

RECORD OF THE SENATE

MONDAY, SEPTEMBER 2, 2002

OPENING OF THE SESSION

At 4:19 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

The President. The 15th session of the Second Regular Session of the Twelfth Congress is hereby called to order.

Let us all rise for the prayer to be led by Sen. Loren B. Legarda Leviste.

After the prayer, the House of Representatives Choir will lead us in the singing of the national anthem.

Everybody rose for the prayer.

PRAYER

Senator Legarda Leviste. I will read the prayer by the late national artist for literature, Francisco Arcellana, who passed away only recently and was interred at the *Libingan ng mga Bayani*.

Close all open things, Lord.

Open all closed things.

All those who have long received, let them give.

All those who have long given, let them receive.

All those too long apart, let them come together.

All those too long together, sunder them.

Let the wise be fools for once, Lord.

And let the fools speak their mind.

Affirm the long-denied, Lord.

Fulfill the unfulfilled.

Amen.

NATIONAL ANTHEM

Everybody remained standing for the singing of the national anthem.

The President. Thank you very much to the choir from the House of Representatives. They will now sing for us *Duyan*.

ROLL CALL

The Secretary will please call the roll.

The Secretary, reading:

Senator Edgardo J. Angara	Present
Senator Teresa Aquino-Oreta	Present
Senator Joker P. Arroyo	Present
Senator Robert Z. Barbers	Present
Senator Rodolfo G. Biazon	Present
Senator Renato L. <i>Compañero</i> Cayetano	Absent**
Senator Noli "Kabayan" De Castro	Present
Senator Luisa "Loi" P. Ejercito Estrada	Present
Senator Juan M. Flavio	*
Senator Gregorio B. Honasan	Present
Senator Robert S. "JAWO" Jaworski	Present
Senator Panfilo M. Lacson	Present
Senator Loren B. Legarda Leviste	Present
Senator Ramon B. Magsaysay Jr.	Present
Senator John Henry R. Osmeña	Present
Senator Sergio R. Osmeña III	Present
Senator Francis N. Pangilinan	Present
Senator Aquilino Q. Pimentel Jr.	Present
Senator Ralph G. Recto	Present
Senator Ramon B. Revilla	Absent
Senator Vicente C. Sotto III	Present
Senator Manuel B. Villar Jr.	Present
The President	Present

The President. With 20 senators present, the Chair declares the presence of a quorum.

The Majority Leader is recognized.

Senator Legarda Leviste. There is a question about the *Journal*, Mr. President. I ask that we recognize the Minority Leader.

The President. The Minority Leader is recognized.

Senator Sotto. Mr. President, if the Chair would not mind, I move that the approval of the *Journal* be taken up later.

The President. There is no motion yet. Anyway, we can defer the approval.

THE JOURNAL (Consideration Deferred)

Senator Legarda Leviste. Mr. President, I move that we defer the consideration and approval of the *Journal* of Session No. 14 of August 27 and 28, 2002.

* On official mission

** On account of illness

OFTEN RESULTING TO LOSS OF THE NEEDED FUND TO SUPPORT ITS OPERATION AND STRENGTHEN THE SECURITY MECHANISMS OF FINANCIAL INSTITUTIONS IN DETECTING SUCH ILLEGAL ACTIVITIES

Introduced by Senator Lacson

The President. Referred to the Committees on Banks, Financial Institutions and Currencies; Finance; and Ways and Means

The Secretary. Proposed Senate Resolution No. 428, entitled

RESOLUTION DIRECTING THE DEPARTMENT OF FOREIGN AFFAIRS TO UTILIZE APPROPRIATE DIPLOMATIC CHANNELS TO ASSIST FILIPINO COMFORT WOMEN TO PURSUE THEIR CLAIMS AGAINST THE GOVERNMENT OF JAPAN FOR THE SEXUAL VIOLATIONS AND ATROCITIES THEY GREATLY SUFFERED DURING THE SECOND WORLD WAR

Introduced by Senator Pimentel Jr.

