

**REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG RENTAS INTERNAS**

Quezon City

May 10, 2007

REVENUE MEMORANDUM CIRCULAR NO. 36 – 2007

SUBJECT: Circularizing the Full Text of Executive Order No. 619, an Order Creating and Designating Special Economic Zones Pursuant to Republic Act No. 7916 (RA No. 7916), as Amended by Republic Act No. 8784 (RA No. 8784), in Relation to Republic Act No. 7227 (RA No. 7227), as Amended by Republic Act No. 9400 (RA No. 9400), Inside the Clark Freeport Zone.

TO : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all concerned, quoted hereunder is full text of the Executive Order no. 619 issued by the President of the Philippines on April 26, 2007.

“EXECUTIVE ORDER NO. 619

**CREATING AND DESIGNATING SPECIAL ECONOMIC ZONES
PURSUANT TO REPUBLIC ACT NO. 7916, AS AMENDED BY
RA 8784, IN RELATION TO RA 7227, AS AMENDED BY RA
9400, INSIDE THE CLARK FREEPORT ZONE.**

WHEREAS, the development of Special Economic Zones (SEZ) designed to promote and accelerate a balanced and sound economic and social development of the country especially in the rural areas, is one of the major projects of the present administration;

WHEREAS, last 20 March 2007, RA 9400 was signed into law which categorically grants tax-incentives to Clark SEZ, Subic Special Economic and Freeport Zone, John Hay SEZ, Poro Point SEZ, and other SEZ to be created under RA 7227, as amended;

WHEREAS, Section 12 of RA 9400 repealed Section 50 of RA 7916, thereby recognizing that RA 7916, as amended, can now be made applicable to some SEZ created pursuant to RA 7227, as amended;

WHEREAS, the amendments in RA 9400 provides for the applicability of RA 7916, as amended, and the role of the Philippine Economic Zone Authority (PEZA) with respect to SEZ that may be created in Bataan, Zambales as well as in John Hay SEZ, but did not so provide for the applicability of RA 7916, as amended, in the Subic SEZ, Poro Point Freeport Zone, and the new Clark Freeport Zone;

WHEREAS, there is a need to make RA 7916, as amended, also applicable to the Clark Freeport Zone in areas to be specifically designated by the President by way of Proclamation;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, hereby order:

Section 1. Duly registered business enterprises that will operate in special economic zones to be created by proclamation inside the Clark Freeport Zone shall be entitled to the same tax and duty incentives as provided for under R.A. 7916, as amended: Provided that for purpose of administering these incentives, the Philippine Economic Zone Authority shall register, regulate and supervise all registered enterprises within the said special economic zones.

Section 2. All laws, decrees, proclamation, rules and regulations or other issuances or parts thereof inconsistent with the provisions of this Executive Order are hereby repealed or modified accordingly.

Section 3. This Executive Order shall take effect immediately upon its publication in a national newspaper of general circulation.

Done, in the City of Manila, this 26th day of April, in the year of our Lord Two Thousand and Seven.

(Original Signed)

GLORIA MACAPAGAL-ARROYO

By the President:

(Original Signed)

EDUARDO R. ERMITA

Executive Secretary”

All concerned are hereby enjoined to be guided accordingly and give this circular a wide publicity as possible.

(Original Signed)

JOSE MARIO C. BUÑAG

Commissioner of Internal Revenue