



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

March 11, 1992

CUSTOMS MEMORANDUM ORDER
NO. 32-92

TO: ALL COLLECTORS OF CUSTOMS
THE CHIEF, REVENUE ACCOUNTING DIVISION
THE DIRECTOR, COLLECTION SERVICE
THE CHIEF, COLLECTION DIVISION
AND ALL OTHERS CONCERNED

SUBJECT: REMITTANCE OF THREE PERCENT (3%) OF ALL
TAXES COLLECTED ON IMPORTED ATHLETIC
EQUIPMENT TO PHILIPPINE SPORTS COMMISSION

For the guidance of all concerned, attached hereto is a copy of Republic Act No. 6847.

Attention is called on the second paragraph of Section 26 of said Republic Act, to wit:

"To finance the country's integrated sports development program including the holding of the national games and all other sports competitions at all levels throughout the country as well as the country's participation at international sports competitions, such as, but not limited to, the Olympic, Asian, and Southeast Asian Games, and all other international and the International Federations, thirty (30) percent representing the charity fund of the proceeds of six (6) sweepstakes or lottery draws per annum, taxes on horse races during special holidays, five (5%) percent of the gross income of the Philippine Amusement and Gaming Corporation, the proceeds from the sales of stamps as hereinafter provided, the three percent (3%) of all taxes collected on imported athletic equipment shall be automatically remitted directly to the Commission and are hereby constituted as the National Sports Development Fund."

For implementation and compliance.


VICENTE A. FERIA, JR.
Deputy Commissioner

APRIL 9, 1990

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Mga Batas Republika
[REPUBLIC ACTS]

Begun and held in Metro Manila, on Monday, the twenty-fourth day of July, nineteen hundred and eighty-nine.

H. No. 901

[REPUBLIC ACT NO. 6847]

AN ACT CREATING AND ESTABLISHING THE PHILIPPINE SPORTS COMMISSION, DEFINING ITS POWERS, FUNCTIONS AND RESPONSIBILITIES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. Title of the Act.—This Act shall be known as "The Philippine Sports Commission Act."

SEC. 2. Declaration of Policy.—It is the policy of the State to promote physical education, encourage and sustain the development of sports in the country to foster physical fitness, self-discipline, teamwork and excellence for the development of a healthy and alert citizenry through a unified national sports promotion and development program, and that the establishment and creation of a single, unified and integrated national sports policy-making body shall further this objective.

SEC. 3. Creation of the Philippine Sports Commission.—To carry out the above policy, a body corporate known as the Philippine Sports Commission, hereinafter referred to as the Commission, is hereby created and established.

SEC. 4. Status of the Commission.—The Commission shall have the same status as that of a governmental regulatory national agency attached to the Office of the President with the Chairman thereof being of the same level as a department undersecretary and the Commissioners that of department assistant secretaries.

SEC. 5. Nature of the Commission.—The Commission shall exercise corporate powers. It shall have a seal, may sue and be sued, and shall be the sole policy-making and coordinating body of a amateur sports development programs and institutions in the Philippines: *Provided, That* in the case of the school sports development program, the same shall be formulated and implemented by the Department of Education, Culture and Sports (DECS) with the

S. No. 892
H. No. 3452

[REPUBLIC ACT No. 6849]

AN ACT PROVIDING FOR THE INSTALLATION, OPERATION, AND MAINTENANCE OF PUBLIC TELEPHONES IN EACH AND EVERY MUNICIPALITY IN THE PHILIPPINES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. Title.—This Act shall be known as the "Municipal Telephone Act of 1989."

SEC. 2. Declaration of National Policy.—Recognizing that the benefits of modern communication technology are as important to rural development as they are to urban areas, the State shall pursue and foster, in an orderly, purposive and vigorous manner, the interconnection of all municipalities in the country through the establishment and early realization of a nationwide network of public calling stations.