The President. Referred to the Committees on Foreign Relations; and Youth, Women and Family Relations

The Majority Leader is recognized.

CONFERENCE COMMITTEE REPORT ON
S. NO. 2101/H. NO. 4534
(Instituting A *Balikbayan* Program)

Senator Legarda Leviste. Mr. President, we are in receipt of the Bicameral Conference Committee Report on the disagreeing provisions of Senate Bill No. 2101 and House Bill No. 4534. I ask that we recognize Sen. Noli "Kabayan" De Castro, chairman of the Committee on Tourism, to present his Bicameral Conference Committee Report.

The President. Consideration of the Bicameral Conference Committee Report on the disagreeing provisions of Senate Bill No. 2101 and House Bill No. 4534 is in order. We now recognize Sen. Noli "Kabayan" De Castro to submit the report to the Chamber.

REPORT OF SENATOR DE CASTRO

Senator De Castro. Maraming salamat, Ginoong Pangulo. Ako po ay narito ngayon para isumite ang kinahinatnan ng isinagawang Bicameral Conference Committee noong nakaraang Huwebes. Aming tinalakay sa naturang conference ang magkakaibang puntos ng Senate Bill No. 2101 at ng House Bill No. 4534 na tumutukoy sa batas na nagsusug sa Republic

Act No. 6768 na may titulong, "An Act Instituting a *Balikbayan* Program by Providing Additional Benefits and Privileges to *Balikbayan* and for Other Purposes."

Mula po sa dalawang version na magkaiba ang probisyon, isang version ang naging bunga ng masusing talakayan at kumprehensibong diskusyon, at ngayon ay napagbigyan tayo para ihain ito sa kapulungan para ma-ratipikahan.

Ang highlights po ng naturang meeting ay:

1. Ang Senate version ang ginamit bilang working draft;
2. There was an omnibus amendment na pinapalitan ang term na "tax-free" to TAX-EXEMPT sa reconciled version;
3. An omnibus amendment was also adopted to change the phrase "government-owned and controlled Duty Free Shops" to GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS;

4. In Section 3, subparagraph (a) of the Senate and the House versions were consolidated and adopted to read as follows:

"(a) Tax-EXEMPT maximum purchase in the amount of One thousand FIVE HUNDRED United States dollars (US\$1,500.00) or its equivalent IN PHILIPPINE PESO AND in other acceptable foreign currencies at ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS subject to the limitations contained in Section 4 hereof;"

5. In the same section, subparagraph (G) of the Senate version was modified and adopted to read as follows:

"(G) *KABUHAYAN* SHOPPING PRIVILEGE THROUGH AN ADDITIONAL TAX-EXEMPT PURCHASE IN THE MAXIMUM AMOUNT OF TWO THOUSAND UNITED STATES DOLLARS (US\$2,000.00) OR ITS EQUIVALENT IN PHILIPPINE PESO AND OTHER ACCEPTABLE FOREIGN CURRENCIES, EXCLUSIVELY FOR THE PURCHASE OF LIVELIHOOD TOOLS AT ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS.

THE TOTAL AMOUNT OF TAX-EXEMPT MAXIMUM PURCHASE AS MENTIONED IN SUB-PARAGRAPHS (A) AND (G) OF THIS SECTION MAY BE USED FOR THE *KABUHAYAN* PROGRAM, SUBJECT TO THE LIMITATIONS CONTAINED IN SECTION 4 HEREOF.

6. In Section 4, subparagraph (c) of the final version, the Senate and the House versions on absentee buying were consolidated and adopted to read as follows:

