

[ **REPUBLIC ACT NO. 9215, July 26, 2003** ]

**AN ACT AMENDING REPUBLIC ACT NO. 8339, ENTITLED "AN ACT GRANTING AIR PHILIPPINES CORPORATION (AIR PHILIPPINES) A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN DOMESTIC AND INTERNATIONAL AIR TRANSPORT SERVICES"**

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

SECTION 1. Section 11 of Republic Act No. 8339 is hereby amended to read as follows:

"SEC. 11. *Tax Provisions.* - The grantee, its successors or assigns, shall pay to the Philippine Government during the life of its franchise a franchise tax of five percent (5%) of the gross revenues derived by the grantee from its transport operations.

In the event that any competing individual, partnership or corporation receives or enjoys tax privileges and other favorable terms which tend to place the herein grantee at any disadvantage, then such provisions shall be deemed *ipso facto* part hereof and shall operate equally in favor of the grantee. The grantee shall, however, be subject to income tax levied under Title II of the National Internal Revenue Code, as amended, and tax on its real property under existing laws on revenues earned from activities other than air transportation."

SEC. 2. Section 14 of Republic Act No. 8339 is hereby amended to read as follows:

"Sec. 14. *Dispersal of Ownership.* - In accordance with constitutional provisions to encourage public participation in public utilities, the grantee shall offer at least thirty percentum (30%) of its outstanding capital stock or a higher percentage that may hereafter be provided by law in any securities exchange in the Philippines within ten (10) years from the commencement of its operations. Non-compliance therewith shall render the franchise *ipso facto* revoked."

SEC. 3. Section 15 of Republic Act No. 8339 is hereby amended to read as follows:

"Sec. 15. *Non-exclusivity Clause.* - This franchise shall not be interpreted to mean as an exclusive grant of the privileges herein provided for."

SEC. 4. Section 17 of Republic Act No. 8339 is hereby amended to read as follows:

"Sec. 17. *Repealability Clause.* - This franchise shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so requires."