SEC. 3. Projects Office.—For purposes of administering the provisions of this Act, there is hereby created a Municipal Telephone Projects Office in the Department of Transportation and Communications (DOTC) with the following functions:

(a) Develop, in coordination with all other agencies concerned, a plan for providing public calling stations with technology capable of voice and data transmission in every municipality and, when feasible, in such barangay not otherwise served by an existing telephone exchange using appropriate technology and for this purpose formulate or cause to be formulated, engineering studies;

(b) Undertake the implementation of the said plans and programs and toward this end, to enter into contracts subject to existing laws and regulations for the procurement of equipment, construction of facilities and the installation of the system;

(c) Arrange for funding from any source, private, government, foreign or domestic, including official development assistance, bilateral and multilateral loans subject to applicable laws and regulations;

(d) Prescribe and ensure compatibility with minimum standards and regulations to assure acceptable standards of construction, maintenance, operation, personnel training, accounting and fiscal practices for the municipal telecommunications operators of public calling stations;

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assistance of the Commission within the framework of the national sports development program.

SEC. 6. Objectives of the Commission.—The objectives of the Commission are:

- (a) To provide the leadership, formulate the policies and set the priorities and direction of all national amateur sports promotion and development, particularly giving emphasis on grass-roots participation;
- (b) To encourage wide participation of all sectors, government and private, in amateur sports promotion and development; and
- (c) To supplement government appropriations for sports promotion and development.

SEC. 7. Functions of the Commission.—The Commission shall have the following functions:

- (a) Plan, implement and oversee an integrated amateur sports promotion and development program for the country, including the program for the Decade of Physical Fitness and Sports: 1990-2000, pursuant to Presidential Proclamation No. 406, in coordination with various sectors involved in sports, including, among others, the Philippine Olympic Committee, the National Sports Associations, the public and private schools, government corporations and entities, the local governments, the Armed Forces of the Philippines, and other sports organizations and private corporation;
- (b) Establish and maintain linkages with international sports associations, national sports commissions or organizations of other countries, and international nongovernmental organizations whose main objective is sports;
- (c) Plan and oversee a program to enable the Philippines to bid for and to host the Olympic Games at the earliest practicable time;
- (d) Establish, develop and maintain fully-equipped sports facilities and centers in strategic places in the country and, as far as practicable, such modern sports complexes adequate for major international competitions;
- (e) Rationalize and regulate the establishment of publicly-funded sports complexes and supervise the management and maintenance thereof, excluding school or college-owned sports complexes;
- (f) Plan and formulate programs and review or evaluate, from time to time, the organizational set-up, projects and programs of the Commission;
- (g) Develop and promulgate rules and regulations to implement this Act, including rules to delineate and define areas of responsibilities of all sectors involved in sports promotion and development, respecting the individual set-up, priorities, structure and competence of the different government and private institutions;

(h) Assist the proper government agency, in the formulation of an industry incentives program for the manufacture in the Philippines of sports equipment and supplies of international standard in quality;

(i) Provide such incentives, recognition and awards to deserving associations, athletes, referees, game officials, coaches, trainers and other persons or entities involved in or supporting sports development as may be permissible under the rules of amateurism;

(j) Recommend and propose to the Department of Education, Culture and Sports, Department of Local Government and other government agencies and instrumentalities having sports programs, to incorporate in their respective annual budgets, a separate and specific budget for sports promotion and development;

(k) Conduct basic and applied research on sports development;

(l) Conduct promotion and fund-raising campaigns in accordance with existing laws to achieve the purposes of the Commission;

(m) Encourage, promote and sustain the creation and establishment of regional, provincial, municipal and barangay or school district sports promotion and development councils, composed of officials of the Department of Education, Culture and Sports, Department of Local Government, local government officials, and representatives of the private sector, which shall initiate, conduct and coordinate sports activities in their respective jurisdictions; and

(n) Exercise such other acts as are incident to or are appropriate and necessary in connection with the creation of the Commission.

SEC. 8. Composition of the Commission.—The Commission shall be composed of a Chairman and four (4) Commissioners all of whom shall be appointed by the President.