(C) The privilege is non-transferable; purchases shall be made personally by the balikbayan; *PROVIDED*, THAT A *BALIKBAYAN* WHO HAS GONE BACK ABROAD MAY STILL AVAIL OF THE *KABUHAYAN* SHOPPING WITHIN A MAXIMUM PERIOD OF ONE (1) YEAR FROM THE DATE OF ARRIVAL IN THE COUNTRY, AND THAT IMMEDIATE FAMILY MEMBERS OF THE *BALIKBAYAN* SHALL BE ALLOWED TO CLAIM THE *KABUHAYAN* TOOLS PURCHASED; *PROVIDED, FURTHER*, THAT AN OVERSEAS FILIPINO WORKER (OFW), DULY CERTIFIED AS SUCH BY THE PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA), PHILIPPINE OVERSEAS LABOR OFFICER OR BY THE EMBASSY/CONSULATE OF THE PHILIPPINES IN THE COUNTRY WHERE HE OR SHE HAD BEEN DEPLOYED, TAKING INTO CONSIDERATION THE EVIDENCE OF REMITTANCE, MAY OPT TO ENDORSE IN WRITING THE *KABUHAYAN* SHOPPING PRIVILEGE TO HIS OR HER IMMEDIATE FAMILY MEMBERS WITHIN THE SECOND DEGREE OF CONSANGUINITY OR AFFINITY RESIDING IN THE PHILIPPINES ONCE WITHIN TWO (2) YEARS FROM THE DATE OF EFFECTIVITY OF HIS OR HER CONTRACT AND ONLY DURING THE DURATION OF THE SAME.

7. Sections 1, 2, 5, 6, 8, 9 and 10 of the Senate version were likewise adopted in the reconciled version with some minor modifications; and

8. The title of the Senate version was adopted, to read as:

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED, "AN ACT INSTITUTING A "BALIKBAYAN PROGRAM," BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO BALIKBAYAN AND FOR OTHER PURPOSES.

In case of conflict between the statements/amendments stated in this explanatory statement and that of the reconciled version in the accompanying conference committee report, the provisions of the latter shall prevail.

This statement was signed by Cong. Krisel Lagman-Luistro, chairperson of the House panel, and yours truly as chairman of the Committee on Tourism of the Senate panel.

Ito po ang mga isyung binigyan ng resolusyon at napagkasunduan ng Senate at House of Representatives kaugnay sa pagsasabatas ng panukalang ito para sa ating mga balikbayan.

Ginoong Pangulo, ako ay humihingi ng pahintulot upang pasalamatan ang mga mambabatas na naging mahalaga ang kontribusyon sa pagpasa nito: Sa mga miyembro ng Senate panel sa pangunguna ni Minority Leader Sen. Vicente C. Sotto III, Sen. Luisa "Loi" Ejercito Estrada, Sen. Ramon B. Magsaysay Jr. at Sen. Robert S. "JAWO" Jaworski. Maraming salamat din po sa inyong ipinakitang suporta, Ginoong Pangulo. Ganoon din po sa lahat ng ating kasamahan sa Senado, salamat po sa inyong pakikiisa at mahalagang kontribusyon sa panukalang ito.

Ang pagsasabatas po ng panukala ay ating maagang pamaskong handog sa milyun-milyon nating kababayan, lalo na sa ating mga overseas Filipino workers na alam nating lahat na malaki ang naitutulong sa ating ekonomiya. Sa katunayan po, nag-increase pa ang kanilang ipinapadalang dolyar o remittances sa ating bansa. Isang paraan ito upang ating masuklian ang kanilang kahanga-hangang kasipagan, tiyaga at kontribusyon sa ating bayan. At ako po ay nakasisiguro na labis-labis din ang magiging pasasalamat ng ating mga overseas Filipino worker sapagkat mararamdaman nila, sa pamamagitan po ng mga nakapaloob na mga benepisyo at tulong sa panukalang-batas na ito, na ang kanilang kapakanan ay pinahalalagahan at itinataguyod ng mga senador.

Nais ko rin pong iparating ang pagkilala sa tulong na ibinigay ng technical staff ng ibang senador, ang committee secretary at gayundin sa Secretariat para sa kanilang technical support.

Hangad po natin na makatulong ang Kabuhayan Program sa balikbayan sa paggarantiya ng maganda at mabuting kinabukasan ng ating mga overseas Filipino worker. At muli, ang aking taos-pusong pasasalamat, Ginoong Pangulo.

Salamat po.

