

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
1st Regular Session

House Bill No. 259



Introduced by **RODRIGUEZ D. DADIVAS**

Explanatory Note

This bill seeks to amend Republic Act No. 8435, otherwise known as the "Agriculture and Fisheries Modernization Act (AFMA) of 1997 by providing exemption from payment of tariffs and duties to individuals, cooperatives, and other enterprises engaged in the importation of all types of agriculture and fisheries inputs, equipment and machineries.

At present, the said law only allows the exemption on the condition that the imported agriculture supplies shall be used exclusively by the importing enterprise. Meaning, importers cannot sell these products to small farmers, fishers, cooperatives and other members of the agriculture and fisheries sector, neither can the latter import directly because the law only allows business enterprises, not individuals.

Although the AFMA has created hundreds of thousands of direct and indirect jobs since its implementation, we can double or triple its effect if we remove the tax burden considering that the agriculture and fisheries sector hold the national multiplier effect on the national economy. After all, the AFMA is geared towards raising the productivity and income of farmers and fishers, generate additional employment in the countryside, and produce sufficient supply of basic food commodities, which are affordable and accessible to the majority of Filipinos.

This bill was also filed in both Houses of Congress during the 12th Congress but the dearth of time has averted its approval.

In view thereof, approval of this bill is earnestly sought.

RODRIGUEZ D. DADIVAS
Representative
1st District, Capiz

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AN ACT

EXEMPTING INDIVIDUALS, COOPERATIVES AND OTHER ENTERPRISES ENGAGED IN THE IMPORTATION OF ALL TYPES OF AGRICULTURE AND FISHERIES INPUTS, EQUIPMENT AND MACHINERY FROM PAYMENT OF TARIFFS AND DUTIES, AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBERED EIGHT THOUSAND FOUR HUNDRED THIRTY-FIVE (RA 8435) OTHERWISE KNOWN AS THE "AGRICULTURE AND FISHERIES MODERNIZATION ACT OF 1997."

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

SECTION 1. Section 109 of Republic Act No. 8435, otherwise known as the "Agriculture and Fisheries Modernization Act of 1997" is hereby amended to read as follows:

"Sec. 109. All INDIVIDUALS, COOPERATIVES AND OTHER enterprises [engaged in agriculture and fisheries as duly certified by the Department in consultation with the Department of Finance and the Board of Investment,] shall, for TEN (10) [five (5)] years after the effectivity of this Act, be exempted from the payment of tariff and duties for the importation of all types of agriculture and fisheries inputs, equipment and machinery such as, but not limited to, fertilizer, insecticide, pesticide, tractor, trailers, trucks, farm implements and machinery, harvesters, threshers, hybrid seeds, genetic materials, sprayers, packaging machinery and materials, bulk-handling facilities such as conveyors and mini loaders, weighing scales, harvesting equipment, spare parts of all agricultural equipment, fishing equipment and parts thereof, refrigeration equipment, and renewable energy systems such as solar panels; *Provided, however,* that the imported agricultural and fishery inputs, equipment and machinery shall be for the exclusive use of the importing enterprise]."

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Sec. 2. The Department of Agriculture, in consultation with the Department of Finance and Board of Investment, shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

Sec. 3. This Act shall take effect upon its approval.

Approved,