SEC. 9. Qualifications of the Chairman and the Commissioners.—The Chairman and the Commissioners of the Commission must be citizens of the Philippines, publicly-recognized personalities in the field of sports, at least thirty (30) years of age and of good moral character.

SEC. 10. Salaries of the Chairman and Commissioners.—The Chairman shall receive an annual compensation and shall be entitled to other benefits and privileges provided under existing laws for an undersecretary of a department and the Commissioners to that of assistant secretaries.

SEC. 11. Powers of the Commission.—The Commission has the power to do all acts and things necessary to be

done for or in connection with the performance of its functions, including:

- (a) To appoint the officers and other personnel of the Commission and fix their compensation subject to existing laws, rules and regulations;
- (b) To delegate authority for the performance of any function to officers and employees under its direction;
- (c) To enter into contracts;
- (d) To acquire, use and control any land, building, facilities, equipment, instruments, tools and rights required or otherwise necessary for the accomplishment of the purposes of the Commission;
- (e) To acquire, own, possess and dispose of any real or personal property;
- (f) To regulate the acquisition, procurement, distribution and use of sportswear, equipment, instruments, tools and other sports necessities necessary and required for training of a national pool of athletes;
- (g) To assist and support national associations in the implementation of Section 13 of this Act;
- (h) To confer, extend and grant awards, benefits and privileges to athletes, coaches and officials for outstanding performances in national and international competitions;
- (i) To confer, extend and grant support or assistance to sports associations which are in good standing with the Commission;
- (j) To exercise supervisory and visitorial powers over the national sports associations in connections with their sports promotion and development programs with respect to which financial assistance is extended by the Commission;
- (k) To accept donations, gifts, bequests, and grants for the purpose of the Commission.
- (l) To ensure the implementation by various government departments and agencies of their sports promotion and development programs as indicated in their respective annual budgets;
- (m) To impose sanctions upon any national sports association, institution, association, body, entity, team, athlete and sports official for violation of its policies, rules and regulations; and
- (n) To perform any and all other acts incident to or required by virtue of its creation.

SEC. 12. *The Philippine Olympic Committee.*—The Philippine Olympic Committee (POC) which is affiliated with the International Olympic Committee is hereby recognized as the National Olympic Committee for the Philippines. It is autonomous in character.

The Philippines Olympic Committee shall maintain its primary responsibility for activities pertaining to the country's participation in the Olympic Games, Asian Games, Southeast Asian Games and other International athletic Competitions in accordance respectively with the rules and regulations of the International Olympic Committee, the Olympic Council of Asia, the Southeast Asian Games Federation and other international sports bodies.

SEC. 13. National Sports Associations. — National sports associations, organized for their respective sports in the Philippines and/or affiliated with their respective international federations which are recognized by the International Olympic Committee, are recognized as such by the Commission.

The national sports association recognized by the Commission shall be autonomous and shall have exclusive technical control over the promotion and development of the particular sport for which they are organized, subject however to the supervisory and visitorial powers of the Commission, as provided in Section 11, paragraph (j) hereof.

Each national sports association shall, by its Constitution and By-Laws, determine its organization and membership; *Provided, however,* That no team, school, club, organization or entity shall be admitted as a voting member of a national sports association unless sixty percent (60%) of the athletes composing said team, school, club, organization or entity are Filipino citizens.

The Commission recognizes the following functions, powers, duties and responsibilities of the various national sports associations:

(a) To adopt a Constitution and By-Laws not inconsistent with the Constitution and By-Laws of Philippine Olympic Committee;

(b) To raise funds by donations, benefits and other means for their purposes;

(c) To purchase, sell, lease or otherwise encumber property, real or personal, for the accomplishment of their respective purposes;

(d) To affiliate with international or regional sports associations;

(e) To conduct competitions for the promotion of their respective sports;

(f) To appoint their representative to the Philippine Olympic Committee;

(g) To decide all questions on the amateur status and discipline of the athletes and officials connected with the associations as well as the members thereof and all disputes between members;

