the Bureau of Immigration and Deportation, to wit:

1. Balikbayan Shopping:

- a. A balikbayan shopping card shall be issued by the Duty Free Philippines' representative only after confirmation of the buyer's Balikbayan status, and subject to further check at random by the Bureau of Customs' representative as to its veracity.
- b. The passport of the balikbayan shall be stamped with a balikbayan identifying mark by the Duty Free Philippines' representative after confirmation of his balikbayan status.
- c. The shopping card shall indicate the date of purchase, value of purchase for both consumables and non-consumables and quantity of non-consumables purchased.

2. Kabuhayan Shopping:

2.1 Overseas Filipino Worker (OFW)

- a. Upon registration at the DFP Customer Relations & Registration (CRR) Counter, the OFW shall be asked to present his passport or seaman's book (whichever is applicable) on which the CRR Representative will check for the following:
 - POEA sticker
 - Last departure date
 - Arrival date
 - OFW E-Card

Confirmation by the CRR Representative of the above information shall automatically entitle the eligible balikbayan OFW to an additional TWO THOUSAND US STATES DOLLARS (US\$2,000.00) worth of livelihood shopping privilege.

- b. The passport (or seaman's book) of the balikbayan shall be marked by the Duty Free Philippines' representative after confirmation of his balikbayan status.
- c. The shopping card, which will reflect a shopping limit of FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00), shall indicate the date of purchase, value of purchase for both consumables and non-consumables and quantity of non-consumables purchased.

2.2 Non-Overseas Filipino Worker (Non-OFW)

- a. Upon registration at the DFP Customer Relations & Registration (CRR) Counter, the NON-OFW shall be asked to present his or her passport on which the CRR Representative will check for the following:
 - Last departure date
 - Arrival date

- b. The passport of the balikbayan shall be marked by the Duty Free Philippines' representative after confirmation of his balikbayan status.

c. The shopping card, which will reflect a shopping limit of FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00), shall indicate the date of purchase, value of purchase for both consumables and non-consumables and quantity of non-consumables purchased.

2.3 Retirees

- a. Upon registration at the DFP Customer Relations & Registration (CRR) Counter, the NON-OFW shall be asked to present his passport.
- b. The passport of the balikbayan shall be marked by the Duty Free Philippines' representative after confirmation of his balikbayan status.
- c. The shopping card, which will reflect a shopping limit of FOUR THOUSAND FIVE HUNDRED DOLLARS (\$4,500.00), shall indicate the date of purchase, value of purchase for both consumables and non-consumables and quantity of non-consumables purchased.

3. Absentee-Shopping under Kabuhayan Program:

a. Approval and Endorsement of Waiver Form

a.1 Upon registration at the DFP counter for OFW Balikbayans, the arriving contract worker shall secure a waiver form (one copy) from the OWWA representative and completely accomplish the form. This waiver form shall signify his consent in assigning his livelihood shopping privilege to any of his immediate family as defined in Rule IV (c.2) of this Administrative Order.

The OFW worker should indicate the complete name of the family member whom he has authorized to exercise the shopping privilege.

a.2 Once completely accomplished, the OFW shall submit the form to the OWWA representative for validation.

a.3 Once the information has been validated by examining the passport, E-Card and employment contract, the OWWA representative shall sign on the waiver form, indicating approval or authenticity of the data on the form.

a.4 The OFW worker shall then turn over the waiver form to the family member whom he has indicated as his authorized representative.

b. Shopping Procedures for the Authorized Family Member

b.1 The authorized family member shall proceed to the Customer Relations Counter and present the accomplished and signed waiver form together with his/her ID to the Customer Relations & Registration (CRR) Representative.

b.2 Upon checking of the OWWA's endorsement on the waiver form by the Bureau of Customs (BOC), the CRR Representative shall issue a shopping card.

b.3 The attending CRR Representative shall then mark the passport "B", which stands for Balikbayan, to indicate that the absentee shopping privilege for livelihood items have been availed of.

RULE VII. Philippine-Made Product in Duty-Free Shops. — To effectively showcase Philippine culture, craftsmanship and industry, all government-owned and controlled/operated duty free shops, in coordination with the Department of Trade and Industry, shall ensure at all times that a minimum of ten percent (10%) of the goods being sold by them shall, as far as practicable, whether by direct purchase or concession, be sourced from Philippine-based manufacturers of prominence taking into consideration that in the selection of said goods, factors

such as competitiveness, design, excellence, marketability, regional representation and world-class appeal are considered.

RULE VIII. Training Programs. — The Department of Labor and Employment (DOLE), through the OWWA, in coordination with the Technology and Livelihood Resource Center (TLRC), Technical Education and Skills Development Authority (TESDA), Livelihood Corporation and other concerned government agencies, shall provide the necessary entrepreneurial training and livelihood skills programs and marketing assistance to a balikbayan, including his or her immediate family members, who shall avail of the kabuhayan shopping privilege in line with the existing rules on the government's re-integration program.

In the case of non-OFW balikbayan, the Department of Tourism (DOT) shall make the necessary arrangements with the TLRC and other training institutions for possible livelihood training.

RULE IX. Semi-Annual Report of Sales. — The Department of Tourism shall submit semi-annual reports to the President through the Secretary of Finance and to both Houses of Congress containing statement of the quantities and the value of the goods sold by the Government-Owned and Controlled/Operated DUTY-FREE SHOPS, in accordance with the classification categories in the Tariff and Customs Code of the Philippines, as amended.

RULE X. Repealing Clause. — All rules and regulations inconsistent with these rules are repealed, amended or modified accordingly.

RULE XI. Separability Clause. — The provisions of this Administrative Order are hereby declared separable, and in the event that any of such provisions is declared invalid, the validity of all other provisions shall not be affected thereby.

RULE XII. Issuance of Additional Rules. — The Department of Tourism shall, in coordination with other concerned government agencies, whenever necessary or as the need arises, issue from time to time additional rules and regulations for the effective implementation of the Balikbayan Program as instituted by Republic Act 9174.

RULE XIII. Effectivity. — This Administrative Order shall take effect immediately after its publication in at least two (2) newspapers of general circulation.

Adopted: 3 Jan. 2003

(SGD.) RICHARD J. GORDON
Secretary
Department of Tourism

[*] Attachment not included.

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