APPROVAL OF CONFERENCE COMMITTEE REPORT
ON S. NO. 2101/H. NO. 4534

The President. Thank you. All right. There is a motion to approve the Bicameral Conference Committee Report. Is there any objection? *[Silence]* There being none, the motion is approved.

The following is the whole text of the Conference Committee Report:

JOINT EXPLANATORY STATEMENT

The Conference Committee on the disagreeing provisions of Senate Bill No. 2101 and House Bill No.

4534, after having met and fully discussed the subject matter, hereby report to their respective Houses the following, that:

1. The Senate version was adopted as the working draft;
2. In Section 1, the Senate version was refined and adopted as Section 1 of the final version;
3. In Section 2, the Senate version was modified and adopted as Section 2 of the reconciled version;
4. In the same section, sub-paragraph (a) of the Senate version was modified and adopted to read as:

“(a) The term “*balikbayan*” shall mean a Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year, a Filipino overseas worker, or a former Filipino citizen and his OR HER family, as this term is defined hereunder, who had been naturalized in a foreign country and comes or returns to the Philippines; [and]

5. Sections 3 and 1 of the Senate and House versions, respectively, were consolidated, amended and adopted as Section 3 of the final version;
6. There was an omnibus amendment changing the term “tax-free” to “tax-exempt” in the reconciled version;
7. In Section 3, sub-paragraphs (a) of the Senate and the House versions were merged and adopted to read as follows:

“(a) Tax[free] EXEMPT maximum purchase in the amount of One thousand FIVE HUNDRED United States dollars [(US \$1,000)] (US \$1,500.00) or its equivalent IN PHILIPPINE PESO AND in other acceptable foreign currencies at [Philippine duty free shops] ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS subject to the limitations contained in Section 4 hereof;”

8. An omnibus amendment was also adopted to change the phrase “government-owned and

controlled Duty Free Shops” to “government-owned and controlled/operated Duty Free Shops”;

9. In the same section, sub-paragraph (G) of the Senate version was modified and adopted to read as follows:

“(G) *KABUHAYAN* SHOPPING PRIVILEGE THROUGH AN ADDITIONAL TAX-EXEMPT PURCHASE IN THE MAXIMUM AMOUNT OF TWO THOUSAND UNITED STATES DOLLARS (US\$2,000.00) OR ITS EQUIVALENT IN PHILIPPINE PESO AND OTHER ACCEPTABLE FOREIGN CURRENCIES, EXCLUSIVELY FOR THE PURCHASE OF LIVELIHOOD TOOLS AT ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS.

THE TOTAL AMOUNT OF TAX-EXEMPT MAXIMUM PURCHASE AS MENTIONED IN SUB-PARAGRAPHS (A) AND (G) OF THIS SECTION MAY BE USED FOR THE *KABUHAYAN* PROGRAM, SUBJECT TO THE LIMITATIONS CONTAINED IN SECTION 4 HEREOF.

10. Sections 4 and 2 of the Senate and the House versions, respectively, were consolidated, modified and adopted as Section 4 of the reconciled version;
11. In Section 4, sub-paragraph (C) of the final version, the Senate and the House versions on absentee buying were consolidated and adopted to read as follows:

(C) [(d)] The privilege is non-transferable; purchases shall be made personally by the *balikbayan* [for himself]; *PROVIDED, THAT A BALIKBAYAN WHO HAS GONE BACK ABROAD MAY STILL AVAIL OF THE KABUHAYAN SHOPPING WITHIN A MAXIMUM PERIOD OF ONE (1) YEAR FROM DATE OF ARRIVAL IN THE COUNTRY, AND THAT IMMEDIATE FAMILY MEMBERS OF THE BALIKBAYAN SHALL BE ALLOWED TO CLAIM THE KABUHAYAN TOLLS PURCHASED; PROVIDED, FURTHER, THAT AN OVERSEAS FILIPINO WORKER (OFW),*