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(h) To adopt, in coordination with the Philippine Olympic Committee, a training program for the development of the athletes and their preparation for international competitions;

(i) To select the athletes, coaches and other officials for their national teams taking into consideration not only their athletic abilities but also their discipline, moral character, aptitude and attitude;

(j) To keep accurate records of all official marks, scores and results attained by the athletes in the associations, in all competitions, as well as all results of sports competitions, recognize and confirm the same and furnish copies thereof to the Philippine Olympic Committee;

(k) To qualify and license referees, umpires and other game officials who shall officiate in competitions in their respective sports; and

(l) To perform such other acts as may be necessary for the proper accomplishment of their purposes.

SEC. 14. Executive Director.—There shall be an Executive Director who shall be appointed or designated as such by the Chairman, preferably from among the four (4) Commissioners, and shall direct and supervise the day-to-day operations of the Commission. The Executive Director shall have supervision and control over the bureau on administrative services headed by a Deputy Executive Director and the bureau on coordinating secretariat and support services, offices and sections which shall likewise be headed by a Deputy Executive Director shall be appointed by the Chairman.

SEC. 15. Qualifications of Executive Director and Deputies.—No person shall be appointed an Executive Director or Deputy Executive Director of the Commission unless he or she is a citizen of the Republic of the Philippines, at least twenty-five (25) years of age, of good moral character, a college graduate and has at least five (5) years experience in sports administration.

SEC. 16. Functions and Responsibilities of Officers and Staff.—The Administrative services bureau shall be primarily responsible for providing services related to financial management, personnel, records, supplies and equipment, while the bureau on coordinating secretariat and support services shall be primarily responsible for plans and programs formulation, research, EDP and system management public information and production, transportation, communications and such other functions and responsibilities as may be necessary and required by the Commission.

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SEC. 17. *Appointment of Staff and Employees of the Commission.*—The staff, officers and employees of the Commission shall be appointed by the Chairman of the Commission.

SEC. 18. *Tax Exemption on the Use of Sports Facilities.*—To encourage popular participation in amateur sports, no tax of any kind shall be levied on the use of sports facilities, whether the tax be on the user, owner or operator of the sports facility.

SEC. 19. *Tax Exemptions of the Commission.*—The Commission shall be exempted from the payment of customs duties, taxes and tariffs on the importation of sportswear, equipment, supplies instruments and materials, including those donated to the Commission, which are of international sports standard not available from local manufacturers and only in such numbers as may be required in the development of various sports and/or training of the national pool of athletes. The importation of sportswear, equipment, supplies, instruments and materials donated to the Philippine Olympic Committee and, through the Commission, to the various national sports associations certified under oath by the Commission to be required and necessary for the development of sports in the country shall also be exempt from the payment of customs duties, taxes and tariffs.

SEC. 20. *Tax Deduction or Exemption of Donations and Contributions.*—All donations and contributions to the Commission in connection with its fund-raising projects and its continuing sports development programs shall be exempt from the donor's taxes, and shall be deductible in full in the computation of the taxable net income of the donor. Donations and contributions to the Philippine Olympic Committee and/or the various national sports associations certified by the Commission to be pursuant to the development of sports in the country shall likewise be exempt from the payment of the donor's and estate taxes and shall be deductible in full in computing the taxable net income of the donor.

SEC. 21. *Sports Delegations.*—The Commission and its delegation or representatives to any international sports convention, conference and meeting, and athletes, coaches other officials to any international competition shall be exempt from the payment of travel tax, airport tax and any other travel related taxes or fees now or hereafter imposed by law or regulation.

SEC. 22. *Presidential Land Grant.*—The provisions of any existing law to the contrary notwithstanding, the

President may, upon the recommendation of the Secretary of Environment and Natural Resources, grant by donation, sale, lease or otherwise, to the Commission portions of the land of the public domain as may be necessary for the establishment of regional training centers in all the regions of the country and for the accomplishment of any of its purposes.

