

REPUBLIC ACT NO. 8502

AN ACT TO PROMOTE THE DEVELOPMENT OF THE  
JEWELRY MANUFACTURING INDUSTRY, PROVIDING  
INCENTIVES 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  
"Jewelry Industry Development Act of 1998."

SEC. 2. *Declaration of Policy.* – Recognizing that the  
jewelry industry has the potential for more employment  
generation, enhance tax collection efficiency, increase the industry  
linkages with the other sectors of the economy, and to increase  
our foreign exchange earnings through exports and import  
substitutes, it is hereby declared to be the policy of the State to  
support, promote and encourage the growth and development of  
the predominantly, small and medium scale jewelry industries.  
Towards this end, the State shall undertake to encourage the  
development of the jewelry industry:

(a) by promoting and encouraging local jewelers to join the  
formal sector by making the jewelry industry sector a partner in  
the task of building up the small and medium enterprises through  
the establishment of an adequate support structure and the  
creation of a business environment conducive to the viability,  
legalization and development of the jewelry sector;

(b) by adopting appropriate tax incentives and programs  
necessary for the acceleration and growth of the industry; and

(c) by promoting and institutionalizing the effective  
promotion and participation of associations of the jewelry industry  
and cooperatives particularly in the advancement of the skills  
and craftsmanship of Filipino workers therein.

SEC. 3. *Development Incentives.* – The following incentives shall be available to qualified jewelry enterprises in the jewelry industry:

(a) Entitlement to zero (0) duty on imported raw materials which include precious metals, loose gems, precious stones, jewelry parts, accessories and supplies for use by jewelry enterprise, as specifically mentioned in Chapter 5 of Section I, Chapter 12 of Section II, Chapters 25, 26 and 27 of Section V, Chapters 28, 34 and 38 of Section VI, Chapter 70 of Section XIII, Chapter 71 of Section XIV, Chapter 83 of Section XV, and Chapter 96 of Section XX of the Tariff and Customs Code, as amended;

(b) Exemption from the imposition of excise tax on all goods commonly or commercially known as jewelry, whether real or imitation pearls, precious and semi-precious stones and imitations thereof; all goods made of, or ornamented, mounted or fitted with precious metals or imitations thereof, as specifically mentioned in Section 150(a) of the National Internal Revenue Code of the Philippines, as amended;

(c) Entitlement to zero (0) duty on imported capital equipment, including spare parts and toolings thereof falling within Chapter 69 of Section XIII, Chapter 82 of Section XV, Chapters 84 and 85 of Section XVI, and Chapter 90 of Section XVIII of the Tariff and Customs Code, as amended;

(d) Additional deduction from taxable income of fifty percent (50%) of expenses incurred in training schemes approved by the appropriate agency and which shall be deductible during the financial year the expenses were incurred;

(e) Gold and silver sales by the Bangko Sentral ng Pilipinas to jewelry enterprises under minimal margins;

(f) Authority for jewelry enterprises to buy gold and silver directly from other sources;

(g) Inclusion of locally-manufactured jewelry in the government's tourist duty free shops including the promotion, advertisement and sale thereof; and

(h) Jewelry enterprises availing of incentives provided under this Act shall still be eligible to incentives provided by other special laws such as Republic Act No. 7844 (Export Development Act of 1994), Republic Act No. 7916 (Special Economic Zone Act of 1995), Executive Order 226 (BOI Omnibus Investments Code), among others: *Provided*, That the activity is export-oriented and that there is no double availment of the same incentives.

SEC. 4. *Eligibility for Government Assistance.* – To qualify for the assistance, counselling and other incentives envisioned in this Act, jewelry enterprises availing of the same must be duly registered with the appropriate government agencies as presently provided by law.

Jewelry enterprise as used in this Act shall refer to any enterprise engaged in any aspect in the manufacture of goods commonly or commercially known as fine and imitation jewelry including those producing, cutting and polishing, shaping, refining, forming or fabricating real or imitation pearls, precious and semi-precious stones and imitations thereof, goods made of precious metal and imitations thereof, and other raw materials and parts used in the manufacture of jewelry.

SEC. 5. *Implementing Body.* – The Department of Trade and Industry shall monitor, oversee, supervise and take responsibility for the implementation of this Act and shall submit to Congress a yearly report thereof.

SEC. 6. *Implementing Rules and Regulations.* – Within thirty (30) days from the approval of this Act and, the Secretary of Trade and Industry shall upon prior consultation with the Secretary of Finance, promulgate the rules and regulations implementing the provisions of this Act.

SEC. 7. *Separability Clause.* – The provisions of this Act are hereby declared to be separable. If any provision thereof is declared unconstitutional, the remaining provisions thereof not otherwise affected shall remain in full force and effect.

SEC. 8. *Repealing Clause.* – The second paragraph of said subsection "q" of Section 105 of the Tariff and Customs Code of the Philippines, and laws, executive orders, rules and regulations or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

SEC. 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved, February 13, 1998.