

**EXPORT DEVELOPMENT COUNCIL AND DEPARTMENT OF TOURISM
JOINT MEMORANDUM CIRCULAR NO. 1
Series of 2007**

SUBJECT: RULES AND REGULATIONS TO IMPLEMENT EXECUTIVE ORDER NO. 589, EXEMPTING EXPORTERS JOINING INTERNATIONAL TRADE FAIRS, EXHIBITIONS, SELLING MISSIONS, AMONG OTHERS, FROM PAYING THE TRAVEL TAX.

Pursuant to Section 2 of R.A. 7844, otherwise known as the Export Development Act of 1994, the State shall evolve export development into a national policy. In relation thereto, the Philippine Export Development Plan (PEDP) identifies the participation in international trade fairs, exhibitions, outbound business matching and selling missions as export promotion strategies, in view of which E.O. 589 was executed, exempting exporters joining international trade fairs, exhibitions, selling missions, among others from paying travel tax. In regard thereto, this Implementing Rules and regulations is hereby issued.

Section 1. Declaration of Policy. - Recognizing that export is the lynchpin of the Philippine economy, it shall be the policy of the State to develop strategies that will promote exports of Philippine products and services to the global market.

Section 2. Designation of Agencies. - The Export Development Council (EDC) is hereby designated by the Department of Trade and Industry (DTI) to assist the Department of Tourism, particularly its attached agency, the Philippine Tourism Authority (PTA) in the monitoring, overseeing and supervision related to the implementation of Executive Order No. 589 and this Implementing Rules and Regulations.

Section 3. Coverage. - For the purpose of these rules and regulations, exporters shall be exempted from the payment of travel tax whenever they travel for any of 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.

Section 4. EDC Endorsement.- Request for availment of travel tax exemption and the processing and issuance of the appropriate certificates shall be endorsed by the EDC to the PTA upon the recommendation of the DTI, the heads of the Bureau of Export Trade Promotion (BETP), Center for Trade Expositions and Missions (CITEM), Bureau of

International Trade Relations (BITR), and Philippine Exporters Confederation, Inc. (PHILEXPORT) as the EDC-accredited umbrella organization of exporters. In cases where the heads of the above agencies are unavailable, their Assistant Directors or Deputy Executive Directors, or in the case of PHILEXPORT, its Executive Vice President and Chief Operating Officer, shall sign in their behalf.

Section 5. Procedure for availment. – Following are the procedures for availment of Travel tax exemption for exporters:

- a. Exporters secure a Recommendation for Travel Tax Exemption from the relevant organization such as the agencies mentioned in Section 4, or their nearest regional chapter. The form of the travel tax exemption can be downloaded online from <http://tradelinephil.dti.gov.ph> and shall contain the following information:
 - 1.) Exporters' name and organization or association
 - 2.) Exporters' passport number, issuance and expiry date
 - 3.) Purpose of travel (specific)
 - 4.) Destination (specific)
 - 5.) Expected date of travel (specific)
 - 6.) Name and Signature of Authorized Recommending Officer
 - 7.) Name and Signature of the EDC Approving Officer

Attached with the form are copies of the exporters' identification pages of their passport for verification purposes, letter of invitation pertinent to travel and other documents that could warrant the validity of said travel.

- b. The relevant organization evaluates and issues the Recommendation to the EDC Secretariat.
- c. The EDC Secretariat endorses the Recommendation to the Revenue Department of the PTA duly signed by its Executive Director or in case of the latter's absence, its Deputy Executive Director, as approving officer.
- d. The exporter or his/her authorized representative proceeds to the PTA to claim the Travel Tax Exemption Certificate (TTEC) which will be submitted to the carrier or its agent issuing the ticket. Exporters are also exempted from paying the processing fee of P200.00 for the TTEC as waived by the PTA.
- e. The processing time for application of travel tax exemption and issuance of travel tax certificate shall not be more than two (2) working days.

Section 6. Limitations.

- (a) The availment of the exemption granted annually shall not exceed Twenty Million Pesos (P20M). The EDC shall monitor the availment / utilization of the Exemption.
- (b) In cases wherein the exporter has already claimed the TTEC but for some reasons did not push through with the supposed travel, the unused TTEC shall be valid within the calendar year provided there is no change in destination as originally endorsed by the EDC.

If the TTEC will be used for travel to another destination, the PTA shall issue an endorsement that the TTEC is valid for travel to the new destination, subject to submission by EDC of a certification regarding change of destination. Both the TTEC and endorsement will be submitted to carrier or agency for issuance of the ticket.

Section 7. Effective Implementation. – For the Export Development Council to ensure that E.O. 589 is effectively carried out, a Technical Working Group (TWG) composed of the Export Development Council, the Department of Trade and Industry, particularly the Bureau of Export Trade Promotion, Center for International Trade Expositions and Missions, Bureau of International Trade Relations, the Philippine Tourism Authority, and PHILEXPORT, is hereby created to review and approve changes in the procedure for availment under Section 5 of these Implementing Rules and Regulations. The TWG shall conduct a meeting twice every year to evaluate compliance thereto, and to suggest solutions to problems, if any, encountered thereon.

Section 8. Effectivity. – This IRR shall take effect immediately after its publication in two newspapers of general circulation.

DONE in the City of Manila, this 23 March 2007.



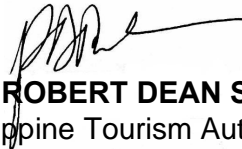
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