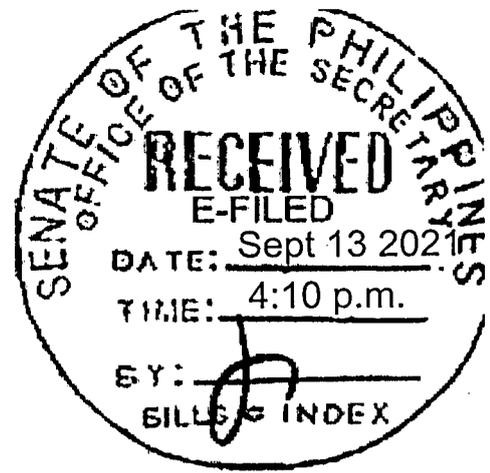


EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Third Regular Session

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SENATE

S.B. No. 2396



Introduced by SEN. WIN GATCHALIAN

AN ACT

**REGULATING THE USE AND OTHER ACTIVITIES RELATED TO
VINTAGE AUTOMOBILES AND OTHER HISTORICAL, CLASSIC, OR
COLLECTOR MOTOR VEHICLES, AND PROVIDING FOR THEIR
EXEMPTION FROM THE STANDARDS AND RESTRICTIONS SET BY
LAWS ENACTED AND REGULATIONS ADOPTED AFTER THE DATE
OF THEIR MANUFACTURE**

EXPLANATORY NOTE

Motor vehicles, including “vintage vehicles”, have been components of the Philippine culture, embedded in our history and chronicles of government, transportation, industry, social life, and popular culture.

While we have commonly put in place programs and policies for preservation of historical assets such as buildings and structures, we may have overlooked what are known as “vintage vehicles”—many of which are considered valuable primarily due to their age, longevity, and historical significance.

Vintage vehicles, which are also considered as economic assets, should be considered as part and parcel of our history and heritage. These vehicles have not only passed the test of time but also serve as testimonial to the ingenuity, artistry, and skills of their mechanics and engineers as well as dedication and passion of their owners.

Moreover, the restoration of vintage vehicles and the production of their spare parts constitute a major international industry, for which the country's unique conditions make it competitive. In the United Kingdom alone, the industry is valued at £5.5.

Also, as the world is beset by the pandemic and threatened by recession, it is the right time for us to explore the economic opportunity of growing this industry, to create jobs for our skilled Filipino mechanics, tinsmiths, craftsmen, painters, laborers, shop owners, and to support small and medium-sized businesses, while at the same time preserving the country's heritage in its motoring history. It is perhaps also important, in these challenging times, to permit our people the joy of maintaining, resurrecting, and seeing vintage cars as they were when they were new.

Accordingly, the proposed bill seeks not only to promote heritage conservation through vintage car restoration but also to provide an environment that will spur economic activity in the micro and small enterprise category with the end goal of developing skills for Filipinos to serve a niche market here and abroad.

The immediate enactment of this proposed legislation is then earnestly sought.


WIN GATCHALIAN

1 The State recognizes that motor vehicles are components of Philippine
2 culture, embedded in its history and its chronicles of government,
3 transportation, industry, social life, and popular culture. The State
4 acknowledges that surviving vintage vehicles, as well as their related tools,
5 equipment, accessories, buildings, literature, and collectible ephemera,
6 deserve and require sustainable conservation, and that motoring heritage aids
7 contextualization, documentation, interpretation, and understanding of the
8 development of the nation's way of life and how it continues to transition.
9 Within this context, the preservation of vintage vehicles is in accord with
10 policy of the State to preserve its heritage and patrimony.

11 Executive Order No. 156 (2002), titled "Providing for a Comprehensive
12 Industrial Policy and Directions for the Motor Vehicle Development Program
13 and its Implementing Guidelines," states that "the motor vehicle industry is a
14 significant contributor to the country's economic output, employment,
15 investments, exports, and the development of small and medium scale parts
16 and component manufacturing establishments." In this regard, encouraging
17 vintage car restoration shall not only promote heritage conservation but shall
18 likewise spur economic activity in the micro and small enterprise category,
19 and the development of skills to serve a niche market here and abroad.

