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OCOM Memo No. 54-2024

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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MEMORANDUM

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

FROM : BIENVENIDO Y. RUBIO
Commissioner

SUBJECT : PROPER IMPLEMENTATION OF TARIFF AND POST-ENTRY
AUDIT ON SALT IMPORTATIONS PURSUANT TO REPUBLIC
ACT NO. 11985, OTHERWISE KNOWN AS THE "PHILIPPINE
SALT INDUSTRY DEVELOPMENT ACT"

DATE : 04 October 2024

Pursuant to the **Republic Act (R.A.) No. 11985** entitled "*An Act Strengthening and Revitalizing the Salt Industry in the Philippines, Appropriating Funds Therefor,*" otherwise known as the "**Philippine Salt Industry Development Act,**" and in accordance with **Customs Memorandum Circular No. 164-2024**, you are hereby directed to ensure the proper imposition of tariff on salt importations and to conduct post-clearance audit and/or post entry modification on salt importations from the time of the implementation of the said law on 27 April 2024.

For strict compliance.





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OCOM Memo No. 54-2024 P-2

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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30 September 2024

CUSTOMS MEMORANDUM CIRCULAR
NO. 164-2024

TO : ASSISTANT COMMISSIONER
ALL DEPUTY COMMISSIONERS
ALL DIRECTORS AND DIVISION CHIEFS
ALL DISTRICT AND SUB-PORT COLLECTORS
ALL OTHERS CONCERNED

SUBJECT : CUSTOMS MEMORANDUM CIRCULAR (CMC) RELATIVE TO
REPUBLIC ACT NO. 11985, OTHERWISE KNOWN AS THE
PHILIPPINE SALT INDUSTRY DEVELOPMENT ACT

This has reference to the herein attached **Republic Act (R.A.) No. 11985** dated 11 March 2024, *An Act Strengthening and Revitalizing the Salt Industry in the Philippines, Appropriating Funds Therefor*, otherwise known as the **Philippine Salt Industry Development Act**.

Significant is Section 27 thereof which provides, to wit:

Section 27. Tariff on Salt. – *There shall be levied, collected, and paid upon all imported salt a duty of **nine percent (9%) ad valorem**.*

Tariff collections shall be credited automatically to a special account with the National Treasury, which shall be in place within ninety (90) days from the effectivity of this Act, for the purpose of developing the salt industry.

Salt imports include imported products under the following HS headings or AHTN Codes, the Descriptions:

2501 - Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution of containing added anti-caking or free flowing agents; sea water.

- 2501.00.10 - Table salt
- 2501.00.20 - Unprocessed rock salt
- 2501.00.50 - Sea water
- Other
- 2501.00.51 - Salt, denatured, industrial
- 2501.00.91 - With sodium chloride content more than 60% but less than 97%, calculated on a



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	<i>dry basis, fortified with iodine.</i>
2501.00.92	- Other, with sodium chloride content 97% or more but less than 99.9%, calculated on a dry basis.
2501.00.99	- Other

Attached hereto is a copy of R.A. No. 11985 as Annex "A" for reference.

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

For your guidance and reference.

BIENVENIDO X. RUBIO
Commissioner



S. No. 2243

H. No. 8278

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Republic of the Philippines
Congress of the Philippines

Metro Manila

Nineteenth Congress

Second Regular Session

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

[REPUBLIC ACT NO. **11985**]

AN ACT STRENGTHENING AND REVITALIZING
THE SALT INDUSTRY IN THE PHILIPPINES,
APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as
the “Philippine Salt Industry Development Act”.

SEC. 2. *Declaration of Policy.* – It is the policy of the
State to promote rural development based on sound agricultural
productivity, increase in rural income through enterprises that
make full and efficient use of human and natural resources,
and which are competitive in both domestic and foreign
markets. For this purpose, the State shall provide support
through appropriate technology and research, and adequate

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financial, production, marketing, and other support services to revitalize the salt industry, attain increased production by salt farmers and salt producers, achieve salt self-sufficiency, and become a net exporter of salt.

It is further the policy of the State to preserve, protect, and rehabilitate the natural environment in the actualization of its developmental policies.

