

EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez
2754

House Bill No. _____

EXPLANATORY NOTE

Sec 1 of Republic Act No. 4653 states that, "It shall be unlawful for any person, association or corporation to introduce into any point in the Philippines textile articles commonly known as used clothing and rags..."

However, despite this clear provision of the law, Bureau of Customs (BOC) has estimated that 1,000 container vans of used garments arrive in the country every year. These used garments enter the country illegally and are therefore not taxed which means loss of profit for the government. He further stated that if importation of used garments is finally allowed, it could earn the country an estimated P700 million in taxes and duties annually.

The BOC also questions the fact that a law is in place banning the importation of second hand apparel but every time there is a calamity, a letter from the Department of Social Welfare and Development comes requesting that these items be given to typhoon victims.

Aside from these, the ukay-ukay business has helped create jobs for thousands of Filipinos. If you assume that there are 5,000 outlets and for each outlet there are four persons, that translates to jobs for 20,000 people.

In view of the foregoing, immediate passage of this bill is earnestly requested.


RUFUS B. RODRIGUEZ

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House Bill No. **2754**

AN ACT

LEGALIZING THE IMPORTATION OF SECOND-HAND OR USED CLOTHING AND RAGS INTO THE PHILIPPINES, REPEALING, FOR THAT PURPOSE, REPUBLIC ACT 4653, OTHERWISE KNOWN AS "AN ACT TO SAFEGUARD THE HEALTH OF THE PEOPLE AND MAINTAIN THE DIGNITY OF THE NATION BY DECLARING IT A NATIONAL POLICY TO PROHIBIT THE COMMERCIAL IMPORTATION OF TEXTILE ARTICLES COMMONLY KNOWN AS USED CLOTHING AND RAGS"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Republic Act No. 4653 is hereby expressly repealed by this Act.

SEC. 2. It is hereby mandated that used clothing and other apparel shall be taxed at the following rates:

Clothing, clothing accessories, traveling rugs and blankets, household linen and furnishing articles of textile materials, footwear and headgear of any material, showing signs of appreciable wear and imported in bulk, bales, sacks or similar bulk packings:

A. Clothing	ad val. 35%
B. Others	ad val. 40%

SEC. 3. Separability Clause. – If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provisions not otherwise affected shall remain valid and subsisting.

SEC. 4. Repealing Clause. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of the Act is hereby repealed, modified, or amended accordingly.

SEC. 5. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,