

**[ REPUBLIC ACT NO. 9290, April 15, 2004 ]**

**AN ACT PROMOTING THE DEVELOPMENT OF THE FOOTWEAR,  
LEATHER GOODS AND TANNERY INDUSTRIES, PROVIDING  
INCENTIVES THEREFOR AND FOR OTHER PURPOSE**

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

SECTION 1. *Short Title.* — This Act shall be known as the "Footwear, Leather Goods and Tannery Industries Development Act."

SEC. 2. *Policy.* — Recognizing that the footwear, leather goods and tannery industries have the potential to generate employment through their integrated development, and increase the country's foreign exchange earnings through exports and import substitutes, it shall be the policy of the State to support, promote and encourage the growth and development of the small and medium scale enterprises (SMEs) belonging to these industries.

Toward this end, the State shall encourage the development of these industries by:

- a. creating a business environment to encourage local small and medium enterprises in said industries to join the formal sector;
- b. establishing an adequate support structure to assist the viability of the SMEs in said industries and make them competitive;
- c. providing appropriate and time-bound fiscal incentives and programs to accelerate the growth of these industries;
- d. encouraging the institutionalization of these industries associations, organizations and cooperatives to promote improvement and advancement of skills and craftsmanship of Filipino workers therein; and
- e. ensuring a ready domestic market by requiring government agencies to purchase products made by these industries and encouraging the private sector to do the same.

SEC. 3. *Development Incentives.* — The following incentives shall be available to qualified footwear, leather goods and tannery enterprises for a maximum period of ten (10) years from the effectivity of this Act:

- a. Entitlement to zero (0) duty on imported capital equipment, including machinery equipment, tools for basic components, parts and accessories, including chemicals falling within Chapter 69 of Section XIII, Chapter 82 of Section XV, Chapters 84 and 85 of Section XVI, and Chapter 90 of Section XVIII of the Tariff and Customs Code of the Philippines, as amended;
- b. Additional deduction from gross income of fifty percent (50%) of the expenses incurred in training programs approved by the appropriate agency which shall be deductible during the fiscal year when the expenses were incurred;