SEC. 3. *Definition of Terms.* -- For purposes of this Act:

(a) *Artisanal salt* refers to locally produced unrefined salt, derived directly from a living sea or ocean, using traditional methods. It retains natural traces of minerals coming from sea water, and is produced by traditional or community-based enterprises;

(b) *Artisanal salt producer* refers to one who utilizes traditional methods of production using non-mechanized means;

(c) *Food-grade salt* refers to salt for human consumption;

(d) *Industrial salt* refers to salt used in the treatment, processing, and/or manufacture of non-food commercial products;

(e) *Iodized salt* refers to ordinary salt with fortificant potassium iodate (KIO_3);

(f) *Salt* refers to an unrefined salt derived directly from a living sea or ocean, harvested through the process of cooking, smoking or solar evaporation. Regardless of the manner of production, it retains natural traces of minerals coming from sea water;

(g) *Salt farms* refer to areas of land, shorelines, or coastal areas, including their buildings, machineries, and equipment, used in salt production. Salt farms may be classified as:

(1) *Individual salt farm* -- salt farm of not more than fifty (50) hectares; or

(2) *Corporate or cooperative/association salt farm* -- salt farm of not more than two hundred fifty (250) hectares;

(h) *Salt producer* refers to an individual, corporation, cooperative or association involved in the production of salt. Local salt producers shall be categorized as follows:

(1) Subsistence producer/manufacturer – a person or association engaged in the production, trade, and distribution of salt not exceeding two (2) metric tons (MT) per year;

(2) Small producer/manufacturer – a person, corporation, or association engaged in the production, trade and distribution of salt ranging from more than two (2) MT to three hundred (300) MT per year;

(3) Medium producer/manufacturer – a person, corporation, or association engaged in the production, trade, and distribution of salt ranging from more than three hundred (300) MT to two thousand (2,000) MT per year; or

(4) Large producer/manufacturer – a person, corporation, or association engaged in the production, trade, and distribution of salt exceeding two thousand (2,000) MT per year; and

(i) *Salt production* refers to the process of generating salt from salt water utilizing solar evaporation or cooking and other acceptable methods.

SEC. 4. *Philippine Salt Industry Development Roadmap (Salt Roadmap)*. – For the attainment of the objectives of this Act, there shall be formulated and established a Philippine Salt Industry Development Roadmap (Salt Roadmap), which shall include, but not be limited to, programs, projects and interventions for the development and management, research, processing, utilization, business modernization, and commercialization of Philippine salt: *Provided*, That the Salt Roadmap shall be aligned with the objectives and continued implementation of Republic Act No. 8172 or “An Act for Salt Iodization Nationwide (ASIN)”, which shall include the mandatory iodization of all food-grade salt and shall have the following objectives, among others:

(a) Increase salt production in order to attain salt self-sufficiency, and become a net exporter of salt;

(b) Encourage salt farming and expand the number of salt-producing areas;

(c) Ensure the sustainable production, management and harvesting, and soil and water conservation practices in salt-farming areas;

(d) Promote public and private investments in the salt industry development programs;

(e) Ensure the sustainability and viability of the salt industry through the establishment of cooperatives among salt farmers and salt producers in order to optimize local production and improve access to government interventions, assistance, and incentives;

(f) Advance market access for Philippine salt products locally and internationally;

(g) Support research and development (R&D) activities for salt production and processing and introduce new and appropriate technology based on R&D outputs;

(h) Ensure regular funding for salt production, processing, commercial and marketing programs and projects and provide technical and financial assistance in the local design and fabrication of high-capacity processing equipment and machineries for the salt industry and salt iodization; and

(i) Provide continuous training and capacity building in the salt industry development.

SEC. 5. *Creation of Philippine Salt Industry Development Council (Salt Council).* – To ensure the unified and integrated implementation of the Salt Roadmap and accelerate the modernization and industrialization of the Philippine salt industry, a Salt Council is hereby created with the following composition:

(a) Secretary of the Department of Agriculture (DA), as Chairperson;

(b) Secretary of the Department of Trade and Industry (DTI) as Vice-Chairperson;

Members:

(c) Director of the Bureau of Fisheries and Aquatic Resources (BFAR);

(d) Secretary of the Department of Environment and Natural Resources (DENR);

(e) Secretary of the Department of Science and Technology (DOST);

(f) Secretary of the Department of Health (DOH);

(g) Secretary of the Department of Tourism (DOT);

(h) Secretary of the Department of Public Works and Highways (DPWH);

(i) Secretary of the Department of Labor and Employment (DOLE);

(j) Chairperson of the Cooperative Development Authority (CDA);

(k) Executive Director of National Fisheries Research and Development Institute (NFRDI);

