

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Third Regular Session* )

24 NOV -4 P3:42

SENATE  
P.S. RES. No. 1224

RECEIVED

Introduced by Senator Raffy T. Tulfo

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE PROPER AND STRICT IMPLEMENTATION OF REPUBLIC ACT 11900, OTHERWISE KNOWN AS "THE VAPORIZED NICOTINE AND NON-NICOTINE PRODUCTS REGULATION ACT" AND OTHER RELEVANT REVENUE MEASURES FOLLOWING REPORTS OF PERSISTENT IMPORTATION OF ILLEGAL VAPES AND THE NON-PAYMENT OF REQUIRED TAXES

1 WHEREAS, Republic Act 11900, otherwise known as the "Vaporized Nicotine and  
2 Non-Nicotine Products Regulation Act" mandates that the *"government shall regulate the  
3 importation, assembly, manufacture, sale, packaging, distribution, use, advertisement,  
4 promotion and sponsorship of Vaporized Nicotine and Non-Nicotine Products, and their  
5 devices, and Novel Tobacco Products in order to promote a healthy environment, protect  
6 the citizens from any potential hazards of these novel consumer products, reduce the  
7 harm caused by smoking, and ensure that the sale to minors and the illicit trade of  
8 Vaporized Nicotine and Non-Nicotine Products, and their devices, and Novel Tobacco  
9 Products in the country are prevented."*

10 WHEREAS, despite the intended regulation of vape products under RA 11900,  
11 several reports of illegal importation and technical smuggling of vape products have  
12 surfaced, causing revenue losses to the government.

13 WHEREAS, the Bureau of Customs (BOC) disclosed on October 2, 2024 that it  
14 seized Php 6.5 billion worth of smuggled vape products in 36 operations carried out  
15 between October 2023 and August 2024. The operations were part of the Bureau's

1 intensified campaign to combat the illegal importation of vape products.<sup>1</sup>

2 WHEREAS, the Bureau of Internal Revenue (BIR) likewise confirmed through  
3 Commissioner Romeo D. Lumagui Jr., that by virtue of a nationwide raid against illicit  
4 vape retailers last October 16, 2024, a total of 408 vape retailers have been found to be  
5 selling illicit vape products.<sup>2</sup>

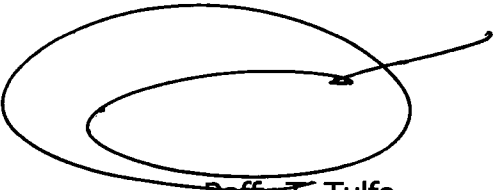
6 WHEREAS, Bienvenido Oplas, president of Minimal Government (MG) Thinkers  
7 Inc., said that technical smuggling in the vape industry has been caused by the different  
8 tax rates for nicotine salt and nicotine freebase, as several companies intentionally  
9 misdeclare their products as freebase but are actually nicotine salt to avoid paying higher  
10 taxes.<sup>3</sup>

11 WHEREAS, as a counter-measure, the BIR has issued Revenue Memorandum  
12 Circular 59-2024 mandating the use of 4th Generation Internal Revenue Stamps on vapor  
13 products to be affixed on all vape products sold in the country, effective June 1, 2024.

14 WHEREAS, despite efforts to regulate the importation of and to put a stop on the  
15 continued smuggling of vape products, the government has already lost almost P7Billion  
16 in tax revenues as a result of inadequate measures and mechanisms to address these  
17 problems.

18 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the appropriate  
19 Senate Committee to conduct an inquiry, in aid of legislation on the proper and strict  
20 implementation of Republic Act 11900, otherwise known as "The Vaporized Nicotine and  
21 Non-nicotine Products Regulation Act" and other relevant revenue measures following  
22 reports of persistent importation of illegal vapes and the non-payment of required taxes.

*Adopted,*



Raffy T. Tulfo

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<sup>1</sup> BOC Cracks Down on Vape Smuggling, Seizes Php6.5 Billion in Illicit Products – Bureau of Customs

<sup>2</sup> PR76OCT2124.pdf

<sup>3</sup> BIR wants to address misdeclaration of vape products - Manila Standard