EXECUTIVE ORDERS · JANUARY 22, 2008

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE PREFERENTIAL TARIFF RATES O...

EXECUTIVE ORDER NO. 702, January 22, 2008

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WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on the ASEAN Industrial Cooperation Scheme (AICO) signed in Singapore on 27 April 1996;

WHEREAS, the Philippines is a signatory to the Protocol to Amend the Basic Agreement on the AICO Scheme signed in Singapore on 21 April 2004;

WHEREAS, the Philippines is a participating country in the approved AICO Arrangements of Philippine Auto Components, Inc. (PACI) along with Indonesia and Malaysia;

WHEREAS, under the AICO Certificate of Eligibility No. Denso/2007/11, the Philippines (Philippine Auto Components, Inc.) will import from Indonesia (PT. Denso Indonesia and PT. Denso Sales Indonesia) certain original equipment manufacture (OEM) parts/components for motor vehicles, as specified in Annex "A". In exchange, Indonesia (PT. Denso Indonesia and PT. Denso Sales Indonesia) will import from the Philippines complementary parts/components for the OEM of motor vehicles;

WHEREAS, AICO Certificate of Eligibility No. Denso/2007/11 was issued on 26 March 2007, and was amended on 02 August 2007, in favor of the participating companies in the Denso AICO Arrangement;

WHEREAS, under the Denso AICO Certificate of Eligibility No. Denso/2007/12, the Philippines (Philippine Auto Components, Inc.) will import from Malaysia [Denso (Malaysia) Sdn. Bhd.] certain original equipment manufacture (OEM) automotive parts/components for motor vehicles as specified in Annex "B". In exchange, Malaysia [Denso (Malaysia) Sdn. Bhd.] will import from the Philippines complementary parts/components for the OEM of motor vehicles;

WHEREAS, AICO Certificate of Eligibility No. Denso/2007/12 was issued on 02 August 2007, in favor of the participating companies in the Denso AICO Arrangement;

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, participating companies in the approved Denso AICO Arrangements shall qualify for 0 - 5% preferential tariff rates to be extended by Indonesia, Malaysia and the Philippines as participating countries.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, pursuant to the powers vested in me under Section 402 of the Tariff and Customs Code of 1978, as amended, do hereby order:

SECTION 1. The articles specifically listed in Annexes "A" and "B" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of zero on parts/components as specified in Column 6 thereof.

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SECTION 2. The AICO rate provided in Annexes "A" and "B" shall be accorded to the AICO entities in Indonesia (PT Denso Indonesia and PT. Denso Sales Indonesia) and Malaysia [Denso (Malaysia) Sdn. Bhd.] upon the effectivity of this Executive Order;

SECTION 3. In the event that any subsequent changes are made in the basic (MFN) Philippine rate of duty on any of the articles listed in Annexes "A" and "B" to a rate lower than the AICO rate prescribed in Column 6 of Annexes "A" and "B" such articles shall automatically be accorded the corresponding reduced rate of duty.

SECTION 4. Upon the effectivity of this Executive Order, the articles specifically listed in the aforesaid Annexes "A" and "B" which are entered or withdrawn from warehouses in the Philippines for consumption shall pay the applicable AICO preferential tariff rates specified under Section 1 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidenced by the Certificate of Origin - Form “D”.

SECTION 5. Any and all revisions to the AICO company appearing in Column 5, of Annexes "A" and "B" as well as in pertinent Section of this Executive Order shall be communicated immediately to the Bureau of Customs by the Board of Investments within five (5) days after receipt of the official copy of the COE on the revised part number/s and/or change or addition of the AICO company from the ASEAN Secretariat.

SECTION 6. This Executive Order shall take effect immediately following its complete publication in two (2) newspaper of general circulation in the Philippines.

DONE in the City of Manila, this 22nd day of January in the year of Our Lord, Two Thousand and Eight.

(Sgd.) GLORIA M. ARROYO

By the President:

(Sgd.) EDUARDO R. ERMITA
Executive Secretary

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