(l) One (1) representative each from the League of Provinces of the Philippines, League of Cities of the Philippines, and League of Municipalities of the Philippines of salt-producing areas;

(m) One (1) representative from the private sector engaged in salt-production business; and

(n) Three (3) representatives from the salt farmer cooperatives, two (2) representing Luzon and one (1) representing Visayas and Mindanao:

Provided, That the respective agencies may designate their permanent representatives whose rank shall not be lower than an Assistant Secretary: *Provided, further*, That the representatives from business sector shall be chosen by BFAR from a list of three (3) nominees submitted to it by the sector;

and the representatives from the cooperatives shall be chosen by BFAR from a list of five (5) nominees for Luzon and three (3) for the Visayas and Mindanao submitted to it by the salt farmers' cooperatives: *Provided, finally,* That one-third (1/3) of all the members of the Salt Council shall constitute a quorum.

SEC. 6. *Functions of the Salt Council.* - The Salt Council shall have the following powers and functions:

(a) Formulate the five (5)-year Salt Roadmap, which shall contain the short-term, medium-term, and long-term development plan (Development Plan) for the industry, which shall be updated yearly, or earlier, as determined by the Salt Council;

(b) Identify specific and priority programs and projects in support of, and in line with, the Salt Roadmap;

(c) Provide development funds and technical assistance to salt farmers and the industry. The support shall be commensurate to the size of the salt farm;

(d) Implement the mechanization of salt production process through the provision of machinery and equipment such as, but not limited to, harvesters, and motorized pumps to reduce operational cost;

(e) Identify sources of financing and facilitate credit windows with government banks and the Agricultural Credit Policy Council (ACPC) to expand the salt industry development;

(f) Increase production of local salt by increasing land area devoted to salt and improving farm productivity;

(g) Institutionalize capacity building for salt farmers through the BFAR provincial offices under the Fisheries Post-Harvest Technology Division (FPHTD);

(h) Strengthen market linkage and promotion of Philippine salt;

(i) Conduct continuing R&D on innovation and modernization of the salt industry;

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- (j) Establish an agri-insurance program for salt producers;
- (k) Submit annual reports, not later than June 30, to the Office of the President and to each House of Congress, on the status of the implementation of the Salt Roadmap and the salt industry development in the country;
- (l) Recommend to the Department of Budget and Management (DBM) the required yearly appropriations for the plan and implementation of the salt development programs;
- (m) Promulgate such rules and regulations, and exercise such other powers and functions, as may be necessary to carry out the objectives of this Act; and
- (n) Constitute the staffing complement of the Program Management Office Secretariat with the power to create and abolish positions.

SEC. 7. *Creation of a Program Management Office (PMO).* - The DA, through the BFAR, shall lead in the implementation of the Development Plan. Towards this end, a PMO is hereby created under the Office of the BFAR Director to oversee the overall implementation of the Development Plan and the monitoring of its execution by the implementing agencies and/or partners. Further, the PMO shall also assume and perform secretariat functions such as to coordinate and manage the regular meetings of the Salt Council, prepare and/or consolidate reports, monitor the implementation of policy decisions that the Salt Council has adopted, and liaise with all the member departments and relevant agencies of the government. The PMO shall have a staff complement, as approved by the Salt Council.

SEC. 8. *Salt as an Aquatic Resource Product.* - Salt, unprocessed or processed, is hereby classified as an aquatic resource product and shall be exempt from all taxes.

The DA shall also ensure that salt is a priority commodity to be produced locally in areas or regions identified in this Act. The required resources shall be allocated by the DA for this purpose.

SEC. 9. *Mapping and Determination of Public Lands for Salt Production; Role of the DENR and BFAR.* – Most areas suitable for salt production are public lands which are currently within the administrative jurisdiction of the DENR and the BFAR.

