

# [ PRESIDENTIAL DECREE NO. 238, July 09, 1973 ]

## **FURTHER AMENDING SECTION 105 OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED, EXEMPTING IMPORTATIONS OF DOMESTIC SCHEDULED AIRLINES AND OF NEW MINES AND OLD MINES WHICH RESUME OPERATIONS FROM CUSTOMS DUTY.**

**WHEREAS**, the domestic scheduled airlines had been granted under their respective congressional franchises exemption from customs duty and compensating tax in consideration of the franchise tax on gross receipts therein imposed and of the essential air transportation service they provide the public;

**WHEREAS**, there is a pressing need to rehabilitate our faltering civil aviation industry, to expand and improve the service being *provided* by the domestic scheduled airlines, to assure a favorable competitive position of our national flag carrier in the international field and to make the operations of our scheduled airlines financially sound and economically viable to effect the desired social and economic development of our country;

**WHEREAS**, the Philippines is blessed with bountiful mineral resources, the development and exploitation of which is essential to our economic development; and

**WHEREAS**, the mining industry requires large amounts of high risk capital and needs tax incentives during the initial years of commercial operations;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, do hereby amend Section 105 of the Tariff and Customs Code, as amended, to wit:

**SECTION 1.** Section One Hundred five of Republic Act Numbered Nineteen hundred and thirty-seven, otherwise known as the "Tariff and Customs Code of the Philippines," is further amended by inserting two new paragraphs "(u)" and "(v)" therein after paragraph (t) thereof which shall read as follows:

**"SEC. 105.** *Conditionally-Free Importations.*

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"(u) Aircraft, equipment and machinery, spare parts commissary and catering supplies, aviation gas, fuel and oil, whether crude or refined, and such other articles or supplies imported by and for the use of scheduled airlines operating under Congressional franchises: *Provided*, That such articles or supplies are not locally available in reasonable quantity, quality and price and are necessary or incidental for the proper operation of the scheduled airline importing the same"; and

"(v) Machineries, equipment, tools for production, plants to convert mineral ores into saleable form, spare parts, supplies, materials,