

**[DSWD ADMINISTRATIVE ORDER NO. 19, S.
2002, JANUARY 9, 2002, January 09, 2002]**

**IMPLEMENTING RULES AND REGULATIONS ON FOREIGN
DONATIONS UNDER SECTION 105 (1) OF THE REVISED TARIFF
AND CUSTOMS CODE OF THE PHILIPPINES**

WHEREAS, Section 105 paragraph "I" of the Revised Tariff and Customs Code of the Philippines as amended, provides that "Imported articles donated to or for the account of any duly registered relief organization upon certification by the Department of Social Welfare and Development (DSWD) or the Department of Education, Culture and Sports as the case may be" shall be exempt from the payment of import duties;

WHEREAS, Section 1 of the Republic Act No. 4653, otherwise known as An Act to Safeguard the Health of the People and Maintain the Dignity of the Nation by Declaring it a National Policy to Prohibit the Commercial Importation of Textile Articles Commonly Known as Used Clothing and Rags, provides that it shall be unlawful for any person, association or corporation to introduce into any point in the Philippines textile articles commonly known as used clothing and rags except when these are imported under paragraph "I" of Section 105 of Republic Act No. 1993, Tariff and Customs Code of the Philippines;

WHEREAS, it has been observed that there is an increasing number of organization receiving donations from foreign sources, particularly used clothing, which have reportedly resulted in the influx of used clothing in the open market; and, as such, DSWD Department Order No. 28, Series of 1999 was issued, holding in abeyance all application of duty free entry of non-commercial quantities of used clothing;

WHEREAS, there is a need to strictly regulate and monitor donations of imported articles to duly accredited relief organization to ensure that these articles shall be received exclusively and entirely by the intended beneficiaries, and that these articles will not find their way in the open market for sale, so as not to jeopardize our economy;

NOW, THEREFORE, to properly and effectively enforce the provisions of Section 109 (I) of the Revised Tariff and Customs Code of the Philippines (TCCP), these implementing guidelines are hereby promulgated.

SECTION 1. Definition of Terms. — For purpose of this Administrative Order, the following terms shall be defined as:

(a) Relief — is the provision of interventions to alleviate, ease and/or mitigate a distressed, stressful and/or critical situation affecting persons, families, groups or communities.

(b) Donated Imported Articles — are food and non-food items, except used clothing, that are responsive to any situation affecting disadvantaged or distressed individuals and families in order to meet their basic needs. This may also be termed as "foreign donations."

(c) Non-Commercial Quantity of Relief Goods — refers to the volume of food and non-food items that are donated, not in excess of the amount needed by the beneficiaries as specified in the relief distribution plan of the organization as approved by the DSWD Field Office(s) concerned.

(d) Duly Registered Relief Organization — is an organization duly registered or licensed or accredited by DSWD.

(e) Outer Port — is any port of entry within the Philippines other than the Port of Manila (POM), Manila International Container Port (MICP) and Ninoy Aquino International Airport (NAIA).

(f) Packing List — an itemized list of goods/articles with corresponding volume/units sent to recipient.

(g) Approved Plan — is a duly notarized plan of distribution of donated goods, preferably by the agency, confirmed by the social welfare office and endorsed by the DSWD Field Office.

SECTION 2. General Guidelines. — The following general guidelines shall govern all foreign donations consigned to relief organizations;

(a) Only duly registered relief organizations may apply for a certification for duty free entry of foreign donations.

(b) The local government units (LGUs) need not go through the DSWD as their importations are covered by Section 1205 of the Tariff and Customs Code of the Philippines (TCCP) which provides that all importations by the government, for its own use, or that of its subordinate branches and instrumentalities, owned and controlled by the government, shall be subject to duties, taxes, fees and other charges provided for in the TCCP.

(c) The duly registered organizations shall consult with the concerned DSWD Field Offices for the confirmation and approval of their plan of distribution before negotiating for or accepting any foreign donations. The concerned DSWD Field Offices shall confirm and approve the plan of distribution, stating the specific purposes, areas of distribution, and the kind and volume of goods relevant to the identified purposes.

(d) The concerned DSWD Field Offices shall forward all applications to the Standards Bureau. The latter shall review and evaluate such request before any appropriate action is endorsed or recommended by the SB Director to the Undersecretary for Management and Operations. Whenever appropriate, the Undersecretary for Management and Operations shall then endorse such request for the entry of the foreign donations into the Philippines free of duty to the Department of Finance (DOF).

(e) In cases where an organization operates nationwide, said organization shall secure approval from each Field Office having jurisdiction over the area where the distribution of goods shall take place. The DSWD shall not allow organizations with specific areas of operation, to expand their area of coverage for the purpose of accepting foreign donations.

(f) Foreign donations for release at the Outer Ports shall be under the authority of the Field Office concerned and the Standards Bureau (SB).

(g) Items not listed in the packing list or in excess of the approved plans shall not be released to the consignee. After compliance with the pertinent provisions of the Tariff and Customs Code of the Philippines, as amended, and other approved laws, rules and regulations (under Section 3602. Various Fraudulent Practices Against Customs Revenue) the same shall be forfeited in favor of the Philippine Government. Notice on this shall be given to the Bureau of Customs (BOC), and the Department of Finance (DOF), subject to existing laws.

(h) Each shipment should not exceed a quarter's requirement of the organization's relief program, except when there is a state of calamity that requires a bigger volume of goods.

(i) Goods subject of request for duty free entry shall be assessed and endorsed by the DSWD Field Office where the duly registered relief organizations are based.

i Goods that are subject of applications for entry into the Philippines free of duty shall be limited to non-commercial quantity of relief commodities that are necessary to accomplish the objectives of the social welfare and development programs and services.

ii. importation of all goods shall be supported by the required documents as mentioned in Section 4 of this Administrative Order, including contracts/agreements if there are any, and shall not violate existing laws or policies and guidelines governing such importation .

iii. If goods to be donated are medicines, a certification by the Bureau of Food and Drugs (BFAD) of the Department of Health (DOH) is required, stating the purpose of the medicines and the fact that the same may be used by the intended beneficiaries without the need of a prior prescription.

iv. All the subject goods shall be for free distribution exclusively to the identified clients of the duly registered relief organizations.

v. Donation/Importation of used clothing shall be strictly prohibited in order to safeguard the health of the people and maintain the dignity of the nation.

(j) The DSWD shall transact only with the organizations concerned or their duly authorized representatives. Recipient organizations shall make the necessary representations and follow-up of the request for endorsement from the DSWD.

(k) Agencies or organizations, to whom a duty free certification is issued, shall submit to the Field Office concerned a status report of the distribution or utilization