

[**PRESIDENTIAL DECREE NO. 1395, May 31, 1978**]

AMENDING PRESIDENTIAL DECREE NO. 1352

WHEREAS, Presidential Decree No. 1352 was issued in accordance with the policy enunciated under Presidential Decree No. 776 to rationalize and harmonize the fiscal incentives granted under various existing laws for purposes of conserving government revenues;

WHEREAS, in line with such policy, it is necessary to clarify and/or amend the provisions thereof; and

WHEREAS, the importations of government agencies or instrumentalities are governed by Presidential Decree No. 1177 and therefore need not be subject to the provisions hereof;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree:

SECTION 1. Presidential Decree No. 1352 is hereby amended to read as follows:

"SECTION 1. All importations which are at present totally or partially exempt from customs duties and/or internal revenue tax under the provisions of any general or special law shall be subject to a five (5%) percent customs duty and five (5%) percent internal revenue tax, subject to the same limitations and conditions prescribed under such law, if any.

"In the case of importations enjoying partial exemption, the said duty and tax shall be imposed on the exempt portion in addition to the duty and tax due on the taxable portion.

"The duty and tax imposed herein shall be computed in accordance with the applicable provisions of the Tariff and Customs Code of the Philippines, as amended, and the National Internal Revenue Code of 1977, as amended, respectively.

"The customs duty and internal revenue tax imposed under this section shall not apply to the following importations:

"1. Those which are exempt in pursuance of or in compliance with international treaties or commitments, such as the ADB-RP Host Agreement (1966); the 1947 Convention on Privileges and Immunities of the United Nations and its specialized agencies; the United States Agency for International Development-RP Agreement; the 1947 Military Bases Agreement; and other similar treaties or commitments;

"2. Those which are exempt under the following Presidential Decrees:

"(a) Presidential Decree No. 66;

"(b) Presidential Decree No. 87;