DULY CERTIFIED AS SUCH BY THE PHILIPPINE OVERSEAS LABOR OFFICER OR BY THE EMBASSY/CONSULATE OF THE PHILIPPINES IN THE COUNTRY WHERE HE OR SHE HAD BEEN DEPLOYED, TAKING INTO CONSIDERATION THE EVIDENCE OF REMITTANCE, MAY OPT TO ENDORSE IN WRITING THE *KABUHAYAN* SHOPPING PRIVILEGE TO HIS OR HER IMMEDIATE FAMILY MEMBERS WITHIN THE SECOND DEGREE OF CONSANGUINITY OR AFFINITY RESIDING IN THE PHILIPPINES ONCE WITHIN TWO (2) YEARS FROM THE DATE OF EFFECTIVITY OF HIS OR HER CONTRACT AND ONLY DURING OF THE SAME.

12. In the same, sub-paragraph (D) of the reconciled version was a consolidation of both versions to read as follows:

(D) [(e)] Only a *balikbayan* of majority age under Philippine laws can enjoy the privilege: *Provided, however, That FAMILY MEMBERS WHO ARE minors shall continue to be entitled to purchase privileges not exceeding [Two hundred fifty United States dollars (US\$250.00)] THE ALLOWABLE TAX-EXEMPT LIMIT FOR ARRIVING PASSENGERS; and*

13. Section 5 of the Senate version was modified with the insertion of the phrase "AS FAR AS PRACTICABLE, WHETHER BY DIRECT PURCHASE OR CONCESSION" between the words SHALL" and "BE" to read as follows:

"SEC. 5. *PHILIPPINE-MADE PRODUCTS IN DUTY-FREE SHOPS.* - ALL GOVERNMENT-OWNED AND CONTROLLED/ OPERATED DUTY-FREE SHOPS SHALL EFFECTIVELY SHOWCASE PHILIPPINE CULTURE, CRAFTSMANSHIP AND INDUSTRY. THEREFORE, A MINIMUM OF TEN PERCENT (10%) OF THE GOODS BEING SOLD IN DUTY-FREE SHOPS SHALL, AS FAR AS PRACTICABLE, WHETHER BY DIRECT PURCHASE OR CONCESSION, BE SOURCED FROM PHILIPPINE-BASED MANUFACTURERS. FOR THIS PURPOSE, THE DEPARTMENT OF TOURISM (DOT) SHALL COORDINATE WITH THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IN THE SELECTION OF GOODS AND

PRODUCTS MADE IN THE PHILIPPINES, TAKING INTO CONSIDERATION, COMPETITIVENESS, DESIGN, EXCELLENCE, MARKETABILITY, REGIONAL REPRESENTATION AND WORLD CLASS APPEAL.

14. Section 3 of the House version was adopted as Section 7 of the final version to read as follows:

SEC. 7. Section 6 of the same Republic Act, as renumbered, is hereby amended to read as follows:

"Sec. [6] 8. *Semi-annual Reports.* - The Department of Tourism shall submit semi-annual reports to the President through the Secretary of Finance and to both Houses of Congress, which reports shall contain a statement of the quantities and the value of the goods SOLD BY THE GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS, [as classified] in accordance with the classification categories in the Tariff and Customs Code OF THE PHILIPPINES, AS AMENDED [sold by the Philippine duty-free shops]."

15. Sections 8, 9 and 10 of the Senate version were likewise adopted as Sections 8, 9 and 10 of the reconciled version with some minor modifications; and

16. The title of the Senate version was adopted, to read as:

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A "BALIKBAYAN PROGRAM," BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO BALIKBAYAN AND FOR OTHER PURPOSES

In case of conflict between the statements/ amendments stated in this Joint explanation and that of the provisions of the reconciled version in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

(Sgd.) REP. KRISSEL LAGMAN-LUISTRO
Chairperson, House Panel

(Sgd.) SEN. NOLI "KABAYAN" DE CASTRO
Chairman, Senate Panel

CONFERENCE COMMITTEE REPORT

The Conference Committee on the disagreeing provisions of Senate Bill No. 2101, entitled

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A BALIKBAYAN PROGRAM", BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO BALIKBAYAN AND FOR OTHER PURPOSES

an House Bill No. 4534, entitled

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A BALIKBAYAN PROGRAM,"

after having met and discussed the subject matter in full and free conference, has agreed and does hereby recommend to their respective Houses that Senate Bill No. 2101, in consolidation with House Bill No. 4534, be approved in accordance with the attached copy of the bill as reconciled and approved by the Conferees.

