

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Nineteenth Congress
First Regular Session

House Bill No. 3845



Introduced by **Representative JOEY SARTE SALCEDA**

AN ACT
REPEALING REPUBLIC ACT NO. 4635 OR “AN ACT TO SAFEGUARD THE
HEALTH OF THE PEOPLE AND MAINTAIN THE DIGNITY OF THE NATION BY
DECLARING IT A NATIONAL POLICY TO PROHIBIT THE COMMERCIAL
IMPORTATION OF TEXTILE ARTICLES COMMONLY KNOWN AS USED
CLOTHING AND RAGS,” SETTING NATIONAL POLICIES ON THE
COMMERCIAL IMPORTATION OF USED TEXTILES,
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The fast fashion sector is now a global giant, accounting for some USD 40.6 billion in revenues in 2022¹. As the sector grows, however, so too does its waste and carbon footprint.

Already around ten percent of humanity’s carbon emissions is produced by the fashion industry, more than flights and the entire maritime industry combined². It is also the second largest user of the world’s water supply. Restricting the reuse of new clothes will only widen such ecological footprint.

As a result of the rise in the supply of branded clothing, and the accelerating pace at which consumers replace their fashion items, major retailers in the United States and other developed nations are already selling used clothing items at bargain prices³. Major fast fashion brands are also beginning to recover used clothing, soliciting such items from their customers, for recycling or for donation.

In the Philippines, however, Republic Act. No. 4653 has banned the commercial importation of used textile items, citing health concerns and the “dignity of the nation.” It may have also been imposed to protect the local garments sector.

¹ <https://finance.yahoo.com/news/worldwide-fast-fashion-industry-expected-190000547.html>

² <https://www.businessinsider.com/fast-fashion-environmental-impact-pollution-emissions-waste-water-2019-10>

³ <https://www.aarp.org/money/budgeting-saving/info-2020/big-retailers-now-sell-used-clothes.html>

Despite the ban, however, nearly every public market in the Philippines has a section devoted to stores selling used textiles. There has also been a surge of online thrift stores, amid the COVID-19 pandemic and tightening household budgets due to inflation. This representation estimates that the industry is at least P18 billion in size.

As such, for decades, and especially recently, the commercial sale of used textile has been legal in all but the law itself, as public institutions and police authorities do not enforce this ban. Used clothing shipments apprehended by the Bureau of Customs are also frequently donated to local governments by the Bureau of Customs. In other words, the ban is a superfluous law.

To truly protect public health, this representation aims to lift the ban on commercial importation and instead mandate the Department of Health to set the guidelines for such imports. From our This representation notes that there are already existing commercial opportunities for such imports. A locator in the Clark Ecozone, for example, imports used textile for reuse as rags which are then reexported. Clearer laws on such imports would help make the Philippines a leader in this ecologically practical sector.

Concerns about taxation of the sector are also addressed by two points: first, the main sources of clothing imports for the Philippines, such as China, South Korea, and Japan, are subject to zero tariffs for used clothing. Only 6% of the total clothing imports of the country are from countries subject to the Most Favored Nation rate of 20% for used clothing, the United States being among the largest of such sources, due to incompatible clothing sizes. Meanwhile, most thrift stores are small and medium enterprises whose sales will not exceed the VAT threshold of P3 million. As such, the legalization will not burden small and medium businesses making money from imported used textiles. Above all, it will decriminalize this activity, allowing them to become formally part of the economy.

In view of the foregoing, the passage of this bill is earnestly sought.



JOEY SARTE SALCEDA



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Nineteenth Congress
First Regular Session

House Bill No. 3845

Introduced by **Representative JOEY SARTE SALCEDA**

AN ACT
REPEALING REPUBLIC ACT NO. 4635 OR “AN ACT TO SAFEGUARD THE
HEALTH OF THE PEOPLE AND MAINTAIN THE DIGNITY OF THE NATION BY
DECLARING IT A NATIONAL POLICY TO PROHIBIT THE COMMERCIAL
IMPORTATION OF TEXTILE ARTICLES COMMONLY KNOWN AS USED
CLOTHING AND RAGS,” SETTING NATIONAL POLICIES ON THE
COMMERCIAL IMPORTATION OF USED TEXTILES,
AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Republic Act No. 4653, or “AN ACT TO SAFEGUARD THE HEALTH OF THE PEOPLE AND MAINTAIN THE DIGNITY OF THE NATION BY DECLARING IT A NATIONAL POLICY TO PROHIBIT THE COMMERCIAL IMPORTATION OF TEXTILE ARTICLES COMMONLY KNOWN AS USED CLOTHING AND RAGS” is hereby repealed.

SEC. 2. *No repeal of the Revised Penal Code.* – This Act does not in any manner repeal, amend or modify the provisions of the Revised Penal Code, as amended.

SEC. 3. *Health standards.* – In the interest of public health, the Department of Health shall determine the health standards and prerequisites for importing and distributing used textile articles commonly known as used clothing and rags.

SEC. 4. *Tariffs.* – The Tariff Commission, in consultation with the relevant agencies, shall determine the proper tariff line for used textile articles commonly known as used clothing and rags.

SEC. 5. *Disposition of smuggled used textiles.* – The Bureau of Customs and the Department of Social Welfare and Development shall determine the disposition of imports of used textiles seized for violations of the Customs Modernization and Tariff Act, as amended, and other applicable laws, rules, and regulations.

SEC. 6. *Implementing Rules and Regulations.* – The Bureau of Customs, the Tariff Commission, the Department of Health, and the Department of Social Welfare and Development shall issue the rules and regulations necessary for the implementation of this Act.

SEC. 7. *Separability Clause.* - If any provision of this Act is subsequently declared invalid or unconstitutional, the other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 8. *Repealing Clause.* - All other laws, executive orders, rules and regulations, or parts thereof inconsistent with any provisions hereof are hereby repealed or modified accordingly.

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

Approved,