

EXECUTIVE ORDER NO. 198

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 ON CERTAIN PRODUCTS UNDER THE ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME

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

WHEREAS, the AICO Scheme seeks to improve the competitive position of ASEAN companies in the global and ASEAN markets by providing the means to apply the principles of economies of scale and scope in the manufacturing process, supported by preferential import duties to enhance across ASEAN border transactions;

WHEREAS, the Philippines is a participating country in the approved AICO Schemes of Honda Cars Phils. Inc. (HCPI) and Toyota Motor Philippines, Corp. (TMPC) along with Indonesia and Malaysia;

WHEREAS, under the Honda AICO Arrangement, it was agreed that the Philippines (Honda Cars Phils., Inc.) will import various component parts from Indonesia (P.T. Honda Prospect Motor) and Malaysia (Honda Autoparts Manufacturing (M) Sdn. Bhd.) for the original equipment manufacture (OEM) of Honda models Civic, City and Accord passenger cars. In exchange, Indonesia (P.T. Honda Prospect Motor) will import certain automotive component parts from the Philippines (Honda Cars Phils., Inc.) for the OEM of Honda models Civic, City and Accord passenger cars;

WHEREAS, under the Toyota AICO Arrangement, the Philippines (Toyota Motor Philippines Corp.) will import from Malaysia (T & K Autoparts Sdn. Bhd.) for the original equipment manufacture (OEM) of Toyota Corolla passenger cars and TUV light commercial vehicles for the transport of persons and goods.



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WHEREAS, AICO Certificates of Eligibility Nos. Honda/1998/3(A) and Honda/1999/5 were issued on 22 June and 1 July 1999, respectively in favor of the participating companies in the Honda AICO Arrangement; AICO Certificate of Eligibility No. Toyota/1998/3(A) was issued on 30 June 1999 in favor of the participating companies in the Toyota AICO Arrangement.

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement on the AICO Scheme, participating companies in the approved Honda Arrangement shall qualify for 0 - 5% preferential tariff rate to be extended by the Philippines, Indonesia and Malaysia as participating countries, effective within 45 days from the date of issuance of the Certificate 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:

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.

SEC. 2. The AICO rates provided in Annex "A" shall be accorded to the AICO entity in Indonesia (P.T. Honda Prospect Motor) effective from 1 July 1999 and to the AICO entity in Malaysia (Honda Autoparts Manufacturing (M) Sdn. Bhd.) effective from 22 June 1999.

SEC. 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 3% and 5% as specified in Column 6 thereof.

SEC. 4. The AICO rates provided in Annex "B" shall be accorded to the AICO entity in Malaysia (T & K Autoparts Sdn. Bhd.) effective from 30 June 1999.

SEC. 5. In the event that any subsequent changes are made in the basic (MFN) Philippine rate of duty on the articles listed in Annexes "A" and "B" to a rate lower than the AICO rate prescribed in Column 6 thereof, such article shall automatically be accorded the corresponding reduced rate of duty. Effective 1 January 2003, the final CEPT rate on the subject article shall apply.




SEC. 6. Upon the effectivity of this Executive Order, the article 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 rate 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".

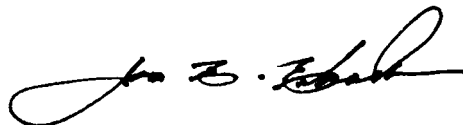
SEC. 7. Any revision/s to the part numbers appearing in Column 4 of Annexes "A" and "B" shall be communicated immediately to the Bureau of Customs by the Board of Investments within five (5) days after receipt of the official copy of the revised part numbers from the ASEAN Secretariat.

SEC. 8. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 15th day of Jan. in the year of Our Lord, Two Thousand.