CONFEREES ON THE PART OF THE
HOUSE OF REPRESENTATIVES:

(Sgd.) REP. KRISSEL LAGMAN-LUISTRO
Chairperson

(Sgd.) REP. ROSELLER L. BARINAGA

(Sgd.) MAURICIO G. DOMOGAN

REP. GABRIELLE V. CALIZO

(Sgd.) REP. EDGAR M. CHATTO

REP. CYNTHIA A. VILLAR

(Sgd.) REP. SOLOMON R. CHUNGALAO

CONFEREES ON THE PART
OF THE SENATE:

(Sgd.) SEN. NOLI "KABAYAN" DE CASTRO
Chairman

(Sgd.) SEN. ROBERT S. JAWORSKI

(Sgd.) SEN. RAMON B. MAGSAYSAY JR.

(Sgd.) SEN. LUISA "LOI" P. EJERCITO ESTRADA

(Sgd.) SEN. VICENTE C. SOTTO III

AN ACT AMENDING REPUBLIC ACT NUMBERED 6768, ENTITLED "AN ACT INSTITUTING A BALIKBAYAN PROGRAM", BY PROVIDING ADDITIONAL BENEFITS AND PRIVILEGES TO BALIKBAYAN AND FOR OTHER PURPOSES

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

SECTION 1. Section 1 of Republic Act Numbered 6768 is hereby amended to read as follows:

"Section 1. *Balikbayan Program.* - A *Balikbayan Program* is hereby instituted under the administration of the Department of Tourism to attract and encourage overseas Filipinos to come and visit their motherland. This is in recognition of their contribution to the economy of the country through the foreign exchange inflow AND REVENUES that they generate.

THE PROGRAM SHALL INCLUDE A KABUHAYAN SHOPPING PRIVILEGE ALLOWING TAX-EXEMPT PURCHASE OF LIVELIHOOD TOOLS AND PROVIDING THE OPPORTUNITY TO AVAIL OF THE NECESSARY TRAINING TO ENABLE THE BALIKBAYAN TO BECOME ECONOMICALLY SELF-RELIANT MEMBERS OF SOCIETY UPON THEIR RETURN TO THE COUNTRY. THE PROGRAM SHALL LIKEWISE SHOWCASE COMPETITIVE AND OUTSTANDING FILIPINO-MADE PRODUCTS."

SEC. 2. Section 2 of the same Republic Act is hereby amended to read as follows:

SEC. 2. *Definition of Terms.* - For purposes of this Act:

- (a) The term "*balikbayan*" shall mean a Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year, a Filipino overseas worker, or a former Filipino citizen and his OR HER family, as this term is defined hereunder, who had been naturalized in a foreign country and comes or returns to the Philippines; [and]
- (b) The term "*family*" shall mean the spouse and the children of the *balikbayan* who are not *balikbayan* in their own right traveling with the latter to the Philippines; AND

- (c) THE TERM "LIVELIHOOD TOOLS" SHALL MEAN INSTRUMENTS USED BY HAND OR BY MACHINE NECESSARY TO A PERSON IN THE PRACTICE OF HIS OR HER TRADE, VOCATION OR PROFESSION, SUCH AS HAND TOOLS, POWER TOOLS, PRECISION TOOLS, FARM TOOLS, TOOLS FOR DRESS-MAKING, SHOE REPAIR, BEAUTY PARLOR, BARBER SHOP AND THE LIKE, AS MAY BE DETERMINED BY THE OVERSEAS WORKERS WELFARE ADMINISTRATION (OWWA). FOR PURPOSES OF THIS ACT, A COMPUTER UNIT AND ITS ACCESSORIES SHALL LIKEWISE BE CONSIDERED AS LIVELIHOOD TOOLS."

