



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

Eds.
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21 November 2018

CUSTOMS MEMORANDUM CIRCULAR

NO. 243 - 2018

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

Subject: EO No. 64/Reviving Barter in Mindanao

Attached is the Memorandum dated 15 November 2018 from the Department of Finance endorsing a copy of Executive Order No. 64 dated 29 October 2018 entitled: "**REVIVING BARTER IN MINDANAO, PROMOTING ITS GROWTH AND DEVELOPMENT, CONSTITUTING THE MINDANAO BARTER COUNCIL FOR THE PURPOSE**".

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 *2* NOV 26 2018

 Bureau of Customs
REY LEONARDO B. GUERRERO
Commissioner
18-00704



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 64

**REVIVING BARTER IN MINDANAO, PROMOTING ITS GROWTH
AND DEVELOPMENT, AND CONSTITUTING THE MINDANAO
BARTER COUNCIL FOR THE PURPOSE**

WHEREAS, barter is an ancient commercial practice among our people in the Southern Philippines, which continues to thrive and evolve as a living tradition until the present day;

WHEREAS, Brunei Darussalam-Indonesia-Malaysia-Philippines – East ASEAN Growth Area (BIMP-EAGA) is linked by a long history of trade and economic relations, with barter as a major form of commercial exchange;

WHEREAS, under Section 104 of Republic Act (RA) No. 10863 or the "Customs Modernization and Tariff Act," all goods imported into the Philippines shall be subject to duty upon importation, including goods previously exported from the Philippines, except as otherwise provided by law;

WHEREAS, under the ASEAN Free Trade Agreement and the ASEAN Trade in Goods Agreement (ATIGA), an Effective Preferential Tariff Scheme is instituted whereby member-states shall eliminate import duties on several products traded within the region, except for rice, corn and sugar, by 2010 for the ASEAN-6 composed of Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand, and by 2015, with flexibility until 2018, for Cambodia, Laos, Myanmar and Vietnam;

WHEREAS, Article V, Section 2(e) of RA No. 11054 or the "Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao," provides that the Bangsamoro Government shall exercise its authority over barter and countertrade, without prejudice to the general supervision of the President;

WHEREAS, consistent with the ten-point socio-economic agenda of the Administration to promote rural and value chain development, the revival of barter in Mindanao will not only create jobs and business opportunities, but also strengthen trade and commerce between and among member-states of the BIMP-EAGA;

WHEREAS, Section 17, Article VII of the 1987 Constitution vests in the President the power of control over all executive departments, bureaus and offices, as well as the mandate to ensure the faithful execution of laws;

THE PRESIDENT OF THE PHILIPPINES

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order the following:

Section 1. Creation and Mandate. The Mindanao Barter Council (MBC) is hereby established to supervise, coordinate, and harmonize policies, programs and activities on barter in the Southern Philippines. To this end, it shall perform the following functions:

- (a) Facilitate the establishment of an enabling environment conducive to the growth and development of barter in Mindanao;
- (b) Formulate and issue rules and regulations on the registration or accreditation of qualified traders authorized to engage in barter within the Barter Ports to be established pursuant hereto, including imposition of reasonable registration fees and facilitation of all documentary requirements necessary for them to avail of the zero-tariff benefits under the ATIGA;
- (c) Issue comprehensive guidelines governing barter, including, but not limited to, a mechanism for the valuation of barter goods, a list of allowable barter goods, and measures to prevent smuggling and circumvention of customs laws;
- (d) Review existing policies, rules and regulations of government agencies that affect all aspects of barter, and submit recommendations to the President and Congress; and
- (e) Perform such other functions as may be assigned by the President.

The MBC shall be attached to the Department of Trade and Industry (DTI) for policy and program coordination. It shall establish a principal office in Jolo, Sulu, as may be necessary and practicable.

