

**RULES AND REGULATIONS IMPLEMENTING
REPUBLIC ACT NO. 6768 INSTITUTING A BALIKBAYAN PROGRAM**

Pursuant to Section 5 of Republic Act No. 6768, the following rules and regulations on the Balikbayan Program are hereby promulgated:

Rules I. COVERAGE

These rules and regulations shall govern the benefits enumerated under Republic Act No. 6768 as enacted.

Rules II. DEFINITION OF TERMS – For purposes of the Act:

The term “balikbayan” shall mean:

- a. a Filipino citizen who has been continuously out of the Philippines for a period of at least one (1) year from date of last departure;
- b. a Filipino overseas worker; or
- c. a former Filipino citizen and his family as this term is defined hereunder, who had been naturalized in a foreign country and comes or returns to the Philippines.

The term “family shall mean the spouse and the children of the balikbayan who are not balikbayan in their own right traveling with the letter to the Philippines.

Rules III. DETERMINATION OF THE BALIKBAYAN STATUS

The following are the BALIKBAYAN CATEGORIES:

- a. Filipino citizen who has been continuously out of the country for at least one (1) year from date of last departure;]
- b. Filipino overseas worker;
- c. Former Filipino with foreign passport and members of his family, meaning the spouse and children of the balikbayan who are not balikbayan in their own right but who are traveling with the balikbayan.

In the availment of incentives from the agencies concerned, without prejudice to the requirements for travel tax exemption as provided under existing laws, the following documents are to be presented to evidence their balikbayan status:

- a. Filipino citizen who has been continuously out of the country
 - 1. Philippine passport showing date of last departure

b. Filipino overseas worker

1. Passport and any of the following:

- POEA-approved contract of employment
- Certificate of employment by the foreign employer
- Certificate of employment by the Philippine Embassy/Consulate
- Prior year's income tax return to prove gainful employment abroad
- Contract Worker stamp on passport
- Seaman's Service Record Book

c. Foreign passport holder:

1. Passport and any of the following:

- Old Philippine passport
- Foreign naturalization papers to show former Philippine citizenship
- Certification from adopted country

However, family members of the balikbayan who are traveling with the balikbayan should present:

- Passport and any of the following:
 - o Birth Certificate in case of children
 - o Marriage certificate in case of spouse
 - o Adoption papers in case of legally adopted children

Rule IV. BENEFITS AND PRIVILEGES OF THE BALIKBAYAN

Principally, the eligible participants in the program shall be entitled to the duty and tax-free maximum purchase of goods at Philippine duty-free shops operated by Duty Free Philippines under Executive Order No. 46 S. 86 in the amount of one thousand United States dollars (US\$1,000.00) or its equivalent in other acceptable foreign currencies subject to the following limitations:

- a. Purchases shall only be made in US dollars or other acceptable foreign currencies as listed by the Central Bank.
- b. Purchases shall be made within forty-eight (48) hours from date of arrival;
- c. The privilege is non-transferable; purchases shall be made personally if by the balikbayan for himself;

- d. The privilege can be availed of by a balikbayan only once a year and within the forty-eight (48) hour limit from the date of arrival;
- e. Only a balikbayan of majority age under Philippine laws can enjoy the privilege; Provided, however, that minors shall continue to be entitled to purchase privilege not to be entitled to purchase privilege not exceeding two hundred fifty United States dollars (US\$250.00); and
- f. In addition to existing limitations on the number of consumables purchased such as, two (2) reams of cigarettes of any brand, two (2) bottles of wine and/or two (2) bottles of liquor of any brand, 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).

To implement the above limitations, the availment of duty and tax-free privilege shall be personal in nature. Purchases jointly made by the balikbayan family shall be considered on an individual basis for purposes of the limitation on value of purchase.

Rule V. OTHER BENEFITS AND PRIVILEGES

In addition to the duty and tax-free purchase of goods at Philippine duty-free shops operated by the Duty Free Philippines under Executive Order No. 46 S.86, a balikbayan and his family shall be entitled to the following:

- a. The national flag air carrier shall establish a special promotional/incentive program for the balikbayan;
- b. For foreign passport holders with the exemption of restricted nationals who are not former Filipinos, visa-free entry to the Philippines for a maximum stay of one (1) year; extensions thereof shall be subject to such fees as may be required by the Commission on Immigration and Deportation;
- c. To those qualified, travel tax exemption as provided under P.D. No. 1183, Executive Order No. 283, and other allied laws; and
- d. Especially designated reception areas at authorized ports of entry for the expeditious processing of documents.

Rule VI. MONITORING SYSTEM

The Department of Tourism, in coordination with the Bureau of Customs, shall formulate and implement a control system to effectively monitor the forty-eight (48) hours limit and the maximum allowable purchase of one thousand United States dollars (US\$1,000.00) through the following scheme:

1. A balikbayan shopping card shall be issued by the Duty Free Philippines representative only after confirmation of the buyer's Balikbayan status, and subject to further check at random by the Bureau of Custom representative as to its veracity.

2. The shopping card shall indicate the date of purchase, value of purchase for both consumables and non-consumables and quantity of non-consumables purchase.
3. The passport of the balikbayan shall be stamped by the Duty Free Philippines representative after confirmation of his balikbayan status.
4. In case the balikbayan did not consume the allowable limit on purchases as and t he 48-hour period as granted by the law has not yet expired, he has still the option to avail of this privilege upon presentation of his passport with a "BALIKBAYAN" stamp on it and his shopping card.

Rule VII. BIENNIAL REVIEW OF PROGRAM

The Balikbayan Program as instituted in the Act shall be reviewed by Congress two years after the approval of the Act and every two years thereafter.

Rule VIII. SEMI-ANNUAL REPORT OF SALES

The Department of Tourism, through Duty Free Philippines, shall submit semiannual reports to the President, through the Secretary of Finance, and to both Houses of Congress, which reports shall contain a statement of the qualities and the classification categories in the Tariff and Customs Code, sold by the Philippine duty-free shops operated by Duty Free Philippines under Executive Order No. 46 S-86.

Rule IX. REPEALING CLAUSE

All laws, rules and regulations inconsistent with the Act are repealed, amended or modified accordingly.

Rule X. ISSUANCE OF ADDITIONAL RULES

The Department of Tourism shall, in coordination with other government agencies, whenever necessary or as the need arises, issue from time to time additional rules and regulations for more effective implementation of the balikbayan Program as instituted by the Act.

Rule XI. EFFECTIVITY

This Administrative Order shall take effect immediately after its publication in at least two (2) newspapers of general circulation.

Done at Manila, Philippines, this _____ day of _____ 1989.

(sgd.) **PETER D. GARRUCHO, JR.**
Secretary of Tourism