

EXECUTIVE ORDER NO. 46

GRANTING THE MINISTRY OF TOURISM, THROUGH THE PHILIPPINE TOURISM AUTHORITY (PTA), AUTHORITY TO ESTABLISH AND OPERATE A DUTY AND TAX FREE MERCHANDISING SYSTEM IN THE PHILIPPINES.

WHEREAS, as service facilities for tourists, the duty and tax free shops have generated foreign exchange and revenue;

WHEREAS, it is economically advantageous to continue and maintain the operation of duty and tax free shops and stores;

WHEREAS, the operation thereof is best left to the Government for more direct and effective control and regulation;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. The Ministry of Tourism, through the Philippine Tourism Authority (PTA) is hereby authorized to establish a duty and tax free merchandising system in the Philippines to augment the service facilities for tourists and to generate foreign exchange and revenue for the government. Under this system, the Philippine Tourism Authority shall have the exclusive authority to operate stores and shops that would sell, among others, tax and duty free merchandise, goods and articles, in international airports and sea ports throughout the country in accordance with the rules and regulations issued by the Ministry of Tourism. In the event that the operation of the stores is to be contracted to private parties, the award thereof shall be done through the usual public bidding.

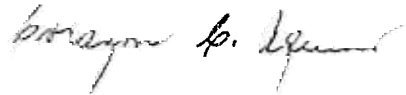
SECTION 2. The Minister of Tourism shall promulgate the rules and regulations to implement this Order, which shall, among others, provide for the norms and guidelines to ensure that the aforesaid merchandising system is at par with international standards insofar as prices and services are concerned. The stores and shops are effective showcases of Philippine culture, craftsmanship and industry, and that the system is an efficient and effective vehicle for the generation of foreign exchange and revenue for the government. It is understood that the merchandise in the shops and stores shall be sold only to departing passengers for their consumption abroad. Provided, however, that subject to such limitations, rules and regulations as may be prescribed by the Ministry of Finance, the shops hereinafter authorized may sell merchandise to passengers coming into the Philippines from abroad.

SECTION 3. All net profits from the merchandising operations conducted pursuant hereto shall accrue to the Ministry of Tourism which shall allocate the same in accordance with existing policies and regulations.


SECTION 4. All laws, orders issuances, rules and regulations or any part thereof inconsistent, with this Executive Order are hereby repealed or modified accordingly

SECTION 5. This Order shall take effect immediately.

Done in the City of Manila this 4th day of September, in the year of Our Lord nineteen hundred and eighty-six.



By the President



JOKER P. ARROYO
Executive Secretary