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...

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

WHEREAS, the Philippine is a participating country in the approved AICO Arrangements of Honda and Toyota, along with Malaysia and Thailand and in the approve AICO Arrangement of Philippine Auto Components, Inc., along with Thailand;

WHEREAS, under the Honda AICO Arrangement, it was agreed that the Philippines (Honda Cars Philippines, Inc.) will import from Malaysia and Thailand certain automotive components as intermediate parts for the original equipment manufacture (OEM) of Honda Accord, City and Civic passenger cars. In exchange, Malaysia and Thailand will import from the Philippines complementary component parts for the OEM of Honda Accord, City and Civic passenger cars;

WHEREAS, under the Toyota AICO Arrangement, the Philippines (Toyota Motor Philippines Corp.) will import from Malaysia and Thailand certain automotive parts/components as intermediate products for the original equipment manufacture (OEM) of Corolla passengers cars and TUV commercial vehicles for the transport of persons and goods. In exchange, Malaysia and Thailand will import from the Philippines complementary components parts for the OEM of Corolla passenger cars and TUV commercial vehicles.

WHEREAS, under the Philippine Auto Components, Inc. AICO Arrangement, the Philippines will import from Thailand motorcycle meters and lighting fittings (bulbs) for instrument clusters. In return, Thailand will import from the Philippines instrument clusters and dial for motorcycle meters;

WHEREAS, AICO Certificate of Eligibility Nos. Honda/1998/3 and Honda/1998/2 were issued on 5 October 1998 and 9 October 1998, respectively, in favor of the participating companies in the Honda AICO Arrangement; AICO Certificate of Eligibility Nos. Toyota/1998/1, Toyota/1998/3 and Toyota/1998/4 were issued on 28 October 1998 in favor of the participating companies in the Toyota AICO Arrangement; AICO Certificate of Eligibility No. Denso/1998/1 was issued on 4 November 1998 in favor of the participating companies in the Philippine Auto Components, Inc. AICO Arrangement;

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement of the (AICO) Scheme, participating companies in the approved Honda, Toyota and Philippine Auto Components, Inc. AICO Arrangements shall qualify for 0-5% preferential tariff rates to be extended by Malaysia, Philippines and Thailand as participating countries, effective within 60 days from the date of issuance of the Certificates of Eligibility by the ASEAN Secretariat.

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, 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:

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SECTION 1. The articles specifically listed in Annex "A[*]" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of 5% as specified in Column 6 thereof.

SECTION 2. The AICO rate provided in "Annex A" shall be accorded to the AICO entity in Malaysia (Oriental Assemblers Sdn. Bhd.) effective from 5 October 1998 and to the AICO entity in Thailand (Honda Cars Manufacturing (Thailand) Co., Ltd.) effective from 9 October 1998.

SECTION 3. The articles specifically listed in Annex "B*" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of 5% as component parts of Corolla passenger cars and the AICO rate of 3% as component parts of TUV commercial vehicles as specified in Column 6 thereof.

SECTION 4. The AICO rate provided in Annex "B" shall be accorded to the AICO entity in Malaysia (Assembly Services, Sdn. Bhd.) and to the AICO entity in Thailand (Toyota Motor Thailand Co., Ltd.) effective 28 October 1998.

SECTION 5. The articles specifically listed in Annex "C*" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rates as specified in Column 4 thereof.

SECTION 6. The AICO rates provided in Annex "C" shall be accorded to the AICO entity in Thailand (Denso (Thailand) Co. Ltd.) effective 4 November 1998.

SECTION 7. 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", "B" and "C" to a rate lower than the AICO rate prescribed in Column 6 of Annexes "A" and "B" and in Column 4 of Annex "C", such article shall automatically be accorded the corresponding reduced rate of duty. Effective 1 January 2003, the final CEPT rate on the subject articles shall apply.

SECTION 8. Upon the effectivity of this Executive Order, the articles specifically listed in the aforesaid Annexes "A", "B" and "C" which are entered or withdrawn from warehouses in the Philippines for consumption shall pay the applicable AICO preferential tariff rates specified under Sections 1, 3 and 5 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidenced by the Certificate of Origin — Form "D".

SECTION 9. Any revision/s to the part numbers appearing in Column 4 of Annexes "A" and "B" 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 revised part numbers from the ASEAN Secretariat.

SECTION 10. This Executive Order shall take effect immediately.

Adopted: 15 Jan. 1999

BY THE PRESIDENT:

(SGD.) RONALDO B. ZAMORA
Executive Secretary

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[*] Text Available at Office of National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

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