

AN ACT TO REGULATE IMPORTS AND FOR OTHER PURPOSES

REPUBLIC ACT NO. 426, May 19, 1950

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

SECTION 1. As used in this Act:

- Definitions:
- "Import quota" refers to the total value of any item of import allowed for entry into the Philippines for any specified period.
- "Quota allocation" refers to the total value of imports of any particular item allowed to an importer, or that portion of the import quota granted to the importer.
- "Import license" refers to the permit issued by the Import Control Board to import any particular shipment of commodities.
- "Foreign exchange" refers to any medium for effecting international payments.
- "Old importer" refers to any person, whether natural or juridical, who imported a particular commodity in the years nineteen hundred forty-six, nineteen hundred forty-seven and/or nineteen hundred forty-eight.
- "New importer" refers to all other importers.
- "Board" refers to the Import Control Board.
- "Commissioner" refers to the Chief of the Import Control Administration.

- Appendices A, B, C and D as attached, are hereby an integral part of this Act.

SEC. 2. There is hereby created an Import Control Board composed of three members who shall be appointed by the President of the Philippines with the consent of the Commission on Appointments and shall hold office for two years, one of whom shall be designated as Chairman by the President. One member shall represent the Central Bank; one, the businessmen; and one, the consumers: Provided, That with the exception of the member representing the Central Bank, no other member shall be connected with the Government or any of its agencies, instrumentalities or corporations owned or controlled by it.

The two members of the Board not representing the Central Bank shall each receive a per diem compensation at the rate of twenty-five pesos for every meeting attended, but the total of which per diems for the whole year shall not exceed six thousand pesos for each member.

SEC. 3. The Import Control Board shall:

- Establish the policies governing the fixing and allocation of quotas for any article, goods or commodity, pursuant to the provisions of this Act;
- Promulgate such rules and regulations as may be necessary for the proper enforcement and/or implementation

of this Act;

- Exercise supervision and control over the Import Control Administration, and review, on appeal, any decision, ruling or opinion issued by the Import Control Administration or by its Commissioner; and
- Be responsible for carrying out the provisions of this Act and such rules and regulations issued thereunder.

SEC. 4. In order to provide for the proper administrative machinery in carrying out the policies, rulings, orders or opinions of the Import Control Board as well as the provisions of this Act, there is hereby created the Import Control Administration whose chief shall be known as Commissioner and who shall have the following powers:

- To grant quota allocations among importers in accordance with the policies established by the Import Control Board and the provisions of this Act;
- To receive and act on applications for quota allocations and import licenses and issue the corresponding quota allocations import licenses for applications approved pursuant to the policies laid down by the Import Control Board and the provisions of this Act;
- To carry out and implement all policies and resolutions established by the Import Control Board; and
- To appoint the personnel of his office subject to the approval of the Import Control Board: Provided, That all appointments in the administration shall be subject to the Civil Service Law, rules and regulations.

The Commissioner shall be appointed by the President of the Philippines, with the consent of the Commission on Appointments, and shall hold office for two years. He shall receive a salary of ten thousand pesos per annum. He shall not hold any office in any Government entity, agency or corporation, nor shall he have any pecuniary interest in any company or corporation affected by the functions of this office.

- The Import Control Administration shall have an auditor who shall be appointed by the Auditor General and shall receive a compensation of six thousand pesos per annum. He shall audit the accounts of the Import Control Board and the Import Control Administration as well as all quota of all items of imports and the allocations of the same of all importers in accordance with auditing laws and usual auditing practices.
- The Import Control Administration shall create a Research and Statistics Division to submit statistical data for the guidance of the Import Control Board for fixing import quotas and granting import allocations.
- The President of the Philippines shall have direct control and supervision and control over the Board and the Import Control Administration.

SEC. 5. Any person desiring to import any article, goods or commodities into the Philippines shall file an application for a corresponding quota allocation and license with the Import Control Administration. For old importers, the application shall be executed under oath and shall contain, among others, their name, address, nationality, stock on hand of the goods applied, the amount of their importation in the years nineteen forty-six, nineteen forty-seven and nineteen forty-eight of the articles, goods or commodities applied for; and if a new importer, his application shall contain a statement of his actual financial resources to finance the importation of the goods applied for.

