

[DOT TOURISM ADMINISTRATIVE ORDER NO. 04-001, April 02, 2004]

**SUPPLEMENT TO TOURISM ADMINISTRATIVE ORDER NO. 89-04
AS AMENDED (IMPLEMENTING RULES AND REGULATIONS ON
THE ESTABLISHMENT, MANAGEMENT AND OPERATION OF DUTY
AND TAX FREE MERCHANDISING SYSTEM IN THE PHILIPPINES
PURSUANT TO EXECUTIVE ORDER NO. 46, S. 1986)**

WHEREAS, Executive Order No. 46 which directed the establishment and operation of a duty and tax free merchandising system mandated the Minister (Secretary) of Tourism to promulgate the rules and regulations to implement the same and to provide for the norms and guidelines to ensure that the said system is at par with international standards insofar as prices and services are concerned;

WHEREAS, by authority granted under Executive Order No. 292 (Administrative Code of 1987) and in the exercise of his power of supervision and control over the Department of Tourism and all bureaus, offices, agencies and corporations under it, the Secretary of Tourism appoints the General Manager of Duty Free Philippines;

WHEREAS, pursuant to the mandate of Executive Order No. 46, the Secretary of Tourism issued Tourism Administrative Order No. 89-04 embodying the implementing rules and regulations governing the establishment, management and operation of a duty and tax free merchandising system;

WHEREAS, Section 3 of Executive Order No. 46 further provides:

"Sec. 3 All net profits from the merchandising operations conducted pursuant thereto shall accrue to the Ministry (Department) of Tourism which shall allocate the same in accordance with existing policies and regulations."

WHEREAS, for the past eighteen years of operation, a separate accounting system for Duty Free Philippines has since been maintained and proven over the years to be the most practical, efficient and prudent manner by which the financial condition and transactions of Duty Free Philippines, as the only government instrumentality engaged in the profit-oriented consumer retailing, can be accurately presented and ascertained, accounted and effectively managed;

WHEREAS, it is necessary for the guidance of all concerned that Tourism Administrative Order No. 89-04 as amended, be supplemented to ensure that Duty Free Philippines is managed and operated up to par with retail establishments in the Philippines and around the world;