

PRESIDENTIAL DECREE NO. 761

AMENDING SECTION EIGHT HUNDRED SIX OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENED, BY ALLOWING THE REGISTRATION OF VESSELS THE OWNERSHIP OF WHICH IS VESTED IN CORPORATIONS OR ASSOCIATIONS, AT LEAST SIXTY PERCENT OF THE CAPITAL STOCK OR CAPITAL OF WHICH BELONG TO CITIZENS OF THE PHILIPPINES AND FOR OTHER PURPOSES.

WHEREAS, there is a dearth of coastwise vessels to satisfy the needs of the country both as public carriers and a support facilities of enterprises duly registered operating and doing business under Philippine laws; and

WHEREAS, the geographical conditions of the country make it imperative that the State give outmost encouragement and assistance to the expansion of shipping facilities and services hand-in-hand with its program and other activities in order for it to attain and sustain the desired rate of growth towards economic self-sufficiency;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by The Constitution, do hereby decree the following as part of the law of the land, the following:

Section 1. Section 806 of the Tariff and Customs Code of the Philippines, as amended, is hereby amended as follows:

“Section 806. Certificate of Philippine registry-Upon registration of a vessel of domestic ownership, and of more than fifteen tons gross, a certificate of Philippine registry shall be issued for it. If the vessel is of domestic ownership and of fifteen tons gross or less, shall be optional with the owner.

“Domestic Ownership”, used in this section, means ownership vested in citizens of the Philippines or corporations or associations organized under the laws of the Philippines at least sixty percentum of the capital stock of which is wholly owned by citizens of the Philippines, and, in the case of corporations or associations which will engage in coastwise trade the president or managing directors thereof shall be such citizens: Provided, That the members of the crew of the vessel, except specialized fishing vessel, shall all be citizens of the Philippines; Provide, That the certificate of the Philippine registry issued to a vessel prior to the approval of this Code shall not affected; Provided, further, That any vessel of more than fifteen tons gross which on February eight, nineteen hundred and eighteen, had a certificate of Philippine registry under existing law, shall likewise be, deemed a vessel of domestic ownership if there has been

no change in its ownership or if the capital of the association or capital stock of the corporation owning such vessel has not been transferred to persons who are not citizens of the Philippines and if any such vessel should have been totally lost through shipwreck, collision or any other marine disaster while being lawfully operated, it may be replaced with another vessel of the same or lesser tonnage by the same person, association or corporation owning and operating same by virtue of this section, under such terms and conditions as may be prescribed by the Maritime Industry Authority consistent with public policy and with the view of its utility for government service in case of war or any public emergency: Provided, further, That the controlling interest of the association or corporation shall be considered as held by the citizen of the Philippines; (a) if less than sixty percent of the capital or capital stock is held by such citizens or such capital or capital stock is subject to any trust or fiduciary obligation in favor of any person not a citizen of the Philippines; (b) if less than sixty percent of the capital or capital stock in said association or corporation entitled to vote is in the hands of the citizens of the Philippines; (c) if by means of any contract or agreement, more than forty percent of the capital or capital stock can be voted directly or indirectly in favor of any person not a citizen of the Philippines; or (d) if by any other means, the control of more than forty percent of the capital or capital stock of the associations or corporation is conferred upon or allowed to be exercised by any person not a citizen of the Philippines.”

Section 2. The above definition of “domestic ownership” notwithstanding, an enterprise duly registered with the Board of Investments, under R.A. 5186 or 6135, whether or not entirely owned by foreign nationals may register its own vessel under the provisions of the section immediately preceding if such vessels are to be used exclusively to transport its own raw materials and finished products in Philippine waters as an incident to its manufacturing, processing or business activity registered with the Board of Investments and Certified to by said Board as an essential element in the operation of the registered project.

Section 3. Any provision of the law, decree, executive order or rules and regulations to the contrary notwithstanding the Maritime Industry Authority is hereby vested with the exclusive authority over the registration and documentation of the Philippine vessels, as well as the issuance of all certificates, licenses or other documents necessary or incident to such registration and documentation.

Section 4. The Maritime Industry Authority shall be subject to approval by the Office of the President, issue such rules and regulations implementing the provisions of the decree.

Section 5. All laws, decrees, orders, rules and regulations which are inconsistent with or contrary to the provisions of this decree are hereby repealed or modified accordingly.

Section 6. This Decree shall take effect immediately.

Done in the City of Manila, Philippines, this 31st day of July, in the year of our Lord, Nineteen Hundred and Seventy – Five.

(SGD.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) ALEJANDRO MELCHOR
Executive Secretary