Pursuant to this Act, the DENR through its appropriate bureaus and its attached agency, the National Mapping and Resource Information Authority (NAMRIA), and the BFAR are hereby mandated to map out, identify, and designate public lands, including portions of municipal waters, as salt production areas. They shall prioritize public lands situated in the following provinces that are identified as suitable for salt production, namely: Ilocos Norte, Ilocos Sur, La Union, Pangasinan, Zambales, Bataan, Occidental Mindoro, Oriental Mindoro, Palawan, Marinduque, Quezon Province, Misamis Oriental, and Antique, which are now hereby declared as priority areas for salt production. They shall finish the task within sixty (60) days from the effectivity of this Act: *Provided*, That public lands in other regions shall also be subsequently mapped out, identified and designated as potential salt production areas, within six (6) months from the effectivity of this Act: *Provided, further*, That the result of the mandatory mapping, identification, and designation of public lands for salt production shall be shared with the public, through the DENR and BFAR websites or otherwise, as their respective agency rules shall allow, so as to inform interested salt industry investors: *Provided, furthermore*, That they shall also provide a report on the completion of this mapping, identification, and designation to both Houses of Congress through the Congressional Oversight Committee on Agriculture and Fisheries Modernization (COCAFAM).

SEC. 10. *Transfer of Public Lands Identified as Suitable for Salt Production from DENR to BFAR.* – The DENR is hereby mandated to transfer public lands mapped out, identified, and designated as suitable for salt production under its administrative jurisdiction to BFAR. It shall do so within ninety (90) days from the effectivity of this Act.

SEC. 11. *Allocation and Use of Public Lands for Salt Production; Role of BFAR; Miscellaneous Provisions.* – BFAR is hereby mandated to allocate public lands for salt production to qualified salt producers. For this purpose, it shall issue a

tenurial instrument (herein referred to as the Salt Production Tenurial Instrument or SPTI) to qualified salt producers for the use of these public lands, certified copies of which shall be furnished the Salt Council through the PMO: *Provided*, That tenurial instruments on public lands already issued to private entities shall be respected: *Provided, further*, That tenurial instruments issued for salt production shall be strictly used only for the purpose for which it was granted, and that public land with salt farms shall not be converted to other uses, other than for fisheries and aquaculture purposes: *Provided, furthermore*, That the procedure for such issuance shall take into utmost consideration Republic Act No. 11032 or the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018": *Provided, finally*, That the BFAR shall maintain a digital database of all applicants and holders of SPTI to ensure integrity of data, stronger data protection, and convenient data access.

(a) *Salt Production Tenurial Instrument (SPTI)*. An application for an SPTI on a public land for salt farm production shall be submitted to BFAR. BFAR shall issue the SPTI to qualified salt producers, which shall indicate, *inter alia*, the following:

(1) Name and other relevant information about the grantee;

(2) Terms and conditions in the use of the salt farm;

(3) Period of use of the public land on which the salt farm is located;

(4) Conditions for termination, which shall include an undertaking to start salt farm construction and operation within one (1) year from the approval and granting of the SPTI and to protect and preserve critical habitat for marine life in the area; and

(5) Metes and bounds of the salt farm.

Provided, That nothing herein shall be added that contradicts the principles and provisions of Republic Act No. 11032: *Provided, further*, That new/renewal/transfer of application for SPTI shall be submitted to the BFAR Provincial Office, which

shall process and issue the SPTI applied for within forty-five (45) days from the complete submission of the three (3) requirements enumerated in subparagraph (b) of this section, failure in the issuance of which shall render the application approved and BFAR shall immediately issue the SPTI applied for to the applicant: *Provided, furthermore,* That the SPTI shall bear only the signature of the Regional Director and the BFAR Director.

(b) *Qualification of Salt Producers Applying for SPTI.* The BFAR shall approve application for SPTI on the bases of only the following three (3) requirements:

(1) Certificate of Registration as a salt producer, secured under Section 13 of this Act;

(2) The applicant has an outstanding track record of engaging in salt farm business or other related business for at least three (3) years, or has an actual experience in salt production for at least three (3) years: *Provided,* That cooperatives/associations of subsistence and small salt producers/farmers may present certification and endorsement from the local government units (LGUs) within which their intended salt farm will be established of their capability to manage and operate a salt farm, in lieu of the three (3)-year period requirement; and

(3) Payment of rental fee for the use of said public land in the amount equal to current rates exacted by BFAR on the use of these public lands:

Provided, That cooperatives/associations of subsistence and small salt producers/farmers shall be given preferential treatment in the grant of SPTI and shall be allowed rent-free use of the public land on which the salt farm and its facilities are built for a period of three (3) years from the start of salt farm operations: *Provided, further,* That said cooperatives/associations shall present authenticity of the nature and composition of its members through a certification from the local office of the Department of Social Welfare and Development (DSWD) and the LGU of residence: *Provided, furthermore,* That misdeclaration or falsification or any other false deed to conceal the real nature and composition of its

members shall render its officers liable for criminal acts under existing laws.