SEC. 6. No person, corporation or association shall import any article, goods or commodity into the Philippines without a proper import license issued for said purpose in accordance with this Act. Any importation or order to import any articles, goods or commodities under control under the old Import Control Law between April thirty, nineteen fifty and the date of the approval of this Act shall be considered illegal unless such order or importation was duly approved by the Import Control Board.

SEC. 7. Import quotas shall be fixed by the Import Control Board in accordance with the following schedule of

percentages:

- Prime imports which shall consist of articles, goods and commodities of prime and/or first necessity and not sufficiently available locally like those enumerated in Appendix "A" hereto attached, shall be reduced by not more than forty per centum.

Consistent with the policy of conserving international monetary reserves and until domestic production warrants reduction of importation, entry of these commodities shall be allowed as much as possible.

- Essential imports consisting of articles, goods and commodities which, though not of prime and/or first necessity, are necessary for the health and material well-being of the people like those enumerated in Appendix "B", shall be reduced by not less than forty per centum nor more than sixty per centum.

Importation of these commodities shall be gradually reduced with the end in view of encouraging their domestic production.

- Non-essential imports consisting of articles, goods and commodities which, though not necessary for the health and material well-being of the people, but whose consumption is concomitant with the rise of their standard of living, like those enumerated in Appendix "C", shall be reduced by not less than sixty per centum nor more than eighty per centum.

Importation of these commodities shall be reduced as much as possible to stimulate domestic production or manufacture thereof in sufficient quantities with the end in view of ultimately supplying the local demand for such commodities.

- Luxury imports consisting of articles, goods, and commodities intended primarily for ostentation or pleasure, like those enumerated in Appendix "D", shall be reduced by not less than eighty per centum nor more than ninety per centum.

To foster the habit of thrift among the people and to conserve further our dollar reserve, importation of these commodities shall be discouraged completely.

Upon the joint certification by the Secretary of Agriculture and Natural Resources and the Secretary of Commerce and Industry that the domestic supply of certain articles, goods or commodities heretofore imported is sufficient to meet the local demand, the Board shall impose the maximum percentage reduction on the import quotas for such articles, goods or commodities, as provided for in this Act. Upon the certification by the Secretary of Agriculture and Natural Resources and the Secretary of Commerce and Industry that an article or commodity not under control has a sufficient local supply to meet adequately the local demand, and the Board upon investigation, is convinced of the necessity of controlling such items to protect local industry or industries, the Import Control Board, may, place in the control list the said article or commodity.

The Import Control Board is hereby authorized to transfer a controlled import item from a lower class to a higher class of import should the Board be convinced that the local supply of said commodity warrants said transfer.

SEC. 8. The following imports shall be admitted without import quota allocation:

- Raw materials imported to be used in the manufacture of commodities constituting prime and/or first necessity imports, as defined in this Act, as well as raw materials which in themselves constitute prime and/or first necessity imports and essential imports, when used in local or in the manufacture of dollar-saving and dollar-producing commodities, if such raw materials are not sufficiently available in the Philippines.
- Articles, goods and commodities intended solely for the personal use of the person importing provided no foreign exchange is used.

- Supplies and equipment intended solely for the use of the Armed Forces of the Philippines and of the United States of America, Philippine Government and semi-government hospitals, and of the Philippine National Red Cross, books, supplies and equipment for schools and those for the use of the community chest and other duly registered charitable organizations and charitable missionary establishments.
- Articles, goods and commodities imported in exchange or bartered with Philippine products, except luxury imports as defined in this Act and controlled non-essential imports produced or manufactured locally insufficient quantities to meet the demand of the public: Provided, That the Import Control Board shall determine what Philippine exports shall not be permissible for barter purposes under the provisions of this Act.
- Goods intended solely for use in religious rites and ceremonies.
- Goods imported pursuant to the provisions of any Price Control Law or regulation.
- Goods intended solely for rent, lease or exhibition: Provided, That at least twenty-five per centum of the gross rentals, royalties and earnings paid therefor shall not be allowed for remittance abroad.

SEC. 9. No item of import not enumerated in the appendices of this Act shall be allowed an import license and exchange cover in excess of its import value (C. I. F.) for the year nineteen hundred forty-eight except agricultural machineries and equipment and other machinery, materials and equipment for dollar-producing and dollar-saving industries.

SEC. 10. For the purpose of fixing the import quota for each article, goods, or commodity, the average annual C. I. F. value thereof for the year nineteen hundred forty-six, nineteen hundred forty-seven and nineteen hundred forty-eight shall be used as basis.

