



HOUSE OF REPRESENTATIVES

H. No. 6768

BY REPRESENTATIVES VELARDE, COSCOLLUELA, TIENG, DATUMANONG,
CODILLA, JAVIER, GONZALES (N.) AND DE GUZMAN, PER COMMITTEE
REPORT NO. 2334

AN ACT REQUIRING ALL GOVERNMENT AGENCIES,
INSTRUMENTALITIES, LOCAL GOVERNMENT UNITS,
AND GOVERNMENT-OWNED AND/OR -CONTROLLED
CORPORATIONS (GOCCs) TO USE SECURITY PAPER MADE
FROM INDIGENOUS MATERIALS OR WATER-MARKED
SECURITY PAPER IN THEIR RECEIPTS AND INVOICES,
PERMITS, LICENSES, CLEARANCES, OFFICIAL PAPERS OR
DOCUMENTS

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “Use of
2 Security Paper in all Receipts and Invoices, Permits, Licenses, Clearances,
3 Official Papers or Documents Act of 2009”.

4 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the
5 State to:

- 6 (a) Enhance tax monitoring and collection;
7 (b) Increase revenue collection; and
8 (c) Avoid tax fraud and graft and corruption in the tax collection
9 efforts.

1 SEC. 3. *Definition of Terms.* -- For purposes of this Act, the following
2 terms are hereby adopted:

3 (a) "Receipt" shall refer to a written admission or acknowledgement of
4 the fact of payment in money or other settlement between seller and buyer of
5 goods, debtor and creditor, or person rendering services and client or customer
6 printed in accordance with these regulations.

7 (b) "Sales invoice or delivery receipts" shall refer to a written account
8 of goods or services rendered and the price charged therefore, or a list of goods
9 consigned and the value at which the consignee is to receive them or any other
10 list by whatever name is known which is used in the ordinary course of
11 business evidencing sale and transfer or agreement to sell or transfer goods and
12 services, such as purchase orders, delivery receipts, job orders, provisional and
13 temporary receipts, and others.

14 (c) "Security paper" shall refer to a security paper which is made from
15 abaca or other indigenous materials or a water-marked security paper, either of
16 which bear such authorized security feature duly etched and embedded in the
17 paper during its manufacturing process. It is especially designed for the
18 printing of official receipts, sales invoices, permits, licenses, clearances and
19 other official papers or documents.

20 SEC. 4. *Covered Institutions/Establishments.* -- All government
21 agencies and instrumentalities, including government-owned and/or -controlled
22 corporations (GOCCs), and all local government units (LGUs) shall use
23 security paper made from indigenous materials or water-marked security paper
24 in all receipts, invoices, forms, permits, licenses, clearances, official papers
25 and documents which they issue to all natural and juridical persons transacting
26 business with them.

27 SEC. 5. *Procedure for Printing of Security Paper.* -- The Bangko
28 Sentral ng Pilipinas (BSP) through its Banknotes and Securities Printing

1 Department (BSPD), in coordination with said government agencies and
2 instrumentalities, GOCCs and LGUs, shall develop the procedures such that
3 receipts, invoices, forms, permits, licenses, clearances and other official
4 documents whenever applicable and possible, shall be printed on security
5 paper made from indigenous materials or water-marked security paper, the
6 sizes and forms of which shall be uniform.

7 SEC. 6. *Size and Form of Security Paper.* – The Department of Finance
8 (DOF), the Bureau of Internal Revenue (BIR), the Bureau of Customs (BOC),
9 and the BSP shall prescribe and formulate within a period of two (2) months
10 from the effectivity of this Act, the appropriate uniform size and forms of the
11 security paper to be used for all transactions of all government agencies and
12 instrumentalities, including GOCCs, and all LGUs.

13 SEC. 7. *Covered Forms.* – All receipts, invoices, permits, licenses,
14 clearances and all other official documents of all government agencies and
15 instrumentalities, GOCCs and all LGUs shall, after a period of six (6) months
16 from the effectivity of this Act, be printed in security paper made from
17 indigenous materials or water-marked security paper: *Provided*, That any such
18 receipts, invoices, commercial documents, permits, licenses, clearances and all
19 other official documents which remain unused and unconsumed after the lapse
20 of said six (6)-month period may still be used: *Provided, further*, That
21 appropriate inventory thereof as confirmed and approved by the BIR is
22 conducted and: *Provided, finally*, That, after a period of six (6) months
23 thereafter, the said unused receipts, invoices, permits, licenses and clearances
24 shall no longer be allowed for use in any transaction in the Philippines.

25 SEC. 8. *Penalty.* – Any person who fails to comply with the
26 requirements of this Act, including the parties involved in a transaction where
27 the use of security paper made from indigenous materials or water-marked
28 security paper is prescribed, as well as any government functionary involved in

1 the monitoring of regulating these transactions, shall be subject to all the
2 appropriate sanctions and penalties provided for in the National Internal
3 Revenue Code and other pertinent laws, rules and regulations.

4 SEC. 9. *Implementing Rules and Regulations (IRR)*. – The Secretary of
5 the Department of Finance, upon the recommendation of the Commissioner of
6 Internal Revenue, the Commissioner of Customs, and the Governor of the BSP,
7 shall promulgate appropriate rules and regulations, including the identification
8 and setting of the standards upon which the security paper shall be sourced and
9 supplied and such other details as would be necessary and appropriate for the
10 effective implementation of this Act.

11 SEC. 10. *Separability Clause*. – If, for any reason, any provision of this
12 Act is declared unconstitutional or invalid, the remainder or any provision
13 hereof not affected thereby shall remain in force and effect.

14 SEC. 11. *Repealing Clause*. – The provisions of any law, executive
15 order, presidential decree or other issuances inconsistent with this Act are
16 hereby repealed, amended or modified accordingly.

17 SEC. 12. *Effectivity*. – This Act shall take effect fifteen (15) days after
18 its publication in the *Official Gazette* or in at least two (2) newspapers of
19 general circulation, whichever comes earlier.

Approved,

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