

[REPUBLIC ACT NO. 601, March 28, 1951]

AN ACT TO IMPOSE A SPECIAL EXCISE TAX ON FOREIGN EXCHANGE SOLD BY THE CENTRAL BANK OF THE PHILIPPINES AND ITS AGENTS.

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

SECTION 1. Except as herein otherwise provided, there shall be assessed, collected and paid a special excise tax of seventeen *per centum* (17%) on the value in Philippine peso of foreign exchange sold and/or authorized to be sold by the Central Bank of the Philippines or any of its agents during the period of two years counted from the date of the approval of this Act.

SEC. 2. The tax collected under the preceding section on foreign exchange used for the payment of the cost, transportation and/or other charges incident to importation into the Philippines of rice, flour, canned milk, cattle and beef, canned fish, soya beans, butterfat, chocolate, malt syrup, tapioca, stabilizer and flavors, vitamin concentrate, fertilizer, poultry feed; textbooks, reference books, and supplementary readers approved by the Board on Textbooks and/or established public or private educational institutions; newsprint imported by or for publishers for use in the publication of books, pamphlets, magazines and newspapers; book paper, book cloth, chip board imported for the printing of supplementary readers (approved by the Board on Textbooks) to be supplied to the Government under contracts perfected before the approval of this Act, the quantity thereof to be certified by the Director of Printing; anesthetics, antibiotics, vitamins, hormones, X-Ray films, laboratory reagents, biologicals dental supplies, and pharmaceutical drugs necessary for compounding medicines; medical and hospital supplies listed in the appendix to this Act, in quantities to be certified by the Director of Hospitals as actually needed by the hospitals applying therefor; drugs and medicines listed in the said appendix; and such other drugs and medicines as may be certified by the Secretary of Health from time to time to promote and protect the health of the people of the Philippines shall be refunded to any importer making application therefor, upon satisfactory proof of actual importation under the rules and regulations to be promulgated pursuant to section seven hereof.

SEC. 3. The tax collected on foreign exchange used for the payment of the cost, transportation and/or other charges incident to importation into the Philippines of articles or containers used by the importer himself in the manufacture or preparation of local products for consignment or export abroad shall likewise be refunded upon satisfactory proof under said rules and regulations that said imported articles or containers were actually used in the manufacture or preparation of such local products, forming part thereof, and that said local products have been actually exported.

SEC. 4. The tax imposed in this Act shall not apply to foreign exchange sold and/or authorized to be sold by the Central Bank of the Philippines for any of the following purposes:

1. Payment in respect of reinsurance.
2. Payment in respect of marine and aviation insurance.
3. Payment of expenses for the drydocking and repair abroad of vessels of Philippine register, and for the repair abroad of airplanes of Philippine register, and payment of purchase price or charter fees of airplanes and vessels of Philippine register: *Provided, That,* before vessels are sent to be drydocked abroad, an estimate of the cost of drydocking should be certified by the Hulls and Boilers Division of the Bureau of Customs, and in case of air planes and airplane parts, the cost of such repairs and such parts should be certified by the Civil Aeronautics Administration.
4. Remittances for payment of living expenses of students studying abroad not exceeding the equivalent of three hundred dollars per month, and for payment of tuition and other school fees.
5. Payment of premiums by Veterans on Life Insurance Policies under the Government of the United States.
6. Payment of premiums and other amounts due by policyholders on Life Insurance Policies issued before December 9, 1949.
7. Payment of machinery and/or raw materials to be used by new and necessary industries as determined in accordance with Republic Act Numbered Thirty-five.

SEC. 5. The tax imposed under section one hereof shall be paid to the Central Bank of the Philippines by the purchaser of the foreign exchange, and the Central Bank of the Philippines and/or its agents shall not sell any foreign exchange without the payment of the said tax. The refund of taxes pursuant to sections two and three of this Act shall be made by the Central Bank of the Philippines. The monies collected shall accrue to the General Fund in the National Treasury.

SEC. 6. Any person violating any provision of this Act or any of the regulations promulgated pursuant thereto shall, upon conviction, be fined in an amount not exceeding twenty thousand pesos and imprisoned for a period not exceeding two years: *Provided, however,* That if the offender is a corporation, association or partnership, the penalty shall be imposed upon the president, directors managers, managing partners, as the case may be, and/or the person charged with the administration thereof.

SEC. 7. The Monetary Board of the Central Bank of the Philippines shall prescribe and promulgate the necessary rules and regulations to carry out the provisions of this Act.

SEC. 8. The tax provided herein shall not be levied assessed and collected upon exchange used for the importation of industrial and agricultural machinery covered by an import license which had already been granted and the letter of credit for which had already been opened prior to January first, nineteen hundred and fifty-one

SEC. 9. Except as expressly provided in section five hereof, the provisions of this Act

shall in no case be construed to abrogate, diminish or limit in any manner any of the powers now exercised or hereafter to be exercised by the Central Bank of the Philippines pursuant to existing laws and regulations.

SEC. 10. *Separability clause.*-If any clause, sentence, paragraph, or part of this Act is adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of said Act, but shall be confined in its operation to the clause, sentence, paragraph or part thereof directly involved in the controversy.

SEC. 11. This Act shall take effect upon its approval.

Approved, March 28, 1951.

APPENDIX

MEDICINES, MEDICAL SUPPLIES, DRUGS AND HOSPITAL SUPPLIES

1. Adrenaline Chloride 1:1000 1 cc. amp.
2. Alcohol, refined 95%
3. Acid, Ascorbic (Vitamin C) U.S.P.
4. Acid, Boric, powder
5. Acid, Picric, crystals
6. Acid, Salicylic, crystals
7. Acetone, M.F.
8. Argyrol, crystal, 1 oz. bot.
9. Aromatic Spirit of Ammonia, 1 pt. bot.
10. Aspirin Tablets, 5 grs. x 1000
11. Ascorbic Acid, tablets, 100 mgm. x 100
12. Ascorbic Acid, Ampules, 100 mgm. x 100
13. Aureomycin, capsules, 50 mgm. x 25
14. Aureomycin, capsules, 250 mgm. x 16
15. Brown Mixture tablets, 500 to bot.
16. B-Complex, injectable, 10 cc vial
17. B-Complex, tablets, 100 to bottle
18. Bismuth Subnitrate, 1 lb. bot.
19. Bismuth Subcarbonate, 1 lb. bot.
20. Calcium Gluconate, C.P.
21. Caffeine Sodium Benzoate, U.S.P.
22. Camphor, powder, U.S.P.
23. Cathartic Pills Comp. x 100
24. Caffeine Sodium Benzoate, amps. 1 cc
25. Cottonseed Oil, U.S.P.
26. Camphorated Oil, Ampules, 1 cc
27. Castor Oil, 1 gal. can AA
28. Chloroform, U.S.P.
29. Calomel and Santonin, 1/2 gr. tab x 100
30. Chloromycetin, caps. 250 mgm. x 12
31. Chlorazene tablets, 1000
32. Collodion, U.S.P.
33. Collargol, crystals, 1 oz. bot.