SEC. 23. Sport Facilities.—The Administration and full control of all existing sports facilities, including land, buildings and equipment, owned by the national government, as well as those owned by government funded foundations, associations and entities except liabilities, shall be transferred to the Commission: *Provided*, That the sports facilities owned by the local government units, state colleges and universities, or public schools shall remain with the said institutions or entities. In particular, the management and full control of all the land, buildings, equipment and other improvements thereon of the Rizal Memorial Sports Complex, and the Quezon City Velodrome shall be transferred to the Commission upon the effectivity of this Act.

The Commission shall have full control and management of the University of Life Sports Complex two (2) years from the effectivity of this Act; and full use of and access to the facilities of the sports complex immediately upon the organization and start of the operation of the Commission. The said sports complex include: (a) sports facilities consisting of grandstands, tennis and basketball courts, stadium oval and track and field, swimming pools, pool grandstand and viewing rooms, and related equipment and accessories; (b) ten (10) dormitory buildings, nor. A to J; (c) sub-stations, airconditioning building, control rooms, switch houses and light towers, centralized airconditioning system, standby generators and PAYX telephone system; and (d) all other sports-related equipment and support facilities: *Provided*, That the existing level of support and financial assistance for non-formal education from said complex shall continue with an annual increase of not more than ten percent (10%) per year up to December 31, 1992.

SEC. 24. Assistance by the Government Entities.—The Commission may call upon any government entity for assistance in the performance of its functions and duties. All heads of departments, agencies, corporations and offices of the government are hereby enjoinder to render full assistance and cooperation to the Commission to ensure the attainment of its objectives and the success of the national sports development program.

SEC. 25. *Abolished Agencies.*—The Gintong Alay Foundation, Project: *Gintong Alay*, and all other government-funded foundations and associations related to sports are hereby abolished and their functions, applicable, appropriations, records, equipment, property, right, claims and such other incidental things as may be necessary except liabilities are transferred to the Commission. All of the said government-funded foundations and associations related to sports must turn over all their properties and functions to the Commission and wind their respective affairs within six (6) months after the effectivity of this Act: Provided, That employees of such abolished agencies, particularly the rank and file, shall be absorbed by the Commission to the extent that it is administratively feasible.

SEC. 26. *Funding.*—In order to provide the necessary funds required for the organizational and initial calendar year of operational expenditures of the Commission, the amount of twenty-five million pesos (P25,000,000.00) from the National Treasury is hereby appropriated: *Provided*, That operating expenses for the Commission itself shall not exceed twenty percent (20%) of the annual appropriation and that at least eighty percent (80%) of said annual appropriation and all of the national sports development funds, as hereinafter provided, shall be disbursed for the national sports program, particularly in support of the identification, recruitment and training of athletes in pre-regional, regional, national and international competitions, including the implementation of the Decade of Physical Fitness and Sports: 1990-2000.

To finance the country's integrated sports development program, including the holding of the national games and all other sports competitions at all levels throughout the country as well as the country's participation at international sports competitions, such as, but not limited to, the Olympic, Asian, and Southeast Asian Games, and all other international competitions, sanctioned by the International Olympic Committee and the International Federations, thirty percent (30%) representing the charity fund of the proceeds of six (6) sweepstakes or lottery draws per annum, taxes on horse races during special holidays, five percent (5%) of the gross income of the Philippine Amusement and Gaming Corporation, the proceeds from the sale of stamps as hereinafter provided, and three percent (3%) of all the taxes collected on imported athletic equipment shall be automatically remitted directly to the Commission and are hereby constituted as the National Sports Development Fund. Further,

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the Philippine Postal Service Office, is hereby authorized to print paper and gold stamps which shall depict sports events and such other motifs as the Philippine Postal Service Office may decide, at the expense of the Commission. Any deficiency in the financial requirements of the Commission for its sports development program shall be covered by an annual appropriation passed by Congress.

SEC. 27. Repealing Clause.—All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 28. Separability Clause.—If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SEC. 29. Effectivity.—This Act shall take effect upon its approval and completion of publication in at least two (2) national newspapers of general circulation.

Approved, January 24, 1990.