(c) *Period of Use of Public Land for Salt Farm.* The salt producer with an SPTI shall be allowed use of public land for salt production for twenty-five (25) years, renewable for another twenty-five (25) years: *Provided*, That the lease agreement shall be subject to early termination upon a determination by BFAR, upon due process, of the grantee's violation of the provision(s) of the SPTI.

(d) *Limitations on the Size of Salt Farms.* Individuals may lease up to fifty (50) hectares of salt farms. Corporations or cooperatives/associations may lease up to two hundred fifty (250) hectares. A lease applicant may apply for a lease for more than one (1) area and hold several lease agreements, but in no case shall the total area of such multiple lease agreements exceed the limits prescribed under this provision.

SEC. 12. *Utilization of Public Lands Already Issued Fishpond Lease Agreements (FLAs) for Salt Production; Other Forms of Public Land Possession.* - Fishpond Lease Agreements (FLAs) issued by BFAR before the enactment of this law may now include salt production as among the valid activities that may be undertaken by the leaseholder: *Provided*, That if the lessee so decides to engage in salt production, such lease agreement, or such portion of that public land under the FLA to be used for salt production, shall be governed by the provisions of this Act. In such case, the already issued FLA shall be amended accordingly to reflect salt production: *Provided*, That the period in the amended FLA for salt production shall state the full twenty-five (25)-year period.

If other public lands identified for salt production purposes under this Act are already in the possession of private entities, BFAR shall notify the possessor that such public land has been identified as suitable for salt production, and if the possessor shall accede to develop such public land into salt production area, then the process of developing the area into salt production shall continue in accordance with the provisions of this Act.

SEC. 13. *Registration as Salt Producer; Control Measures.* - All salt producers, whether holders of SPTI or

otherwise, shall register with the BFAR: *Provided*, That the Food and Drug Administration (FDA) shall retain its jurisdiction over the registration of salt for human consumption as provided under Republic Act No. 8172, and Republic Act No. 10611 or the "Food Safety Act of 2013". The following are the qualification requirements for registration:

(a) For Cooperatives/Associations

(1) Existing

(i) Certification as Existing Salt Producer from the LGU where the salt farm operates;

(ii) Certificate of Registration from CDA for cooperatives, or from LGU where the farm site is located for farmers' association;

(iii) Production record for the immediately preceding year; and

(iv) Affidavit from applicant of existence of at least fifty (50) members.

(2) New Registrants

(i) Certificate of Registration from CDA for cooperatives, or from LGU where the proposed farm site is located for farmers' association;

(ii) Business plan;

(iii) Farm Site Inspection Report from the Provincial Fisheries Officer (PFO); and

(iv) Affidavit from applicant of existence of at least fifty (50) members.

(b) For Corporations

(1) Existing

(i) Securities and Exchange Commission (SEC) registration;

(ii) Certification as Existing Salt Producer from the LGU where the salt farm operates;

(iii) Updated tax payment record; and

(iv) Proof of SSS, Pag-IBIG, PhilHealth remittances.

(2) New Registrants

(i) SEC registration;

(ii) Business plan; and

(iii) Farm Site Inspection Report from the PFO.

(c) For Individuals/Artisanal

(1) Existing

(i) Certificate as a Salt Producer from the LGU, and indication as artisanal, if applicable; and

(ii) Production report for the immediately preceding year.

(2) New Registrants

(i) Business plan; and

(ii) Farm/Production Site Inspection Report from the PFO.

Registration shall be renewed every three (3) years.

Upon complete submission of the qualification requirements, BFAR shall issue the Certificate of Registration as a salt producer, or a notice of the denial of the application for registration, accompanied by an explanation for such denial, within forty-five (45) days from completion. The failure of BFAR to act on the application renders the application approved, and it shall immediately issue the said Certificate of Registration. An appeal for such denial shall be filed with the BFAR Director within fifteen (15) days from receipt of

Notice of Denial, which in turn shall be decided with administrative finality by the Director, within fifteen (15) days from filing.

SEC. 14. *Support for the Development of Salt Farms and Salt Producers.* – The DA-BFAR, in consultation with individuals, corporations, associations, and cooperatives from the salt industry, shall provide technical support in the development and operation of existing salt farms. It shall assist in the design of salt farms of cooperatives/associations.

