

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH REGULAR SESSION

House Bill No. 5029

Introduced by Rep. Danilo E. Suarez

EXPLANATORY NOTE

The Philippines is a net importer of metals and an exporter of scrap metals. While the facilities and technology for metal recycling exist locally, scrap metals continue to be shipped out of the country.

Export of scrap metals has increased recently, pushed up by the demand for recyclable metal in growing economies throughout the world. The demand can be gleaned from the consistent growth of scrap metals industry across economies. In the US alone, recycled metal and alloy – from both domestically generated and imported scrap – now accounts for 2/3 of annual metal production.

The burgeoning export demand for scrap metals has increased the incentive for pilferage and theft of metals from existing facilities, adversely affecting public or governmental facilities which are without sufficient security. Moreover, as a result of increasing international demand for scrap metals, domestic supply of recycled metals is expected to decrease considerably. The looming shortage may soon drive up local metal prices, and adversely affect the metal-dependent industries, most notably the construction industry which is just recently recovering from a slump.

To stem the exports of scrap metals, and indirectly to deter pilferage, this measure proposes a ban on such materials. Sanctions are also provided for those found violating the ban.

Because of the urgency of the problem, the early passage of this measure is earnestly sought.


REP. DANILO E. SUAREZ



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AN ACT
PROHIBITING THE EXPORTATION OF SCRAP METALS FROM THE
PHILIPPINES, AND FOR OTHER PURPOSES

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

Section 1. **Short Title.** This Act shall be known as the “*Scrap Metals Export Ban Act*.”

Section 2. **Coverage.** This Act shall cover the exportation of scrap metals from the Philippine territory, or any portion thereof, to any destination beyond Philippine territory.

As used in this Act, scrap metals refer to:

- (1) any metal or alloy deemed as a residue, not having been incorporated into or made into a finished product; or
- (2) any object or produce, or parts thereof, made of metal or alloy that has previously undergone any transformation or process but which is worn out or unwanted in its present form.

Section 3. **Export Ban.** No scrap metals may be exported to or otherwise taken out of Philippine territory for any destination outside of the Philippines.

Section 4. **Confiscation and Forfeiture of Scrap Metals Intended for Export.** All scrap metals found in any Philippine seaport, airport or other similar establishment shall be deemed intended for export, except imported scrap metals which may temporarily be deposited in such ports or establishment.

Scrap metals intended for export shall be confiscated and forfeited in favor of the Philippine Government.

Section 5. **Sanctions.** Any person who violates any provision of this Act shall be subject to a fine not less than treble the value of the scrap metals sought to be exported but not more than fifty thousand pesos (P 50,000.00), or imprisonment of not less than one year but not more than five years, or both at the discretion of the Court. The prosecution and conviction of said person shall be without prejudice to any administrative or penal sanction imposable under relevant laws. In the case of violations by a juridical person, the

imposable penalties shall be meted to the person in charge of the management or operations of such entity.

Section 6. ***Implementing Rules and Regulations (IRR)***. Within thirty (30) days from the effectivity of this Act, the DTI in coordination with concerned agencies shall formulate the implementing rules and regulations (IRR) to implement the provisions of this Act.

The IRR shall be effective thirty (30) days after publication its in the Official Gazette or in two (2) newspapers of general circulation.

Section 7. ***Separability Clause***. If any provision of this Act is declared unconstitutional or otherwise invalid, the provisions not affected thereby shall continue to be in full force and effect.

Section 8. ***Effectivity***. This Act shall take effect thirty (30) days from its publication in the Official Gazette or in at least two (02) national newspapers of general circulation in the Philippines.

Approved.,