

MALACAÑANG

Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 589

EXEMPTING EXPORTERS JOINING INTERNATIONAL TRADE FAIRS, EXHIBITIONS, SELLING MISSIONS, AMONG OTHERS, FROM PAYING THE TRAVEL TAX.

WHEREAS, Republic Act (RA) NO. 7844, otherwise known as the Export Development Act of 1994, Provides, in Section 2, that the State shall evolve export development into a national effort as a policy;

WHEREAS, RA NO. 7844 strengthened and institutionalized the Export Development Council (EDC) to approve and oversee the implementation of the Philippine Export Development Plan (PEDP);

WHEREAS, the PEDP prescribes the strategies to develop and promote the exports of Philippine products and services in the international market;

WHEREAS, the PEDP identifies the participation in international trade fairs, exhibitions, outbound business matching and selling missions as export promotion strategies, and also identifies the conduct of bilateral and multilateral trade engagements as means to gain market access;

WHEREAS, in order to implement these strategies, exporters have to travel to join the trade fairs, exhibitions and missions; act as resource persons in trade negotiations; attend seminars and speaking engagements; and act as buying agents to support, promote and market Philippine export products in the global market.

WHEREAS, Section 2 of Executive Order No. 283, dated July 25, 1987, authorizes the President to exempt certain sectors from the payment of the travel tax for reasons of national interest.

NOW, THEREFORE, I, GLORIA MACAPAGAL ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Exempt Purposes. – In view of the importance of exports to the economic growth of the country, exporters shall be exempted from the payment of tax whenever they travel for the following purposes:

- a. Participation in outbound or offshore business matching and selling missions organized or duly endorsed by the Bureau of Export Trade Promotion (BETP) of the Department of Trade and Industry (DTI);
- b. Attendance in international trade fairs and exhibitions organized or duly endorsed by the Center for Trade Expositions and Missions (CITEM) of the DTI, the Export Development Council (EDC), or the accredited umbrella organization of exporters;

- c. Participation as official members of the Philippine delegation to trade negotiations and international conferences duly endorsed by the Bureau of International Trade Relations (BITR) of the DTI;
- d. Participation of agents or office representatives of buyers in promotion and marketing activities of Philippine export products in the international markets;
- e. Attendance in seminars pertaining to technology, productivity, and competitiveness enhancement duly endorsed by DTI; and
- f. Participation in international conferences relevant to international trade duly endorsed by the DTI.

SEC. 2. EDC Endorsement.- Request for availment of this exemption and the processing and issuance of the appropriate certificates shall be endorsed by the EDC upon recommendation of BETP, CITEM or the EDC-accredited umbrella organization of exporters.

SEC. 3. Procedure. – The Procedure for availing of Travel Tax Exemption for exporters shall be as follows:

- a. Exporter secures a Recommendation for Travel Tax Exemption from the relevant organization such as the EDC accredited umbrella export organization, its nearest regional chapter, BETP, CITEM or BITR.
- b. The relevant organization approves and issues the Recommendation and submits it to the EDC Secretariat.
- c. The EDC Secretariat endorses the Recommendation to the Philippine Tourism Authority (PTA).
- d. The exporter proceeds to the PTA to claim the Travel Tax Exemption Certificate which will be presented to the carrier or its agent issuing the ticket.

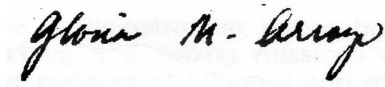
SEC. 4. Limit. – The total Travel Tax Exemption granted for this purpose shall not exceed Twenty Million Pesos (20M) annually.

SEC. 5. Separability.- Any portion or provision of this Executive Order that maybe declared unconstitutional shall not have the effect of nullifying its other portions or provisions, as long as such remaining portions can still be given effect.

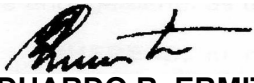
SEC. 6. Repeal. - All Executive orders, rules and regulations and other issuances or parts thereof, which are inconsistent with this Executive Order, are hereby revoked, amended, or modified accordingly.

SEC. 7. Effectively.- This Executive Order shall take effect immediately after its publication in a national newspaper of general circulation.

DONE in the City of Manila, this 8th day of December in the year of Our Lord, Two Thousand and Six



By the President:



EDUARDO R. ERMITA
Executive Secretary