By the President:


RONALDO B. ZAMORA
 Executive Secretary





PMS LIBRARY

Received
FEB 28 2000

 Date *dJE*



ARTICLES GRANTED PREFERENTIAL TARIFF UNDER THE APPROVED HONDA AICO SCHEME

HS CODE (1)	MODEL/ TYPE (2)	PRODUCT/ PART NAME (3)	PART NO. (4)	SOURCE COUNTRY (AICO COMPANY) (5)	APPLICABLE AICO PREFERENTIAL TARIFF (%) (6)
8703.90 10	Honda Accord Passenger Car	Engine parts: Block Assy CYLN Block Assy CYLN Cover Comp CYLN Head MNFLD Exhaust	1110A-PAA-K000 1110A-PAD-K000 12310-PAA-A000 18100-PAH-K000	Indonesia (P.T. Honda Prospect Motor)	5
8703.90 10	Honda Civic Passenger Car	Engine parts: Block Assy Cylinder	11000 P2E 0000	Indonesia (P.T. Honda Prospect Motor)	5
8703.90 10	Honda Civic Passenger Car	Frame Parts: Face FR Bumper Protector R FR Bumper Protector L FR Bumper Face RR Bumper Protector R RR Bumper Protector L RR Bumper	71101 S04 0000 71102 S04 0000 71103 S03 0000 71501 S04 0000 71502 S04 0000 71503 S04 0000	Malaysia (Honda Autoparts Manufacturing (M) Sdn. Bhd.)	5
8703.90 10	Honda Accord Passenger Car	Various Component Parts: Front BPR Raw MTRL Face RR Bumper Cover R INST Side Cover L INST Side Duct Assy FR DEF	71101-S84-G000-AA 71501-S84-A000-AA 77210-S84-A000 77215-S84-A000 77460-S84-A000-M1	Malaysia (Honda Autoparts Manufacturing (M) Sdn. Bhd.)	5



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ARTICLES GRANTED PREFERENTIAL TARIFF UNDER THE APPROVED HONDA AICO SCHEME

HS CODE	MODEL/ TYPE	PRODUCT/ PART NAME	PART NO.	SOURCE COUNTRY (AICO COMPANY)	APPLICABLE AICO PREFERENTIAL TARIFF (%)
(1)	(2)	(3)	(4)	(5)	(6)
8703.90 10	Honda City Passenger Car	Frame Parts: Face FR BPR CTR Face FR BPR CTR Face R, FR Bumper Side Face R, FR Bumper Side Face L, FR Bumper Side Face L, FR Bumper Side Face, RR BPR CTR Face, RR BPR CTR Face R, RR Bumper Side Face R, RR Bumper Side Face L, RR Bumper Side Face L, RR Bumper Side	71101-SX8-T000 71101-SX8-T100 71102-SX8-T000 71102-SX8-T100 71103-SX8-T000 71103-SX8-T100 71501-SX8-T000 71501-SX8-T100 71502-SX8-T000 71502-SX8-T100 71503-SX8-T000 71503-SX8-T100	Malaysia (Honda Autoparts Manufacturing (M) Sdn. Bhd.)	5

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ARTICLES GRANTED PREFERENTIAL TARIFF UNDER THE APPROVED TOYOTA AICO SCHEME

HS CODE (1)	MODEL/ TYPE (2)	PRODUCT/ PART NAME (3)	PART NO. (4)	SOURCE COUNTRY (AICO COMPANY) (5)	APPLICABLE AICO PREFERENTIAL TARIFF (%) (6)
8702.90 10	TUV Public- Transport Type Passenger Motor Vehicle	Link Assy, Steering Gear	45500	Malaysia (T & K Autoparts Sdn. Bhd.)	3
8703.90 10	Toyota Corolla Passenger Car	Link Assy, Steering Gear	45500	Malaysia (T & K Autoparts Sdn. Bhd.)	5
8704.90 10	TUV Motor Vehicle For the Transport of Goods	Link Assy, Steering Gear	45500	Malaysia (T & K Autoparts Sdn. Bhd.)	3