

[**EXECUTIVE ORDER NO. 419, June 16, 1997**]

DECLARING A MORATORIUM ON THE ESTABLISHMENT OF DUTY-FREE STORES/OUTLETS IN THE PHILIPPINES

WHEREAS, Republic Act No. 7227 established among others, the Subic Bay Freeport Zone and Clark Special Economic Zone, to encourage, promote and accelerate the industrial, economic and social development of Central Luzon in particular and the country in general;

WHEREAS, pursuant to Executive Order Nos. 80, 97 and 97-A, business enterprises operating inside the Special Economic and Freeport Zones (SEFZs) of Subic and Clark have been granted tax and duty free incentives on their importations of raw materials, capital goods and equipment brought into the Subic and Clark SEFZs;

WHEREAS, pursuant to said policy, duty free stores/outlets have proliferated and product lines have expanded, further broadening the entry of duty free goods into the domestic economy;

WHEREAS, there is an urgent need to address the adverse effects on local manufacturing and retailing enterprises of these duty free goods entering through the duty free stores/outlets.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. There shall be a moratorium/suspension on the issuance of licenses/permits to operate new duty free stores/outlets in the SEFZs of Subic and Clark, until such time that the control systems as certified by the Bureau of Customs have been established. This moratorium shall cover all proposals for the issuance of new permits, opening of new stores/outlets, and expansion of existing duty free stores/outlets.

Section 2. All executive orders, letters of instructions, issuances, memoranda and proclamations which are inconsistent with the provisions of this Order are hereby repealed or amended accordingly.

Section 3. The provisions of this Order are hereby declared separable, and in the event one or more of such provisions or part thereof are declared unconstitutional, such declaration of unconstitutionality shall not affect the validity of the other provisions thereof.

Section 4. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 16th day of June in the year of Our Lord, Nineteen Hundred and Ninety-Seven.