SEC. 3. Section 3 of the same Republic Act is hereby amended to read as follows:

"SEC. 3. *Benefits and Privileges of the Balikbayan.* - The *balikbayan* and his OR HER family shall be entitled to the following BENEFITS AND PRIVILEGES:

- (a) Tax-[free] EXEMPT maximum purchase in the amount of One thousand FIVE HUNDRED United States dollars [(US \$1,000)] (US \$1,500.00) or its equivalent IN PHILIPPINE PESO AND in other acceptable foreign currencies at [Philippine duty free shops] ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS subject to the limitations contained in Section 4 hereof;
- (b) [The national flag carrier] ALL DOMESTIC CARRIERS shall establish a special promotional/incentive program for the *balikbayan*;
- (c) [For foreign passport holders with the exception of restricted nationals, v] Visa-free entry to the Philippines for a period of one (1) year FOR FOREIGN PASSPORT HOLDERS, WITH THE EXCEPTION OF RESTRICTED NATIONALS;
- (d) Travel tax exemption as provided under Presidential Decree No. 1183, Executive Order No. 283, and other allied laws; [and]

- (e) Especially designated reception areas at the authorized ports of entry for the expeditious processing of documents;
- (f) ACCREDITED TRANSPORTATION FACILITIES THAT WILL ENSURE THEIR SAFE AND CONVENIENT TRIPS UPON ARRIVAL. THE DEPARTMENT OF TOURISM AND THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS AND OTHER CONCERNED GOVERNMENT AGENCIES ARE HEREBY MANDATED TO IMPLEMENT THE PROGRAM FOR THIS PARTICULAR PURPOSE; AND
- (g) *KABUHAYAN* SHOPPING PRIVILEGE THROUGH AN ADDITIONAL TAX-EXEMPT PURCHASE IN THE MAXIMUM AMOUNT OF TWO THOUSAND UNITED STATES DOLLARS (US\$2,000.00) OR ITS EQUIVALENT IN PHILIPPINE PESO AND OTHER ACCEPTABLE FOREIGN CURRENCIES, EXCLUSIVELY FOR THE PURCHASE OF LIVELIHOOD TOOLS AT ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS.

THE TOTAL AMOUNT OF TAX-EXEMPT MAXIMUM PURCHASE AS MENTIONED IN SUB-PARAGRAPHS (A) AND (G) OF THIS SECTION MAY BE USED FOR THE *KABUHAYAN* PROGRAM, SUBJECT TO THE LIMITATIONS CONTAINED IN SECTION 4 HEREOF.

The privileges granted under this Act shall be in addition to the benefits enjoyed by the *balikbayan* under existing laws, rules and regulations."

SEC. 4. Section 4 of the same Republic Act is hereby amended to read as follows:

"SEC. 4. *Limitations on Tax[Free] EXEMPT Purchases AT ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS.* - The tax-[free] EXEMPT purchase privilege shall be subject to the following limitations:

- [(a) Purchase shall only be made in United States dollars or other acceptable foreign currencies;]

(A) [(b)] Purchases shall be made within FIFTEEN (15) CALENDAR DAYS [forty-eight (48) hours] from the date of arrival: *PROVIDED*, THAT DURING THE CHRISTMAS SEASON, RECKONED FROM NOVEMBER 15 TO JANUARY 15, THE PRIVILEGE IS EXTENDED TO THIRTY (30) CALENDAR DAYS FROM THE DATE OF ARRIVAL: *PROVIDED, FURTHER*, THAT SAID PRIVILEGE SHALL BE AVAILED OF ON A ONE-TIME SHOPPING BASIS ONLY: *PROVIDED, FINALLY*, THAT IN THE CASE OF SENIOR CITIZENS AND HANDICAPPED *BALIKBAYAN*, THEY SHALL BE ALLOWED TO ENJOY THE PRIVILEGE WITHIN ONE (1) YEAR FROM DATE OF ARRIVAL IN THE COUNTRY.

