

P.v. - (2) 63

HOUSE OF REPRESENTATIVES

H. No. 24801

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INTRODUCED BY CONGRESSMEN TY, FUGOSO, BANDON, JR.,  
WEBB, DAYANGHIRANG, MONFORT, DANS, PAYUMO,  
CONGRESSWOMAN LABARIA, CONGRESSMEN DEL MAR,  
PINEDA, LEGASPI, PEREZ, AMANTE AND THE MEMBERS OF  
THE COMMITTEE ON SCIENCE AND TECHNOLOGY AND THE  
COMMITTEE ON WAYS AND MEANS, PER COMMITTEE  
REPORT NO. 676

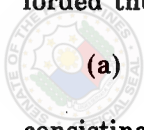
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AN ACT PROVIDING INCENTIVES TO FILIPINO INVEN-  
TORS IN THE COUNTRY AND APPROPRIATING  
FUNDS THEREFOR

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

- 1 SECTION 1. All inventors in the Philippines shall be af-  
2 forded the following incentives by the Government, namely:  
3 (a) *Cash Rewards* — Presidential awards for inventions  
4 consisting of cash rewards shall be granted to patented inven-  
5 tions in the Philippines to be chosen by a screening committee  
6 with members consisting of technical representatives from the  
7 Department of Science and Technology, the Filipino Inventors  
8 Society, the Department of Trade and Industry, the Department



1 of Agriculture, and the Department of Environment and Natu-  
2 ral Resources.

3 Outstanding inventors shall be divided into four (4) cate-  
4 gories with the corresponding cash rewards as follows:

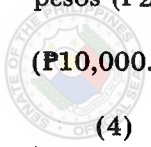
5 (1) *Inventions.* (i) First prize, One hundred thousand  
6 pesos (P100,000.00); (ii) Second prize, Fifty thousand  
7 pesos (P50,000.00); and (iii) Third prize, Twenty thousand  
8 pesos (P20,000.00).

9 (2) *Utility Models.* (i) First prize, Fifty thousand  
10 pesos (P50,000.00); (ii) Second prize, Twenty thousand  
11 pesos (P20,000.00); and (iii) Third prize, Ten thousand pesos  
12 (P10,000.00).

13 (3) *Industrial Design.* (i) First prize, Fifty thousand  
14 pesos (P50,000.00); (ii) Second prize, Twenty thousand  
15 pesos (P20,000.00); and (iii) Third prize, Ten thousand pesos  
16 (P10,000.00).

17 (4) *Creative Research.* (i) First prize, Twenty thousand  
18 pesos (P20,000.00); (ii) Second prize, Ten thousand pesos  
19 (P10,000.00); and (iii) Third prize, Five thousand pesos  
20 (P5,000.00).

21 A round trip ticket fare in addition to necessary and rea-



1     sonable expenses but not more than Three hundred pesos  
 2     (P300.00) a day shall be provided to all provincial awardees.  
 3     Upon recommendation of the Screening Committee all winners  
 4     may be sent by the Philippine Government to other countries  
 5     where their winning inventions or areas of interest are ad-  
 6     vanced.

7           (b) *Tax Incentives* — Inventors, as certified by the  
 8     Filipino Inventors Society and duly confirmed by the Screen-  
 9     ing Committee, shall be exempt from payment of license  
 10    fees, permit fees and other business taxes in the development  
 11    of their particular inventions and from income taxes on the  
 12    invention for the first five (5) years. This is an exception  
 13    to the taxing power of the local government units. The cer-  
 14    tification shall state that the manufacture of the invention  
 15    is made on a commercial scale.

16           (c) *Financial and Loan Assistance* — Loan assistance for  
 17    the commercial production of an invention, either locally or for  
 18    export and duly certified by the Filipino Inventors Society and  
 19    by the Screening Committee, shall be mandatorily extended by  
 20    all government banks: *Provided*, That said invention meets the  
 21    criteria that would enhance the economy of the country such



1 as profitability and viability, dollar-earning capacity, and gener-  
 2 ation of employment opportunities for Filipinos. Said loan shall  
 3 be in the maximum amount of Two hundred thousand pesos  
 4 (P200,000.00) without need of real estate collateral. An  
 5 assignment of rights to the invention, however, shall be  
 6 executed in favor of the bank or financing institution subject  
 7 to other lending terms, conditions and availability of loan-  
 8 able funds by the bank.

9 No limit to the amount of loan applied for shall be granted  
 10 to the inventor who can provide fifteen *per centum* (15%) equity  
 11 of the loan applied for: *Provided*, That acceptable collaterals  
 12 can be presented to fully secure his loan. However, when there  
 13 is an existing foreign irrevocable letter of credit issued in favor  
 14 of the inventor or the duly registered company producing his  
 15 invention for export, all government banks, after verification of  
 16 the commercial production and availability of such products  
 17 covered by the letter of credit shall grant up to eighty *per centum*  
 18 (80%) of the peso value of the foreign letter of credit: *Provided*,  
 19 That the inventor or the manufacturing company assigns the  
 20 letter of credit to the bank where the loan is arranged and  
 21 whatever goods that the inventor or his company will produce,



1 or warehouse receipts, if any, to show evidence that goods have  
2 been partially produced.

3 SEC. 2. All government agencies concerned are required to  
4 extend all possible assistance, such as the use of its facilities in  
5 the preparation of project feasibility studies and evaluation of  
6 inventions and products to be produced by any inventor, in  
7 order to facilitate the granting of loans or financial assistance by  
8 any government bank.

9 SEC. 3. For the effective implementation of this Act, the  
10 Invention Guarantee Fund (IGF) created by Republic Act No.  
11 3850, as amended, in the initial amount of Ten million pesos  
12 (P10,000,000.00) and deposited with the Development Bank of  
13 the Philippines shall be made available to finance and guarantee  
14 the loan assistance of any patented Filipino invention duly certi-  
15 fied by the Filipino Inventors Society and by the Screening  
16 Committee. The interest earnings thereof shall form part of the  
17 Fund. A continuing annual appropriation in the amount of Ten  
18 million pesos (P10,000,000.00) shall be provided for this pur-  
19 pose in the national budget of the Department of Science and  
20 Technology.

21 The Fund shall likewise pay for the cash rewards and

1 other incentives to outstanding inventors as provided for in  
2 Section 1(a) of this Act.

3 SEC. 4. All laws, presidential decrees, executive orders,  
4 rules or regulations, or parts thereof, which are inconsistent  
5 with this Act are hereby repealed or modified accordingly.

6 SEC. 5. This Act shall take effect upon its approval.

Approved,

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Senate Archives (LRAS)