20 The State recognizes the large and expanding international markets for
21 the restoration of these vintage vehicles, an industry that in the United
22 Kingdom alone is valued at £5.5 billion and the worldwide demand for
23 replacement parts for the repair and restoration of these vehicles. The State
24 is keenly aware that the country's unique conditions, the capability of its
25 small and medium industries, and the quality of its human resource make it
26 competitive in those markets. It is therefore the declared policy of the State to
27 provide an environment that will encourage its entrepreneurs and industries
28 to participate in those markets and permit its businessmen, technicians, and
29 workforce to acquire the knowledge and skills necessary for the purpose.

30 In furtherance of such policies, the State shall pursue the following
31 objectives:

1 (i) protect, preserve, enhance, and promote the nation's heritage by
2 preserving vintage vehicles and in furtherance thereof permit the importation
3 of such vehicles in historically correct condition;

4 (ii) establish and strengthen regulatory policies that encourage their
5 preservation, maintenance, occasional use, and registration;

6 (iii) increase economic opportunities by creating conditions favorable to
7 small and medium industries that may participate in the international
8 markets for the restoration and repair of vintage vehicles and the manufacture
9 of their spare and replacement parts; and

10 (iv) encourage tourism through the promotion of automobile tours,
11 shows, vintage motorsports, and similar events.

12
13 **Section 3. Coverage.** – This Act shall apply to all aspects of the
14 regulation of the importation and exportation, registration, and use of vintage
15 vehicles.

16
17 **Section 4. Definition of Terms.** - As used in this Act:

18 a) *Authentic component* refers to a replacement part, whether old or
19 newly produced, that is identical in appearance and function to an original
20 component installed in the vehicle or in vehicles belonging to the same model
21 line as the vehicle at the time of manufacture, but not necessarily made of the
22 same material, including chassis and monocoque shell and subframe
23 replacements of the same pattern as the original. This will include spare parts
24 from the manufacturer's stock intended for the later servicing or repair of
25 vehicles of the same model line as the vehicle.

26 b) *Motor vehicle* refers to any self-propelled vehicle designed to carry
27 passengers or goods, including automobiles, pick-up trucks, vans, sports
28 utility vehicles, Asian utility vehicles, and motorcycles. A trailer, caravan, or
29 other vehicle intended to be towed by attachment to a motor vehicle shall be
30 deemed a motor vehicle for purposes of this Act.

1 c) *Original spare parts* refer to parts of the vehicle, including the motor
2 and gearbox, that were originally installed by its manufacturer at the time of
3 manufacture.

4 d) *Vintage vehicle* refers to a motor vehicle that is at least thirty (30)
5 years old reckoned from the date of manufacture, whose chassis, engine,
6 steering assembly, and suspension assembly are either original or authentic
7 and whose body has not been altered in general appearance, subject only to
8 the exceptions in Section 10 hereof. It shall exclude replicas and
9 reproductions of vintage vehicles.

10
11 **Section 5. Exemption.** – In recognition of their small number, their
12 expected limited use, and the historical fact that the technology available at
13 the time of their manufacture will not permit them to meet modern standards,
14 vintage vehicles registered under this Act shall not be required to meet clean-
15 air, anti-pollution, safety, road-use, and other standards that were not in
16 force at the time of their manufacture, either as a condition for their
17 registration and use on public roads or otherwise, the provisions of the Clean
18 Air Act (RA 8749) and any other law or regulation notwithstanding. However,
19 vintage vehicles manufactured after December 31, 1967 must be fitted with
20 safety belts as mandated by Republic Act No. 8750 or the Seat Belts Use Act
21 of 1999.

22
23 **Section 6. Importation.** – Vintage vehicles may be imported into the
24 Philippines by any person or entity.

