

PRESIDENTIAL DECREE NO. 776

REPEALING ALL LAWS, ACTS, DECREES, ORDERS AND ORDINANCES GRANTING EXEMPTIONS FROM TAXES, DUTIES, FEES, IMPOSTS AND OTHER CHARGES UNDER CERTAIN EXCEPTIONS AND CREATING A FISCAL INCENTIVES BOARD.

WHEREAS, a study of the present tax structure and development reveals a considerable erosion of available tax bases through the proliferation of too liberal and indiscriminate grant of tax exemption privileges entailing a substantial loss of revenue;

WHEREAS, the revenue demands have grown faster than the over-all economy and the cost in terms of taxes sacrificed may well yield and provide the resources necessary to accelerate economic growth as would assure the maximum participation of all people in the attainment and enjoyment of the benefits thereof;

WHEREAS, it is deemed imperative to tap all readily accessible sources and to adopt the drastic expedient of narrowing confines of the special privilege and regulating strictly the conditions under which it may be invoked;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby order and decree:

SECTION 1. Any and all tax exemption benefits and privileges validly acquired, exercised and granted to individuals, associations, corporations and entities, and all laws, decrees, orders or ordinances giving rise thereto, shall cease and be of no further force and effect except those embraced and expressly provided hereunder, to wit:

1. Constitutional provisions
2. International comity or treaty
3. National Internal Revenue Code as of its amendment by PD 69
4. Tariff and Customs Code as of its amendment by PD 34
5. Local Tax Code as of its amendment by PD 426
6. Statutory prescriptions bearing on -
  - a. Export Processing Zone Authority
  - b. BOI registered industries
  - c. Multi-national corporations
  - d. Service contracts on oil explorations

SECTION 2. A Fiscal Incentives Review Board is hereby created for the purpose of determining what tax exemptions should be withdrawn, revoked or suspended, which shall be composed of the following officials:



- Chairman - Secretary of Finance
- Members - Secretary of Industry
- Director General of the National Economic Development Authority
- Commissioner of Internal Revenue
- Commissioner of Customs

The Board, in consultation with the President of the Philippines and for reasons of compatibility with the declared economic policy, may withdraw, revoke or suspend the enforceability of any of the above-cited statutory tax exemption grants, except those granted by the Constitution. To attain its objectives, the Board may require the assistance of any appropriate government agency or entity. The Board shall meet once a month, or oftener at the call of the Secretary of Finance.

SECTION 3. All laws, acts, decrees, orders, and ordinances inconsistent with any of the provisions of this Decree are repealed or modified accordingly.

SECTION 4. This Decree shall take effect immediately.

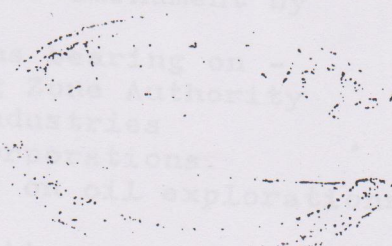
DONE in the City of Manila, this 24<sup>th</sup> day of August, in the year of Our Lord, nineteen hundred and seventy-five.

FERDINAND E. MARCOS  
President of the Philippines

By the President:

ALEJANDRO MELCHOR  
Executive Secretary

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