BFAR is hereby mandated and authorized to grant material and technical assistance to salt farms of cooperatives/associations through its own projects and programs for the salt industry, on the following concerns:

- (a) Establishment of salt farm warehouses;
- (b) Provision of inputs for salt development, machinery, and equipment;
- (c) Conduct of extension services;
- (d) Establishment and strengthening of salt producers cooperative; and
- (e) Development of modern salt production and processing technology.

This mandate shall be funded out of the tariff collection on imported salt as provided in Sections 27 and 28 of this Act. The BFAR shall institutionalize the Development of Salt Industry Program (DSIP) as a regular program funded by the General Appropriations Act (GAA) and shall cover the interventions that are not included for funding by the Salt Industry Development and Competitiveness Enhancement Fund (SIDCEF) over and above the regular budget of BFAR under the GAA.

SEC. 15. *Construction of Salt Farm Roads.* – Consistent with the Development Plan, the DA-BFAR, in coordination with the LGUs and the resident salt producers, shall identify priority locations of roads linking the salt farms to the market,

which shall be known as *Daan Asinan*. In the construction of the *Daan Asinan*, the DA-BFAR shall consider the investment cost for salt production in the area, the number of salt producers and their families who shall benefit from the venture, and the amount of salt produced or to be potentially produced in the salt production areas. Thereafter, the DA-BFAR shall coordinate with the DPWH for the latter to undertake the construction, improvement, and maintenance of the *Daan Asinan*.

SEC. 16. *Research and Promotion of Salt Farming Methodologies and Techniques.* – The DA-NFRDI, in close coordination with the DA-Philippine Center for Postharvest Development and Mechanization (DA-PhilMech), shall spearhead the development of the latest technology in salt production, particularly technology that allows year-round production of salt even under erratic weather patterns. It shall also encourage the mechanization of salt production from pre- to post-harvest and develop technologies that promote alternative methods and cost-effective techniques in salt production.

The DA-NFRDI shall immediately transfer the results of their completed study/technology/product to salt producers/manufacturers.

SEC. 17. *Extension Programs.* – The BFAR, in coordination with the DTI, DOST, DOLE, Technical Education and Skills Development Authority (TESDA) and other relevant government agencies, shall provide complementary training programs that shall develop and upgrade the skills and competencies of Philippine salt producers, ensure product traceability and compliance to food safety, hasten technology acquisition including product labelling and packaging, enhance skills on market positioning for Philippine artisanal/specialty and industrial salts and such other capabilities necessary in the maintenance and development of the local salt industry.

SEC. 18. *Corps of Salt Production Trainers.* – Within thirty (30) days from the effectivity of this Act, BFAR shall form the Corps of Trainers for salt production, whose members shall be recruited from BFAR personnel in the provinces, under the FPHTD; experts from state universities and colleges (SUCs) with a track record for studying and researching on

salt production and post-production techniques and technology; experts from Agricultural Training Institute (ATI); and from practitioners in actual salt farm production in the country. The corps members shall be tasked to help out in the establishment of salt farms in areas designated as such by this Act. BFAR shall spend for their travel, lodging, *honoraria* and other necessary expenses, within existing budgetary rules.

SEC. 19. *Salt Farmers Cooperatives and Associations.* - The CDA shall assist in the formation, organizational strengthening, and financial literacy of cooperatives and their local salt farmers-members and producers. It shall aim to build capabilities of cooperatives and associations to leverage their own resources, run sustainable operations, and increase the number of successful cooperative-managed salt farms in the country.

SEC. 20. *Trade and Export Assistance.* - The DTI and the DA shall assist and support local salt producers in the trade and exportation of their product. They shall enhance the capabilities and global competitiveness of potential and existing producers and exporters through export financing; business matching; provision of trade and market information; promotion of locally produced salt to local and international markets; organization of trade fairs and business missions; conduct of seminars, workshops, conferences and symposium on export-related subjects, including export documentation and procedures; product design and development; and market and product consultancy. The government shall give preference to locally produced salt in government purchases.

SEC. 21. *Role of LGUs.* - LGUs shall, as far as practicable, establish their respective Salt Industry Development Task Force (Salt Task Force). LGUs shall regularly conduct a survey of existing salt farms and salt processing enterprises in their respective localities.

LGUs, in cooperation with the DENR, BFAR, DA-NFRDI, and DTI and the appropriate DOST Regional Office, shall identify appropriate areas for local salt production in their respective localities.

SEC. 22. *Importation of Salts.* – No person shall import salt without first securing a permit from the following agencies:

- (a) DA-BFAR and DOH-FDA for food grade salt; and
- (b) DA-BFAR for non-food grade salt.

