

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 DECISION TAKEN BY THE ASEAN...

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WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on ASEAN Industrial Complementation (BAAIC) signed in Manila on 18 June 1981;

WHEREAS, the Philippines is a signatory to the Memorandum of Understanding (MOU) on the Brand-to-Brand Complementation (BBC) Scheme for the Automotive Industry under the BAAIC signed by the ASEAN Economics Ministers in Pattaya, Thailand on 18 October 1988;

WHEREAS, the Philippines, along with Malaysia and Thailand, is a participating country in the approved BBC Scheme of Nissan Motor Co., Ltd.;

WHEREAS, at the ASEAN Senior Economic Officials' Meeting (SEOM) held in Jakarta, Indonesia from 15-17 March 1995, it was agreed that under the Nissan BBC Scheme, the Philippines will import certain completely-knocked-down (CKD) component parts for the original equipment manufacture of Nissan Sentra (B 14) passenger cars and Nissan Resort (Y 10) pick-up from Malaysia and Thailand in exchange for Philippine exports of complementary component parts to the said two countries;

WHEREAS, in accordance with paragraph b(i) of Section 9 of the MOU on the BBC Scheme, participating countries shall grant a minimum fifty per centum (50%) Margin of Preference (MOP) to existing BBC products within 90 days of approval by SEOM;

WHEREAS, the component parts, specified in Certificates of Eligibility (COEs) Nos. N 1B/95 and N 103/95 issued in favor of Thailand (Siam Nissan Automobile Co. Ltd., and in Certificates of Eligibility Nos. N 017/95 and N 4B/95 issued in favor of Malaysia (Tan Chong & Sons Motor Co. Sdn. Bhd.), are existing products, i.e., already being manufactured at the time of approval by SEOM held from 15-17 March 1995;

WHEREAS, under paragraph b(ii) of Section 9 of the MOU, non-participating countries shall initially waive their rights under Chapter II, Article 8, paragraph 2, of the ASEAN Preferential Trading Arrangements (PTA) for the first four years from date of granting of MOP and shall thereafter enjoy the MOP granted by participating countries as soon as they extend the same MOP;

WHEREAS, under paragraphs b(ii) and b(iv) of Section 9 of the MOU the waiver period shall be extended beyond the first four years for as long as the non-participating countries do not wish to grant the MOP up to a maximum waiver period of eight years. After the maximum eight-year waiver period, any entity in any member country, whether the member country is participating in the specific BBC Scheme or not, which produces the BBC product shall enjoy the same MOP in the participating countries for the BBC product;

NOW, THEREFORE, I, FIDEL V. RAMOS, 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[*]" as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded a minimum 50% MOP as specified in Column 9 thereof. In effect, such articles shall be subject to the BBC Preferential Tariff in accordance with the schedule indicated opposite each article as specified in Columns 10, 11 and 12 of Annex "A".

SECTION 2. The MOP provided in Annex "A" on body metal part (floor FR) and engine parts for Nissan Sentra (B 14) light passenger cars and on trim parts and body metal parts for Nissan AD Resort (Y 10) pick-ups shall be accorded exclusively to the BBC entity in Thailand (Siam Nissan Automobile Co., Ltd.) effective from 15 June 1995 up to 14 June 1999. Thereafter, the same MOP may be granted to a non-participating ASEAN country as soon as that country extends the same MOP itself. If the non-participating country does not wish to grant such MOP and maintains such position throughout the stipulated maximum waiver period of eight (8) years, the exclusive application of the MOP to Thailand shall then be extended up to 13 June 2003.

SECTION 3. The MOP provided in Annex "A[*]" on body metal parts and gear and linkage assembly power steering for Nissan Sentra (B 14) light passenger cars and on manual steering gear for Nissan AD Resort (y 10) pick-ups shall be accorded exclusively to the BBC entity in Malaysia (Tan Chong & Sons Motor Co. Sdn. Bhd.) effective from 15 June 1995 up to 14 June 1999. Thereafter, the same MOP may be granted to a non-participating ASEAN country as soon as that country extends the same MOP itself. If the non-participating country does not wish to grant such MOP and maintains such position throughout the stipulated maximum waiver period of eight (8) years, the exclusive application of the MOP to Malaysia shall then be extended up to 13 June 2003.

SECTION 4. Effective 14 June 2003, the MOP provided in Annex "A[*]" shall be extended to any entity in another ASEAN member country which produces the subject BBC products, whether the country is participating in the BBC Scheme or not.

SECTION 5. The minimum fifty per centum (50%) MOP accorded under this Executive Order shall remain effective regardless of any subsequent changes in the basic Philippine rate of duty on the afore-mentioned articles.

SECTION 6. Upon the effectivity of this Executive Order, all the afore-mentioned articles entered or withdrawn from warehouses in the Philippines for consumption shall be subject to qualification under the Rules of Origin as prescribed in the Agreement on the ASEAN Preferential Trading Arrangements, as amended, and shall pay the applicable BBC Preferential Tariff specified under Section 1 hereof.

SECTION 7. Any revision/s to the part numbers appearing in Column 4 of Annex "A" shall be communicated to the Bureau of Customs by the Department of Trade and Industry within five (5) days after receipt of the official copy of the revised part numbers from the ASEAN Secretariat.

SECTION 8. This Executive Order shall take effect immediately.

Adopted: 16 May 1996

(SGD.) FIDEL V. RAMOS
President of the Philippines

By the President:

(SGD.) RUBEN D. TORRES
Executive Secretary

[*] Text available at Office of the National Administrative Registe , U.P. Law Center, Diliman, Quezon City.

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