SEC. 11. Within thirty days after the Import Control Board as herein provided shall have fixed the import quota for each item of import, any importer desiring to import any such item may file an application with the Commissioner for an allocation of a portion of said import quota. Any ruling or resolution of the Import Control Board as provided in Republic Act Numbered Three hundred thirty to the contrary notwithstanding, the applicants may file their application within forty-five days after the approval of this Act.

SEC. 12. The portion of the import quotas available for old importers shall be allocated by the Commissioner among them in proportion to the annual average amount of their importation of the articles and on the evidence of the sales tax actually paid by them corresponding to the years nineteen hundred forty-six, nineteen hundred forty-seven and nineteen hundred forty-eight. The importers' tax receipts corresponding to any particular article, goods or commodity being certification under oath and other documentary evidence shall be used as the principal basis for determining the value of the previous imports of such importers : Provided, That no importer shall be allowed more than thirty per centum of the total import quota for any term except when such limitation may, in the opinion of the Import Control Board, be detrimental to public interest. Allocation for importers who imported during a fraction only of the year nineteen hundred forty-six, nineteen hundred forty-seven and/or nineteen hundred forty-eight shall be computed on the basis of the ratio which said fraction of the year bears to the whole year.

SEC. 13. In determining the allocation of import quota among old and new importers, all Government agencies importing any particular article, goods or commodity shall be included and considered as private importers and in such cases the value of their respective imports may be based on documentary evidence other than tax receipts.

SEC. 14. The Board shall reserve thirty per centum of the total import quota for any articles, goods or commodities for the fiscal year nineteen hundred fifty and nineteen hundred fifty-one, forty per centum for the fiscal year nineteen hundred fifty-one and nineteen hundred fifty-two, and fifty per centum for the fiscal year

nineteen hundred fifty-two and nineteen hundred fifty-three in favor of bona fide new importers who did not import such items at any time during the years nineteen hundred forty-six, nineteen hundred forty-seven and nineteen hundred forty-eight. To qualify as new importer, one must be a Filipino citizen or a juridical entity at least sixty per centum of whose stock is owned by Filipino citizens. After the total number of new importers has been determined, the portion of the import quota herein reserved shall be allocated proportionately among them on the basis of financial capacity and business standing of the applicant: Provided, That said applicant has been duly licensed to engage in a business and industry and has an established place of business or cooperative association organized under Commonwealth Act Numbered Five hundred sixty-five known as the National Cooperative Act. Should there be no such new applicants or should the said reserved portion be not entirely covered by new applicants, the said reserved portion of the import quota or any balance thereof shall be allocated among the rest of the importers: Provided, further, That nothing contained in this section shall in any way impair or abridge the rights granted to citizens and juridical entities of the United States of America under the Executive Agreement signed on July fourth, nineteen hundred forty-six, between that country and the Republic of the Philippines.

SEC. 15. Any existing law, executive order or regulation to the contrary notwithstanding, no Government, office, agency, or instrumentality, except the Import Control Commissioner, shall allocate the import quota among the various importers: Provided, That the Philippine Rehabilitation and Trade Relief Administration shall have exclusive power and authority to determine and regulate the allocation of wheat flour, among importers.

Quota allocations of any importer for any particular article, including wheat flour, shall not be transferable.

It shall be illegal to cede, transfer, sell, rent, lease or donate, his or its import quota allocation or license, either directly or indirectly or by the use of any simulation, strategy or scheme, to persons or entities not entitled to import quota under the provisions of this Act, and any violation thereof shall be punishable with the forfeiture by the Commissioner of the import quota or license of the erring party without prejudice to his subjection to the penal provisions of this Act.

SEC. 16. If the Commissioner, after a thorough investigation is satisfied that an application for quota allocation or license is in order and that the applicant has complied with all the requirements provided in this Act and the rules and regulations issued thereunder, he shall approve it and issue the corresponding import license: Provided, however, That no application shall remain pending in the office of the Import Control Administration for a period longer than sixty days, otherwise, the Commissioner shall be made to account to the Import Control Board for the delay, and failure to give satisfactory explanation shall be ground for dismissal or any other appropriate administrative action. Applications for quota allocations shall be numbered correlatively, based on the chronological order of their filing showing the date and hour each application was filed. No application shall be acted upon unless action has been taken upon other applications previously filed thereto. Applications for quota allocations shall be stamped with the date and hour when it was filed and a corresponding receipt shall be issued to the applicant thereof showing the number of the application, the date and hour of filing, pursuant to the provisions of this section: Provided, moreover, That all import quota allocations and licenses pending at the time of the approval of this Act shall be considered new applications in the light of the provisions of this section.