Section 2. Composition. The MBC shall be composed of the DTI Secretary, as Chairperson; Chairperson of the Mindanao Development Authority (MinDA) and Commissioner of the Bureau of Customs (BOC) as Vice-Chairpersons; and representatives of the following agencies, with a rank not lower than an Assistant Secretary and with full authorization to decide on behalf of their respective agencies, as members:

- (a) Department of Finance;
- (b) Department of Foreign Affairs;
- (c) Department of Agriculture;
- (d) DTI - Autonomous Region in Muslim Mindanao;
- (e) Maritime Industry Authority;
- (f) Philippine Coast Guard; and
- (g) Philippine Ports Authority.

The MBC may call on or invite representatives from among the major Muslim ethno-linguistic groups such as, but not limited to the Tausug, Maguindanaoan, Maranaw, Yakan, and Sama, to participate in its proceedings.

Section 3. Council Secretariat. The MinDA shall provide technical, administrative and secretariat support to the MBC in the exercise of its functions under this Order.

Section 4. Barter Ports. Barter Ports shall be established in the ports of Siasi and Jolo in Sulu, and Bongao in Tawi-Tawi. Creation of Barter Ports in other areas shall be subject to the approval of the President, upon the recommendation of the MBC.

Barter Ports shall only pertain to ports accredited by the MBC in the above locations and shall exclude ports owned or operated by private individuals or entities.

The BOC and the Bureau of Internal Revenue shall establish offices in Barter Ports for systematic and streamlined processing of entry and exit of allowable barter goods.

Section 5. Allowable Barter Goods. Goods traded under the barter system shall enter Philippine territory only through Barter Ports established for the purpose. Products enjoying tariff protections and/or quantitative restrictions such as rice, corn and sugar, as well as products requiring special import permits and/or subject to standard requirements, shall remain to be regulated by applicable laws, rules and regulations.

Qualified traders of allowable barter goods shall import or export only after securing the required goods declaration or export declaration, clearances, licenses, and any other requirements prescribed under existing laws. In case of importation, submission of requirements after the arrival of goods but prior to release from customs custody shall be governed by relevant laws, rules and regulations.

Section 6. Applicability of Existing Laws. Notwithstanding the free entry of goods within the framework of the ATIGA, mechanisms established under existing laws on countertrade, prosecution of dumping protests, as well as countervailing measures, safeguards, and other trade remedies, shall remain in full force and effect.

National and local tax laws shall apply on all goods imported under this Order whose valuation, as determined by appropriate authorities, exceed the *de minimis* value of Ten Thousand Pesos (₱10,000.00), or in such threshold amount as may be adjusted by the Secretary of Finance pursuant to RA No. 10863.

Section 7. Funding Requirement. Funds for the operationalization of the MBC shall be sourced from funding sources to be determined by the Department of Budget and Management, subject to the usual government accounting and auditing laws, rules and regulations. Appropriations for succeeding years shall be incorporated in the regular budget of the DTI.

The proceeds derived from registration fees collected under this Order shall accrue to the general fund of the National Government, and shall be remitted monthly to the National Treasury.

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Section 8. Sunset Clause. Consistent with Section 2(e), Article V of RA No. 11054, and unless it is sooner dissolved by the President, the MBC shall perform its functions pursuant to this Order until the Bangsamoro Government is organized and an office on barter becomes fully operational.

Section 9. Separability. In the event that any provision of this Order or any part hereof is declared invalid, illegal or unconstitutional, the provisions not thereby affected shall remain in force and effect.

Section 10. Repeal. Executive Order No. 427 (s. 1990), Memorandum Order (MO) No. 160 (s. 1993), MO No. 304 (s. 1995), and all other orders, rules and regulations, and related administrative issuances which are inconsistent with this Order are hereby repealed, amended or modified accordingly.

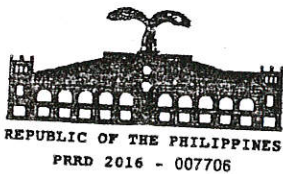
Section 11. Effectivity. This Order shall take effect upon its publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 29th day of October in the year of our Lord, Two Thousand Eighteen.

R Duterte 

By the President:


SALVADOR C. MEDIALDEA
Executive Secretary



Office of the President
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Alminda
ATTY. CONCEPCION S. DE PERALTA-SMAD
DIRECTOR IV
2018-10-29