(B) [(c)] The privilege can be availed of by the *balikbayan* only once a year;

(C) [(d)] The privilege is non-transferable; purchases shall be made personally by the *balikbayan* [for himself]; *PROVIDED*, THAT A *BALIKBAYAN* WHO HAS GONE BACK ABROAD MAY STILL AVAIL OF THE *KABUHAYAN* SHOPPING WITHIN A MAXIMUM PERIOD OF ONE (1) YEAR FROM DATE OF ARRIVAL IN THE COUNTRY, AND THAT IMMEDIATE FAMILY MEMBERS OF THE *BALIKBAYAN* SHALL BE ALLOWED TO CLAIM THE *KABUHAYAN* TOOLS PURCHASED; *PROVIDED, FURTHER*, THAT AN OVERSEAS FILIPINO WORKER (OFW), DULY CERTIFIED AS SUCH BY THE PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA), PHILIPPINE OVERSEAS LABOR OFFICER OR BY THE EMBASSY/CONSULATE OF THE PHILIPPINES IN THE COUNTRY WHERE HE OR SHE HAD BEEN DEPLOYED, TAKING INTO CONSIDERATION THE EVIDENCE OF REMITTANCE, MAY OPT TO ENDORSE IN WRITING THE *KABUHAYAN* SHOPPING PRIVILEGE TO HIS OR HER IMMEDIATE FAMILY MEMBERS WITHIN THE SECOND DEGREE OF CONSANGUINITY OR AFFINITY RESIDING IN THE PHILIPPINES ONCE WITHIN TWO (2) YEARS FROM THE DATE OF EFFECTIVITY OF HIS OR HER

CONTRACT AND ONLY DURING THE DURATION OF THE SAME.

(D) [(e)] Only a *balikbayan* of majority age under Philippine laws can enjoy the privilege: *Provided, however*, that FAMILY MEMBERS WHO ARE minors shall continue to be entitled to purchase privileges not exceeding [Two hundred fifty United States dollars (US \$250.00)] THE ALLOWABLE TAX-EXEMPT LIMIT FOR ARRIVING PASSENGERS; and

(E) [(f)] In addition to existing limitations on the number of consumables purchased, a *balikbayan* shall be entitled to buy only one (1) item of every product category of non-consumables whose selling price exceeds Two Hundred United States dollars (US\$200.00)."

SEC. 5. New sections are hereby added after Section 4 of the same Republic Act to be denominated as Sections 5 and 6 to read as follows:

"SEC. 5. *PHILIPPINE-MADE PRODUCTS IN DUTY-FREE SHOPS*. - ALL GOVERNMENT-OWNED AND CONTROLLED/OPERATED DUTY-FREE SHOPS SHALL EFFECTIVELY SHOWCASE PHILIPPINE CULTURE, CRAFTSMANSHIP AND INDUSTRY. THEREFORE, A MINIMUM OF TEN PERCENT (10%) OF THE GOODS BEING SOLD IN DUTY-FREE SHOPS SHALL, AS FAR AS PRACTICABLE, WHETHER BY DIRECT PURCHASE OR CONCESSION, BE SOURCED FROM PHILIPPINE-BASED MANUFACTURERS. FOR THIS PURPOSE, THE DEPARTMENT OF TOURISM (DOT) SHALL COORDINATE WITH THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IN THE SELECTION OF GOODS AND PRODUCTS MADE IN THE PHILIPPINES, TAKING INTO CONSIDERATION, COMPETITIVENESS, DESIGN, EXCELLENCE, MARKETABILITY, REGIONAL REPRESENTATION AND WORLD CLASS APPEAL.

SEC. 6. *TRAINING PROGRAMS*. - THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE), THROUGH THE OWWA, IN COORDINATION WITH THE TECHNOLOGY AND LIVELIHOOD RESOURCE CENTER (TLRC), TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA), LIVELIHOOD CORPORATION AND OTHER