SEC. 17. The Monetary Board of the Central Bank shall certify to the Import Control Board from time to time the amount of exchange available for any specified period for import purposes. The Commissioner shall not issue any import license when the value involved in such importation exceeds the balance of the total foreign exchange available for that period as certified to by the Central Bank.

SEC. 18. Upon presentation of an import license duly issued by the Commissioner, the Central Bank shall issue to

the holder thereof the corresponding exchange cover.

SEC. 19. When the foreign exchange available cannot cover all the applications for importation, the Import Control Board shall reduce proportionately the foreign exchange available among the import license holders.

SEC. 20. Any violation of the provisions of this Act or any rules and regulations issued thereunder shall be punished by a fine of not less than five thousand pesos nor more than fifty thousand pesos, or by imprisonment for not less than two years nor more than five years, or by both, such fine and imprisonment at the discretion of the Court: Provided, That in the case of aliens, the penalty shall consist of payment of fine and immediate deportation without the necessity of any further proceedings on the part of the Deportation Board: Provided, further, That if the violation is committed by the manager, representative, director, agent or employee of any natural or juridical person in the interest of the latter such violation shall render said natural or juridical person amenable to the penalties corresponding to the offense, without prejudice to the imposition of the proper penalty, either personal or pecuniary, or both, upon the manager, representative, director, agent, or employee: Provided, further, That any officer or employee of the Import Control Board and Import Control Administration violating any provision of this Act or rules and regulations issued in pursuance of this law shall be summarily dismissed without prejudice to the filing of criminal action against him: Provided, further, That juridical persons shall be amenable only to the fine penalty: Provided, further, That in case of any violation committed in the interest of a foreign juridical person duly licensed to engage in business in the Philippines by its manager, representative, director or agent, such violation shall be sufficient cause for the immediate revocation of such license: And provided, lastly, That articles, goods or commodities imported in violation of this Act shall be subject to forfeiture in accordance with the procedure established in article eighteen, Chapter thirty-nine of the Revised Administrative Code, and under no circumstances or conditions may the goods be released to the importer thereof: Provided, finally, That any official or employee of the three aforementioned agencies who shall be found guilty of violating articles two hundred ten and two hundred eleven of the Revised Penal Code on bribery, shall suffer not only the penalties provided for in those two articles but also the penalties provided for under this section, and shall further suffer perpetual disqualification from holding public office.

Any importer who orders to import or imports any article, goods or commodity without first securing an import license therefor in accordance with the provisions of this Act, shall be disqualified to do business in the Philippines and his license shall be withdrawn by the Collector of Internal Revenue.

No member of the Import Control Board nor any officer of the Central Bank or the Import Control Administration shall directly or indirectly be financially interested in any importation business, nor shall he engage himself in the importation of goods subject to the restrictions provided for in this Act.

Any official or employee of the Import Control Board, or the Import Control Administration, or the Central Bank who aids any person or entity in the violation or circumvention of any of the provisions of this Act or of any rules or regulations issued thereunder shall, upon conviction, be subject to the same penalty hereinabove provided and be disqualified perpetually from holding any public office.

SEC. 21. The sum of seven hundred fifty thousand pesos annually, or so much thereof as may be necessary to carry out the purposes of this Act, and until Congress provides otherwise, is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, to defray the expenses of the Import Control Board and the Import Control Administration.

SEC. 22. Any act or executive order, rules or regulations whose provisions are contrary to or in contravention with any provisions of this Act are hereby repealed. Any section or provision of this Act that may be declared unconstitutional by a competent court, shall not affect the remaining provisions thereof.

SEC. 23. The Import Control Board shall, as soon as possible and in no case exceeding sixty days, fix all the import quotas of all items of imports as provided for in this Act; meantime, all the existing quotas and allocations as well as rules and regulations on import control shall continue until revised or repealed, and the Members of the Import Control Board and the Import Control Commissioner shall remain in office until the President has appointed their successors.

SEC. 24. This Act shall take effect upon its approval.

Approved, May 19, 1950.

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