

[CDC, June 26, 1998]

**JOINT IMPLEMENTING RULES AND REGULATIONS ON THE
IDENTIFICATION, CONTROL AND USE OF TAX EXEMPT VEHICLES
UNDER REPUBLIC ACT NO. 8424, SECTION 149 FOR THE CLARK
SPECIAL ECONOMIC ZONE**

Whereas, Republic Act No. 8424, otherwise known as the Tax Reform Act of 1997, has been enacted, and Section 149 of said Act provides that:

"Sec 149. Automobiles. x x x

"Automobiles acquired for use by persons or entities operating within the freeport zone shall be exempt from excise tax: Provided, that utility vehicles of registered zone enterprises, which are indispensable in the conduct and operations of their business, such as delivery trucks and cargo vans with gross vehicle weight above three (3) metric tons may be allowed unrestricted use outside the freeport zone: Provided, further, that vehicles owned by tourist oriented enterprises, such as tourist buses and cars with yellow plates, color-coded and utilized exclusively for the purpose of transporting tourists in tourism-related activities and service vehicles of freeport registered enterprises and executives such as company service cars and expatriates 'and investors' automobiles brought in the name of such enterprises, may be used outside the freeport zone for such periods as may be prescribed by the Department of Finance, and Trade and Industry, the Bureau of Customs and the Freeport authorities concerned, which in no case shall exceed fourteen (14) days per month.

"In case such tourist buses and cars, service vehicles of registered freeport enterprises and company service cars are used for more than an aggregate period of fourteen (14) days per month outside of the freeport zone, the owner or importer shall pay the corresponding customs duties, taxes and charges.

"In the case of personally-owned vehicles of residents, including leaseholders of residences inside the freeport zone, the use of such vehicles outside of the freeport zone shall be deemed an introduction into the Philippine customs territory and such introduction shall be deemed an importation into the Philippines and shall subject such vehicles to customs duties, taxes and charges including excise tax due on such vehicle.

The Secretaries of Finance, and Trade and Industry, together with the Commissioner of Customs and the administrators of the freeports concerned, shall promulgate rules and regulations for the proper identification and control of said automobiles."

Whereas, pursuant to said Section 149, the Secretaries of Finance, and Trade and Industry, together with the Commissioner of Customs and the Clark Development Corporation , as administrator of the Clark Special Economic Zone (CSEZ), have agreed to jointly promulgate rules and regulations for the proper identification, control, and use of vehicles imported duty-free into the Clark Special Economic Zone (CSEZ).

NOW, THEREFORE, by virtue of the powers vested under Section 149 of Republic Act No. 8424, the Secretaries of Finance, and Trade and Industry, together with the Commissioner of Customs and the Clark Development Corporation (CDC), as administrator of the Clark Special Economic Zone (CSEZ), have agreed to jointly promulgate rules and regulations for the proper identification, control, and use of vehicles imported duty-free into the Clark Special Economic Zone (CSEZ).

NOW, THEREFORE, by virtue of the powers vested under Section 149 of Republic Act No. 8424, the Secretaries of Finance, and Trade and Industry, together with the Commissioner of Customs and the Clark Development Corporation (CDC), administrator of the Clark Special Economic Zone (CSEZ), herewith issue the following rules and regulations:

SECTION 1. Scope — All vehicles which were imported tax and duty free into the Clark Special Economic Zone pursuant to R.A. 7227 otherwise known as the Bases Conversion Act of 1992 for use by the CSEZ registered enterprises and/or its expatriates/investors shall be covered by these rules and regulations.

SECTION 2. Definition of Terms — As used in this Circular, the following shall be construed to mean:

- a. Tax-exempt Vehicles** — Those vehicles which were imported tax and duty free into the Clark Special Economic Zone (CSEZ) pursuant to R.A. 7227 otherwise known as the Bases Conversion and Development Act of 1992.
- b. Utility Vehicles** — vehicles which are indispensable in the conduct and operations of the CSEZ registered enterprises' authorized business activities, such as delivery trucks and cargo vans with gross vehicle weight above three (3) metric tons.
- c. Tourist/Service Vehicles** — vehicles which are owned by tourist-oriented CSEZ registered enterprises and utilized exclusively for the purpose of transporting tourists in tourism-related activities.
- d. Company/Service Vehicles** — vehicles which are owned/imported by CSEZ registered enterprises for the use and service of its expatriates/investors.
- e. Personally-Owned Vehicles** — vehicles of residents inside the CSEZ, including leaseholders of residences inside the zone.
- f. Zone Registered Enterprises** — enterprises and companies which are duly registered by Clark Development Corporation (CDC) to engage in business or operate project(s) in the CSEZ.