25
26 **Section 7. Exportation.** - A vintage vehicle may be exported without
27 restriction: *Provided*, That in the interest of preserving the cultural and
28 historical heritage associated with vintage vehicles, the exportation of vintage
29 vehicles that have historical significance to the country, such as vehicles of
30 Presidents of the Philippines, as certified by the National Historical

1 Commission of the Philippines (NHCP) in accordance with rules and
2 guidelines, shall be prohibited.

3
4 **Section 8. *Right-hand Drive Vehicles.*** – The prohibition on the
5 importation, registration, and use of right-hand-drive vehicles shall not apply
6 to vintage vehicles manufactured on or before December 31, 1970 or to
7 vintage vehicles intended principally for racing or other motorsport.

8
9 **Section 9. *Period Specification.*** – A vintage vehicle registered or
10 otherwise benefitting under this Act shall be preserved and maintained in a
11 historically correct condition, which, for purposes of this Act and subject to
12 Section 10 hereof, shall mean that (i) its chassis, engine, steering, and
13 suspension shall not have been replaced or modified except with original or
14 authentic components, and (ii) its body has not been changed in general
15 appearance.

16
17 **Section 10. *Permitted Modifications.*** – The following modifications
18 shall be permitted on vintage vehicles:

19 (i) modifications of a type that can be demonstrated to have been made
20 when the vintage vehicle was in production or within ten (10) years of the end
21 of production;

22 (ii) modifications to brakes, suspension, axles and running gear to
23 improve efficiency or safety;

24 (iii) use of carburetors or fuel injection systems not original to the
25 vintage vehicle to improve efficiency, economy or environmental performance;

26 (iv) installation of a new, modern engine of the same brand or
27 manufacture and of the same general specification as the engine original to
28 the vintage vehicle or vehicles belonging to the same model line as the vintage
29 vehicle; and

1 (v) installation of after-market accessories and equipment, such as
2 radios, air-conditioning, and directional lights, to permit the convenient or
3 safe use of the vehicle.
4

5 **Section 11. *Limited Use.*** – A vintage vehicle that (i) is imported after
6 the effectivity of this Act, or (ii) is registered under this Act, or (iii) otherwise
7 benefits from any exemption or privilege under this Act shall be used only on
8 Saturdays, Sundays, and holidays, except for the purpose of registration or
9 inspections by the Land Transportation Office (LTO) under this Act. A vintage
10 vehicle shall in no event be used for commercial purposes, except only for
11 motion pictures, advertisements, pictorials, weddings, and motorcades. In no
12 event shall a vintage vehicle be used as a public utility vehicle or for the
13 commercial transport of persons or goods.
14

15 **Section 12. *Registration.*** – All vintage vehicles (i) imported after the
16 effectivity of this Act or (ii) benefiting from any exemption or privilege under
17 this Act shall be registered as a vintage vehicle with the LTO in order to benefit
18 from the provisions of this Act. Such registration shall be valid for five (5)
19 years.
20

21 **Section 13. *License Plate.*** – The LTO shall issue to each registered
22 vintage vehicle license plates that contain the words “vintage vehicle” in
23 addition to the usual letters and numerals appearing in license plates. The
24 model year or year of manufacture shall be indicated on any appropriate part
25 of the plate.
26

27 **Section 14. *Applicability of Prohibitions.*** – The prohibitions set out
28 in this Act, including against daily use, shall not apply to motor vehicles that
29 are not registered under this Act or which do not seek to benefit from any
30 exemption or privilege under this Act. Such motor vehicles shall be subject
31 to all laws and regulations governing the registration and use of motor

1 vehicles in general, including all air emission, safety, roadworthiness and
2 other standards.

3
4 **Section 15. Inspection.** – A vintage vehicle applying for registration or
5 the renewal of its registration under this Act shall be subject to inspection in
6 compliance with Sections 9 and 10 hereof and, if manufactured after
7 December 31, 1975, in compliance with the minimum safety and
8 roadworthiness guidelines established by the LTO in consultation with
9 stakeholders. In no event shall the standards for safety inspection for vintage
10 vehicles registered under this Act exceed or be more stringent than those that
11 were in force at the year the vehicle was manufactured.

