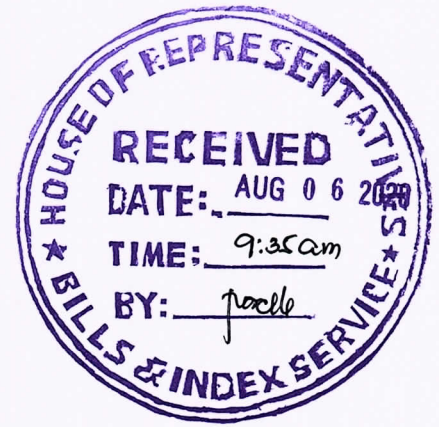


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL No. 7297



Introduced by Representatives
HORACIO P. SUANSING, JR. and ESTRELLITA B. SUANSING

AN ACT
AMENDING REPUBLIC ACT NO. 10863 OTHERWISE KNOWN AS THE
"CUSTOMS MODERNIZATION AND TARIFF ACT"

EXPLANATORY NOTE

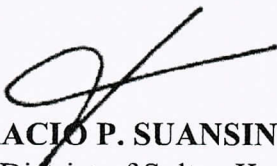
This bill seeks to amend Republic Act No. 10863, otherwise known as the "Customs Modernization Tariff Act" by proposing to include a new provision that would allow the Bureau of Customs (BoC) to utilize part of its annual income for its modernization program.

The passage of RA 10863 updated the Tariff and Customs Code of the Philippines to pave the way for reforms and the modernization of the Bureau of Customs. Said law directs the BoC to be more responsive to and focused on present demands of trade and commerce.

However, the achievement of the noble intent of the law would not be possible if the Bureau would be continuously stymied by obsolete or lack of equipment and modern information and technology systems such as automated processes and updated risk management systems.

In order for the BoC to be given more leeway to pursue seamless, efficient, and transparent trading procedures, it is respectfully submitted that it should be allowed to use one percent (1%) of its annual income. In this manner, said agency would hopefully be able to move faster in modernizing its administrative orientation and procedures.

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


HORACIO P. SUANSING, JR.
2nd District of Sultan Kudarat


ESTRELLITA B. SUANSING
1st District of Nueva Ecija

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

SECTION 1. Republic Act No. 10863 is hereby amended by inserting a new section after Section 205 which shall become the new Section 206 and shall read as follows:

"SEC. 206. USE OF INCOME - THE BUREAU OF CUSTOMS IS AUTHORIZED TO USE ONE PERCENT (1%) OF ITS ANNUAL INCOME DERIVED FROM ITS COLLECTION OF CUSTOMS DUTIES AND TAXES TO ENABLE IT TO PURSUE THE VARIOUS COMPONENTS OF ITS MODERNIZATION PROGRAM SUCH AS, BUT NOT LIMITED TO:

- A. ACQUISITION, UPGRADING AND MODERNIZATION OF EQUIPMENT AND INFORMATION AND TECHNOLOGY EQUIPMENT AND SYSTEMS; AND
- B. CONSTRUCTION, REPAIR AND REHABILITATION OF STRUCTURES AND FACILITIES.

PROVIDED, THAT NO AMOUNT OF SAID INCOME SHALL BE USED TO FUND PERSONAL SERVICES EXPENDITURES.

PROVIDED, FURTHER, THAT EXPENDITURES FOR THE IMPLEMENTATION OF SAID PROGRAMS SHOULD UNDERGO GOVERNMENT PROCUREMENT PROCEDURES PURSUANT TO REPUBLIC ACT NO. 9184."

SECTION 2. The succeeding sections of the same Act are hereby amended and renumbered accordingly.

SECTION 3. Implementing Rules. — Within one hundred twenty (120) days after the effectivity of this Act, the Commissioner of the Bureau of Customs shall promulgate the implementing rules and regulations necessary for the effective implementation of this Act.

SECTION 4. Repealing Clause — All laws, executive orders and regulations inconsistent with or contrary to this Act are hereby considered repealed and/or amended accordingly.

SECTION 5. Separability Clause — If any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions not affected hereby shall remain in full force and effect.

SECTION 6. Effectivity — This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,