The DOH-FDA and DA-BFAR are hereby mandated to harmonize and streamline their processes.

SEC. 23. *Mandatory Use of Domestically Produced Salt.* – The government shall mandate the use of domestically produced salt in its programs, including the fertilization of coconut farms by the Philippine Coconut Authority (PCA).

SEC. 24. *National Iodization Program.* – Notwithstanding the provisions of Republic Act No. 8172, iodization of artisanal and non-food grade salt and salt intended for export is hereby rendered optional in the country. The use of artisanal salt by food manufacturers and food establishments shall be allowed.

The salt produced by salt farmers shall not be automatically categorized as food grade, nor shall the burden of iodizing salt be on the salt farmers.

Food grade salt may be sold by farmers to salt processors in compliance with this Act provided that iodization shall be done by the processors.

Importers, traders and distributors of imported food-grade salt that will undertake fortification shall comply with the iodization standards set by the DOH.

For this purpose, the DOH shall develop guidelines for the implementation of this new mandate, taking into consideration international trade nuances and standards impacting on local food manufacturers and exporters.

The BFAR-FPHTD is hereby tasked to develop and implement a comprehensive program for the acquisition, design, and manufacture of salt iodization equipment, and the further development of salt iodization technology.

SEC. 25. *Labeling of Salt Made in the Philippines.* – All salt produced or manufactured in the Philippines for export shall be labeled as “Made in the Philippines” in a prominent and conspicuous manner on the product, its packaging, and accompanying documentation, and shall comply with the requirements of Republic Act. No. 7394, otherwise known as the “Consumer Act of the Philippines”.

For domestically produced salt intended for the local market, salt manufacturers, producers or farmers are encouraged to provide a label “Made in the Philippines”.

The DTI shall assist domestic salt manufacturers, producers or farmers on this labeling requirement.

SEC. 26. *Incentives.* – The following incentives shall be provided to investors in salt farms development and salt processing facilities:

(a) The Board of Investments shall classify salt farms as preferred areas of investment under its Investment Priorities Plan (IPP) subject to pertinent rules and regulations;

(b) Salt farm owners, salt processors and other related businesses shall be exempt from the payment of import duties for imported machines and equipment to be actually and directly used in their businesses, subject to pertinent rules and regulations;

(c) The salt producers and processors shall be given priority to access credit assistance and guarantee schemes granted by government financial institutions (GFIs); and

(d) Salt farm development and their equipment shall be covered by the Philippine Crop Insurance Corporation.

SEC. 27. *Tariff on Salt.* – There shall be levied, collected, and paid upon all imported salt a duty of nine percent (9%) *ad valorem*.

Tariff collections shall be credited automatically to a special account with the National Treasury, which shall be in place within ninety (90) days from the effectivity of this Act, for the purpose of developing the salt industry.

Salt imports include imported products under the following HS headings or AHTN Codes, the Descriptions:

2501 – Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution of containing added anti-caking or free flowing agents; sea water.

- (a) 2501.00.10 - Table salt
- (b) 2501.00.20 - Unprocessed rock salt
- (c) 2501.00.50 - Sea water
- (d) - Other
- (e) 2501.00.51 - Salt, denatured, industrial
- (f) 2501.00.91 - With sodium chloride content more than 60% but less than 97%, calculated on a dry basis, fortified with iodine.
- (g) 2501.00.92 - Other, with sodium chloride content 97% or more but less than 99.9%, calculated on a dry basis.
- (h) 2501.00.99 - Other

SEC. 28. *Creation of the Salt Industry Development and Competitiveness Enhancement Fund (SIDCEF).* – The SIDCEF is hereby created from the salt tariff collections special account with the National Treasury. The SIDCEF shall exist for the next ten (10) years following the effectivity of this Act.