12 As in the case of any motor vehicle and in the interest of public safety
13 and responsible ownership, the LTO shall conduct random inspection of
14 registered vintage vehicles on public roads and highways.

15
16 **Section 16. Lost Papers.** – (a) A vintage vehicle that has no certificate
17 of registration, official receipt of registration payment, or other evidence of
18 ownership or registration may be registered as a vintage vehicle under this
19 Act, subject to the submission by the applicant of (i) a notarized affidavit that
20 states that the applicant is the owner, is in possession of the vehicle, knows
21 of no claim on the vehicle, and which describes the circumstances by which
22 the applicant came to acquire the vehicle, (ii) clearance from the relevant
23 police agency that there is no record of the vehicle having been stolen, and
24 (iii) payment to the LTO of a one-time reconstitution fee of Ten thousand pesos
25 (PhP 10,000.00) in addition to the regular fees and charges for the registration
26 of vintage vehicles.

27 (b) *Publication of Notice of Application for Registration.* The LTO shall
28 publish a notice of the application in a newspaper of general circulation once
29 a week for three (3) consecutive weeks at the expense of the applicant and on
30 its website within three (3) days from receipt of each complete application,
31 describing the vehicle and stating that the applicant has applied for

1 registration. If the LTO receives no objection to the application or claim by
2 third parties on the vehicle within three (3) months from the date of
3 publication, it shall register the vehicle as a vintage vehicle under this Act.
4 The registration of a vintage vehicle shall be without prejudice to rights of
5 persons who may claim ownership of the vintage vehicle under applicable
6 laws.

7 (c) *Date of manufacture.* The date of manufacture of a vintage vehicle
8 with lost, incomplete, or inconsistent papers may be ascertained through the
9 car manufacturer or the assistance of vintage car associations or interest
10 groups. If details such as the exact date of manufacture cannot be
11 ascertained, the registration paper and entry in the database of the LTO shall
12 indicate this fact and an annotation that the “date of manufacture is not
13 available but has been estimated by [name of authority/association].”
14

15 **Section 17. *Vintage Vehicle Restoration Database; Education.*** – (a)
16 Recognizing the historical and cultural value and contribution of vintage
17 vehicles to employment and the industry in general, the LTO shall establish
18 and maintain a national database that lists and describes vintage vehicles in
19 the country, which it shall share with the NHCP for purposes of Section 7
20 hereof.

21 (b) To support the local restoration industry, the LTO shall include in
22 its database authorized and licensed companies and shops engaged in the
23 repair or restoration of vintage vehicles or in the manufacture of spare and
24 replacement parts for vintage vehicles, private sector associations and interest
25 groups, and relevant government agencies, such as the Technical Education
26 and Skills Development Authority, and actively engage them, in strengthening
27 opportunities and programs for skills and technological development in these
28 and related industries.

29 (c) The LTO shall promote and encourage the conscientious, correct and
30 safe maintenance of vintage vehicles through consistent information and
31 education campaigns and other means.

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Section 18. *Implementing Rules and Regulations.* – The LTO shall, after public hearings and consultation with concerned sectors of society, including at least five (5) vintage vehicle owners or representatives from owners’ groups or associations, formulate and issue the necessary rules and regulations for the effective and speedy implementation of this Act within sixty (60) days of its effectivity.

Likewise, the LTO shall consult with vintage vehicle owners or representatives from owners’ groups or associations in the development of other relevant policies and issuances. Any draft issuance or policy shall also be circulated electronically via email and other social media channels for meaningful engagement of stakeholders especially owners, collectors, restorers, mechanics, and enthusiasts.

Section 19. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, such parts not affected by such declaration shall remain in full force and effect.

Section 20. *Repealing Clause.* – All laws, orders, rules and regulations and other issuances, or parts thereof, which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

Section 21. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,