

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Second Regular Session

House Bill No. **5180**



Introduced by Representative ESTRELLITA "GING" B. SUANSING

EXPLANATORY NOTE

This bill seeks to amend Section 709 of Presidential Decree 1464, otherwise known as the Tariff and Customs Code of the Philippines, as amended, by increasing the *de minimis* threshold from Ten Pesos (Php10.00) to Ten Thousand Pesos (Php10,000.00).

The *de minimis* threshold is the minimal volume of declaration of goods in the customs for consignments. Low thresholds for customs declaration signify increased documentation and processes for shipments at entry points in the country. Increased documentation leads to larger turnover and delivery time of goods, and larger administration costs that would yield lower revenue impact for both businesses and government.

At present, the Philippines has the lowest *de minimis* threshold in the ASEAN at Php 10.00 (or US\$ 0.22).¹ The ASEAN average threshold is four hundred times than that of the Philippines, at US\$ 100. The extremely low Philippines threshold has not been changed since 1957 and is clearly antiquated. It needs to be updated to be reflective of current prices.

By increasing the *de minimis* threshold to Php10,000 the proposed measure provides a more realistic and relevant threshold, reflective and responsive to the prevailing times. It enables the Bureau of Customs to focus its efforts in looking out for high-value, high-risk and high-revenue goods for collection and enforcement, thereby making customs processes more efficient.

Overseas Filipino Workers and such who send *balikbayan* boxes, entrepreneurs and individuals who purchase small goods overseas through online transactions, and others who send low-value and low-risk packages, shall benefit from the enactment of this measure because they will go through customs faster and with minimum fees.

In view of the foregoing, the approval of this bill is earnestly sought.


ESTRELLITA B. SUANSING
1st District, Nueva Ecija

¹ Based on BSP exchange rate of US\$1 : PhP 44.773 as of 07 October 2014

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AN ACT
AMENDING SECTION 709 OF PRESIDENTIAL DECREE 1464,
OTHERWISE KNOWN AS THE TARIFF AND CUSTOMS CODE OF THE
PHILIPPINES, AS AMENDED

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

SECTION 1. Section 709 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:

“SEC. 709. *Authority of the Collector to Remit Duties.* – A Collector shall have discretionary authority to remit the assessment and collection of customs duties, taxes, and other charges when the aggregate amount of such duties, taxes and other charges is less than [ten pesos] **TEN THOUSAND PESOS (P10,000.00)** and he may dispense with the seizure of articles of less than [ten pesos] **TEN THOUSAND PESOS (P10,000.00)** in value except in cases of prohibited importations or the habitual or intentional violation of the tariff and customs law.”

SECTION 2. *Implementing Rules and Regulations.* The Commissioner of the Bureau of Customs shall, within thirty (30) days from the effectivity of this Act, issue the necessary rules and regulations for the proper implementation of this Act.

SECTION 3. *Separability Clause.* If any provision of this Act is subsequently declared unconstitutional, other provisions hereof which are not affected shall remain in full force and effect.

SECTION 4. *Repealing Clause.* All laws, presidential decrees, executive orders, rules and regulations or part thereof, contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 5. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,