



## **Zero percent duty on capital equipment, spare parts, and accessories extended anew for three years**

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The President extended the duty-free importation of capital equipment, spare parts, and accessories imported by new and expanding enterprises registered with the Board of Investments (BOI), subject to the following conditions:

- a. The capital equipment, spare parts, and accessories are not manufactured domestically in sufficient quantity, of comparable quantity, and at reasonable prices; and
- b. They are reasonably needed and will be used exclusively in the registered activity of the enterprise

The sale, transfer, or disposition of the capital equipment, spare parts, and accessories within five years from the date of importation shall make the BOI enterprise liable to pay twice the amount of the duty forgone, or P500,000, whichever is higher, without prejudice to other applicable penalties under Executive Order (EO) No. 226.

The extension shall be for a period of three years or until a law amending EO 226 is enacted, whichever comes earlier, effective 24 July 2019.

*Please refer to the copy of EO 85 [here](#), for your guidance and reference.*

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