

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. 87, March 18, 2002

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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 participating country in the approved AICO Arrangements of Toyota Motor Philippines Corporation, along with Indonesia and Thailand; in the approved AICO Arrangement of Honda Cars Philippines, Inc. along with Malaysia and Indonesia; and in the approved AICO Arrangement of Nissan Motor Philippines, Inc. along with Malaysia;

WHEREAS , under the Toyota AICO Arrangement, it was agreed that the Philippines (Toyota Motor Philippines Corporation and Toyota Autoparts Philippines) will import from Indonesia (PT. Toyota Astra Motor) and Thailand (Toyota Motor Thailand Co. Ltd. and Siam Toyota Manufacturing Co., Ltd.) certain original equipment manufacture (OEM) automotive parts/components for Corolla passenger cars (HS 8703.90 10). In exchange, Indonesia and Thailand will import from the Philippines complementary component parts for the OEM of Corolla and Kijang;

WHEREAS , under the Honda AICO Arrangement, the Philippines (Honda Cars Philippines, Inc.) will import from Indonesia (PT. Honda Prospect Motor) and Malaysia (Oriental Assemblers Sdn. Bhd., and Honda Autoparts Manufacturing (M) Sdn. Bhd.) certain original equipment manufacture (OEM) automotive parts/components for Honda Civic passenger cars (HS 8703.90 10). In exchange, Indonesia and Malaysia will import from the Philippines complementary component parts for the OEM of Honda Civic;

WHEREAS , under the Nissan AICO Arrangement, the Philippines (Nissan Motor Philippines, Inc.) will import from Malaysia (Tan Chong Motor Assemblies Sdn. Bhd. and Nippon Wiper Blade [Malaysia] Sdn. Bhd.) certain original equipment manufacture (OEM) automotive parts/components for Nissan Sentra passenger cars (HS 8703.90 10). In exchange, Malaysia will import from the Philippines complementary component parts for the OEM of Nissan Sentra;

WHEREAS , AICO Certificate of Eligibility Nos. Toyota/2001/20 and Toyota /2001/22 were issued on 17 April 2001, in favor of the participating companies in the Toyota AICO Arrangement; AICO Certificate of Eligibility Nos. Honda/2001/10(A) and Honda/2001/11(A) were re-issued on 19 June 2001 and 28 November 2000, respectively, nullifying AICO Certificate of Eligibility Nos. Honda/2001/10 and Honda/2001/11 issued on 05 October 2000, in favor of the participating companies in the Honda AICO Arrangement; and AICO Certificate of Eligibility No. Nissan/2001/4 was issued on 29 May 2001, in favor of the participating companies in the Nissan AICO Arrangement;

WHEREAS , in consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, participating

companies in the approved Toyota, Honda and Nissan AICO Arrangements shall qualify for 0 – 5% preferential tariff rates to be extended by Indonesia, Thailand and the Philippines for Toyota; Indonesia, Malaysia and the Philippines for Honda; and Malaysia and the Philippines for Nissan as participating countries, effective within 45 days from the date of issuance of the Certificate of Eligibility by the ASEAN Secretariat.

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 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% on parts/components of Toyota Corolla passenger cars as specified in Column 6 thereof.

SEC 2. The AICO rate provided in Annex “A” shall be accorded to the AICO entity in Indonesia (PT. Toyota Astra Motor), and in Thailand (Toyota Motor Thailand, Co. Ltd. and Siam Toyota Manufacturing Co., Ltd.) effective 17 April 2001.

SEC 3. The articles specially 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% on parts/components of Honda Civic passenger cars as specified in Column 6 thereof.

SEC 4. The AICO rate provided in Annex “B” shall be accorded to the AICO entities in Malaysia (Oriental Assemblies Sdn. Bhd., Honda Autoparts Manufacturing (M) Sdn. Bhd., and in Indonesia (PT. Honda Prospect Motor) effective 5 October 2000.

SEC 5. The articles specially 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 rate of 5% on parts/components of Nissan Sentra passenger cars as specified in Column 6 thereof.

SEC 6. The AICO rate provided in Annex “C” shall be accorded to the AICO entities in Malaysia (Tan Chong Motor Assemblies Sdn. Bhd. and Nippon Wiper Blade (Malaysia) Sdn. Bhd.) effective 29 May 2001.

SEC 7. In the event that any subsequent changes are made in the basic (Most Favored Nation) 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, B and C”, such articles shall automatically be accorded the corresponding reduced rate of duty. Effective 1 January 2003, the final CEPT rate on the subject articles shall apply.

SEC 8. Upon the effectivity of this Executive Order, the articles specially 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 Section 1 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidenced by the Certificate of Origin – Form “D”.

SEC 9. Any revision/s to the part numbers appearing in Column 4 of Annexes “A, B and C” 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.

SEC 10. The Secretary of Finance in consultation with the National Economic & Development Authority (NEDA) shall issue the appropriate guidelines to implement and rationalize the preferential tariff privilege herein granted.

SEC 11. This Executive Order shall take effect immediately.

Done in the City of Manila, this 18th day of March, in the year of Our Lord, two thousand and two.

(SGD.) GLORIA MACAPAGAL-ARROYO

By the President:

(SGD.) ALBERTO G. ROMULO

Executive Secretary

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