The allocation and utilization of the SIDCEF shall be subject to the following guidelines:

(a) The SIDCEF shall be earmarked, released, and implemented as follows:

(1) Provision of machinery and equipment, including sea water pumps, salt graders, salt harvesters, dump trucks and bagging machines, and salt iodization machines for beneficiaries who are into salt iodization; fifty percent (50%); to be utilized and implemented by BFAR;

(2) Establishment of salt farm warehouses/storage areas; forty percent (40%); to be constructed and implemented by DPWH;

(3) Conduct of extension services; five percent (5%); to be utilized and implemented by BFAR provincial offices; and

(4) Development of modern salt production and processing technology; five percent (5%) to be utilized and implemented by NFRDI:

Provided, That the beneficiaries of the SIDCEF are the salt cooperatives/associations of subsistence and small farmers fisherfolk: *Provided, further*, That the earmarking percentage shall be reviewed at the end of the fifth (5th) year following the effectivity of this Act, without prejudice to an earlier review if deemed necessary, for possible revisions and upgrading based on changes in intervention priorities: *Provided, furthermore*, That the allocation and disbursement of funds shall focus on the provinces that have the most number of salt farms;

(b) At the end of the fifth (5th) year from the effectivity of this Act, a mandatory review shall be conducted by the COCAFMM to determine whether SIDCEF and its use as provided for under this Act shall be continued, amended, or terminated. The COCAFMM shall utilize the increase or decrease in farmers' incomes as a primary benchmark in determining the effectiveness of the interventions under the SIDCEF and its possible extension;

(c) The Secretary of the DA and the BFAR Director shall be accountable and responsible for the management and utilization of the said fund in coordination with the other government agencies concerned;

(d) The amount allocated shall be released directly to the implementing agencies as provided for in this Act based on the objectives of the Salt Roadmap: *Provided*, That the unutilized portion of the SIDCEF shall not revert to the general fund but shall continue to be used for the purpose for which it was set aside. The fund releases shall not be subject to any ceiling by the DBM; and

(e) Any program undertaken in accordance with this Act shall only be deemed complementary and supplementary to, and shall not be a replacement of, any existing programs for the fisherfolk already implemented by the DA-BFAR and other agencies concerned.

SEC. 29. *Powers of the President.* – Notwithstanding Section 27 of this Act and consistent with the Philippine national interest and the objective of safeguarding local salt producers and consumers, the President is hereby empowered to act with full delegated authority subject to the provisions of the Customs Modernization and Tariff Act (CMTA), in the following circumstances:

(a) The President may revise or adjust existing rates of customs duties on salt imports consonant with the country's international agreements, including any necessary change in classification applicable to their importation: *Provided*, That the adjustment is time-bound and that the power herein delegated to the President shall only be exercised when Congress is not in session: *Provided, further*, That any order issued by the President adjusting the applied tariff rates shall take effect fifteen (15) days after publication; and

(b) In the event of any imminent or forecasted shortage, or such other situation requiring government intervention, the President is empowered for a limited period and/or a specified volume, to allow the importation of salt at a lower applied tariff rate to address the situation. Such order shall take effect immediately and can be issued even when Congress is in session.

The power herein delegated to the President may be withdrawn or terminated by Congress through a joint resolution.

SEC. 30. *Reporting.* – The various departments and agencies specified in this Act shall provide regular updates to the Salt Council on the progress of their programs and activities toward the realization of the objectives of this Act.

SEC. 31. *Congressional Oversight.* – The COCAFPM shall regularly exercise its oversight powers to ensure the full implementation of this Act.

SEC. 32. *Agencies Regular Programs.* – The additional mandates, functions and activities of the various departments and agencies provided for and identified in this Act shall be considered regular programs and shall be funded accordingly in their annual budgets as particularly provided in Sections 15, 19, and 20 of this Act.


SEC. 33. *Appropriations.* – The amount necessary for the effective implementation of this Act shall be taken from the appropriations of the BFAR. Thereafter, such amount as may be needed for the continued implementation of this Act shall be included in the annual GAA.


SEC. 34. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the other provisions of this Act not affected by such declaration shall remain in full force and effect.

SEC. 35. *Repealing Clause.* – Sections 3 and 5 of Republic Act No. 8172 are modified accordingly. All laws, decrees, orders, rules and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby repealed or modified accordingly.


SEC. 36. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,


FERDINAND MARTIN G. ROMUALDEZ
*Speaker of the House
of Representatives*


JUAN MIGUEL F. ZUBIRI
President of the Senate

This Act, which is a consolidation of Senate Bill No. 2243 and House Bill No. 8278, was passed by the Senate of the Philippines and the House of Representatives on December 6, 2023 and December 13, 2023, respectively.


REGINALDO S. VELASCO
Secretary General
House of Representatives


RENATO N. BANTUG JR.
Secretary of the Senate

Approved: **MAR 11 2024**


FERDINAND ROMUALDEZ MARCOS JR.
President of the Philippines



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