



29 May 2019

**CUSTOMS MEMORANDUM CIRCULAR**

**NO. 137-2019**

To: All Deputy Commissioners  
All Directors and Division Chiefs  
All District/Port Collectors  
And Others Concerned

**Subject: Republic Act No. 11256 / Strengthening the Country's Gross International Reserves (GIR)**

Attached is a copy of Republic Act No. 11256 entitled, "An Act to Strengthen the Country's Gross International Reserves (GIR), amending for the Purpose Sections 32 and 151 of the National Internal Revenue Code, as Amended, and for Other Purposes".

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.

**REY LEONARDO B. GUERRERO**

Commissioner

JUN 06 2019



BOC-09-02449

Office of the President  
of the Philippines  
Malacañang

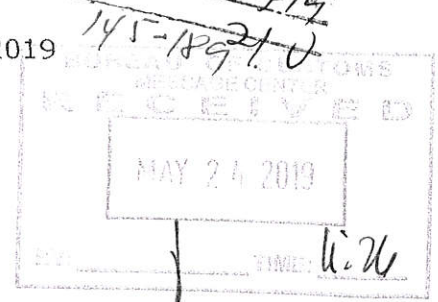


*In USEC/ASEC/C.S /  
HAAA*

MALACAÑANG RECORDS OFFICE

Internal Atty. *3/2/19*  
Received by: *VIRKY REYES*  
Date: *05/27/19*  
Time: \_\_\_\_\_

Manila, May 21, 2019



SECRETARY CARLOS G. DOMINGUEZ III  
Department of Finance  
Manila



Sir:

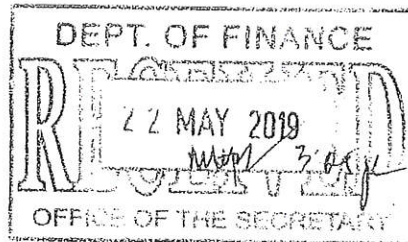
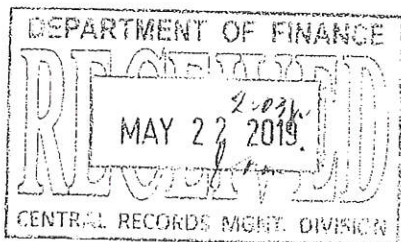
I have the honor to transmit for your information and guidance, a certified copy of Republic Act No. 11256 which was approved on March 29, 2019 entitled "AN ACT TO STRENGTHEN THE COUNTRY'S GROSS INTERNATIONAL RESERVES (GIR), AMENDING FOR THE PURPOSE SECTIONS 32 AND 151 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES".

Thank you.

Very truly yours,

*Concepcion*

ATTY. CONCEPCION ZENY E. FERROLINO-ENAD  
Director IV



S. No. 2127  
H. No. 3297

Republic of the Philippines  
Congress of the Philippines  
Metro Manila  
Seventeenth Congress  
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand eighteen.

[REPUBLIC ACT NO. 11256]

AN ACT TO STRENGTHEN THE COUNTRY'S GROSS INTERNATIONAL RESERVES (GIR), AMENDING FOR THE PURPOSE SECTIONS 32 AND 151 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES

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

SECTION 1. *Amendment of Section 32 of the National Internal Revenue Code, As Amended.* – Section 32(B)(7) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

“SEC. 32. *Gross Income.* -

“x x x

“(B) *Exclusions from Gross Income.* - The following items shall not be included in gross income and shall be exempt from taxation under this title:

“x x x

“(7) *Miscellaneous Items.* -

“x x x

“(i) *Income Derived from the Sale of Gold Pursuant to Republic Act No. 7076.* - Income derived from the following transactions pursuant to Republic Act No. 7076, otherwise known as the “People’s Small-scale Mining Act of 1991”:

“(1) The sale of gold to the Bangko Sentral ng Pilipinas by registered small-scale miners, as defined under Republic Act No. 7076, and accredited traders; and

“(2) The sale of gold by registered small-scale miners to accredited traders for eventual sale to the Bangko Sentral ng Pilipinas.”

SEC. 2. *Amendment of Section 151 of the National Internal Revenue Code, As Amended.* - Section 151 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

“SEC. 151. *Mineral Products.* -

“x x x

“(C) Notwithstanding the foregoing, gold which is sold, or eventually sold, to the Bangko Sentral ng Pilipinas, in accordance with Section 32(B)(7)(i), shall be exempt from the payment of excise tax: *Provided, however,* That if the excise

tax due thereon had been paid prior to the sale of gold to the Bangko Sentral ng Pilipinas, the taxpayer may file a claim for refund or credit with the Commissioner for the excise tax paid.”

SEC. 3. *Tax Incentives and Privileges of Small-Scale Miners.* - In addition to the foregoing, and notwithstanding the existing provisions of Republic Act No. 6938, as amended, and other applicable laws, the sale of gold by registered small-scale miners, as defined under Republic Act No. 7076, to accredited traders for eventual sale to the Bangko Sentral ng Pilipinas shall enjoy the same tax treatment and privileges given to the direct sale of gold to the Bangko Sentral ng Pilipinas under the Tax Code.

SEC. 4. *Presumption on the Source of Gold.* - All gold sold to the Bangko Sentral ng Pilipinas by accredited traders shall be presumed to have been purchased by said traders from small-scale miners.

SEC. 5. *Implementing Rules and Regulations.* - Within sixty (60) days after the effectivity of this Act, the Governor of the Bangko Sentral ng Pilipinas, the Secretary of Environment and Natural Resources, the Secretary of the Interior and Local Government and the Commissioner of Internal Revenue shall recommend to the Secretary of Finance, for promulgation, the rules and regulations necessary for the effective implementation of this Act. The rules and regulations shall include provisions for the registration and accreditation requirements of small-scale miners and traders in order to avail of the tax exemptions under this Act.

SEC. 6. *Repealing Clause.* - All laws, executive/administrative orders, rules, regulations and other issuances or parts thereof, which are inconsistent with the provisions of this Act, are hereby revoked, repealed or modified accordingly.

SEC. 7. *Separability Clause.* - Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.


SEC. 8. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

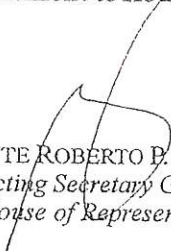
Approved,

  
VICENTE C. SOTTO III  
*President of the Senate*

  
GLORIA MACAPAGAL-ARROYO  
*Speaker of the House of Representatives*

This Act was passed by the Senate of the Philippines as Senate Bill No. 2127 on January 29, 2019 and adopted by the House of Representatives as an amendment to House Bill No. 3297 on February 6, 2019.

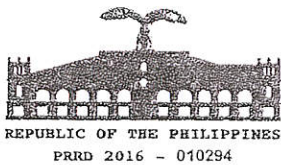
  
MYRA MARIE D. VILLARICA  
*Secretary of the Senate*


  
DANTE ROBERTO D. MALING  
*Acting Secretary General House of Representatives*

Approved: MAR 29 2019



  
RODRIGO ROA DUTERTE  
*President of the Philippines*



Office of the President  
MALACANANG RECORDS OFFICE  
**CERTIFIED COPY**  
  
ATTY. CONCEPCION ZEBY E. PERFOLINO-ORAD  
DIRECTOR IV  
By 5-21-2019