

MALACAÑANG

Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 527

TEMPORARILY MODIFYING THE RATES OF IMPORT DUTY ON CRUDE PETROLEUM OILS AND REFINED PETROLEUM PRODUCTS UNDER SECTION 104 OF THE TARIFF AND CUSTOMS CODE OF 1978 (PRESIDENTIAL DECREE NO. 1464), AS AMENDED

WHEREAS, soaring fuel prices to unprecedented levels brought about by current international and geo-political tensions, and tight gasoline supplies, warrant the modification in the rates of duty on crude petroleum oils and refined petroleum products to protect consumer welfare;

WHEREAS, an automatic tariff mechanism, based on certain triggers indexed to international oil prices, would soften the impact of high and rising world prices on the economy and the consuming public, without necessarily draining government revenues;

WHEREAS, Section 6 (Tariff Treatment) of Republic Act (R.A.) 8479, otherwise known as the "Downstream Oil Industry Deregulation Act of 1998," provides that: "Any law to the contrary notwithstanding and starting with the effectivity of this Act, a single and uniform tariff duty shall be imposed and collected both on imported crude oil and imported refined petroleum products at the rate of three percent (3%): *Provided, however,* That the President of the Philippines may, in the exercise of his powers, reduce such tariff rate when in his judgment such reduction is warranted, pursuant to Republic Act No. 1937, as amended, otherwise known as the "Tariff and Customs Code": *Provided, further,* That beginning January 1, 2004 or upon implementation of the Uniform Tariff Program under the World Trade Organization and ASEAN Free Trade Area commitments, the tariff rate shall be automatically adjusted to the appropriate level notwithstanding the provisions under this Section."

WHEREAS, Section 401 of the Tariff and Customs Code of 1978 (Presidential Decree No. 1464), as amended, empowers the President of the Republic of the Philippines to increase, reduce, or remove existing rates of import duty, as well as to modify the form of duty and the tariff nomenclature, under Section 104 of the Code;

NOW, THEREFORE, I, GLORIA MACAPAGAL ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, 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 subject to the Most-Favoured-Nation (MFN) rate of import duty in accordance with the schedule indicated opposite each article.



SECTION 2. The rates of import duty on tariff headings not enumerated and those listed but represented by the symbol "x x x" shall remain in force and in effect.

SECTION 3. The MFN rates on crude and refined petroleum products shall be reduced based on certain triggers indexed to oil prices in the world market. The tariffs shall be automatically restored as international oil prices move down based on the same trigger prices. The MFN rates shall take effect upon certification by the Department of Energy (DOE) that a trigger price has been reached and notification of the same shall have been made to the Department of Finance, for which the corresponding Customs Memorandum Order shall be issued by the Bureau of Customs.

SECTION 4. Upon the effectivity of this Executive Order, all articles listed in Annex "A" which are entered and withdrawn from warehouses in the Philippines for consumption shall be levied the MFN rates of duty therein prescribed in accordance with Section 3 above.

SECTION 5. The DOE, in coordination with the Department of Finance, the Department of Trade and Industry, the National Economic and Development Authority, and the Bureau of Customs shall promulgate the guidelines to implement this Executive Order.

SECTION 6. All Presidential issuances, administrative rules and regulations, or parts thereof, which are contrary to or inconsistent with this Executive Order are hereby revoked or modified accordingly.

SECTION 7. This Executive Order shall be effective for a period of six (6) months subject to review.

SECTION 8. This Executive Order shall take effect immediately following its complete publication in two (2) newspapers of general circulation in the Philippines.

Done in the City of Manila, this *12th* day of *May*, in the year of Our Lord, Two Thousand and Six.

Gloria Arago



By the President:

Eduardo R. Ermita

EDUARDO R. ERMITA
Executive Secretary



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ANNEX "A"

Heading	Tariff Code	Description	MFN Rate of Duty (%)
(1)	(2)	(3)	(4)

27.09**Petroleum oils and oils obtained from bituminous minerals, crude.**

2709.00.10	- Crude petroleum oil	3*
2709.00.20	- Condensate	3*
2709.00.90	- Other	3*

27.10

Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils.

- Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than waste oils:

2710.11	- - Light oils and preparations:	
2710.11.11	- - - Motor spirit, premium leaded	3*
2710.11.12	- - - Motor spirit, premium unleaded	3*
2710.11.13	- - - Motor spirit, regular leaded	3*
2710.11.14	- - - Motor spirit, regular unleaded	3*

* shall be adjusted to 2%, 1% or 0% upon certification by the Department of Energy that the trigger price levels have been reached



2710.11.15	--- Other motor spirit, leaded	3*
2710.11.16	--- Other motor spirit, unleaded	3*
2710.11.17	--- Aviation spirit	3*
2710.11.18	--- X X X	
2710.11.21	--- White spirit	3*
2710.11.22	--- Low aromatic solvents containing by weight less than 1% aromatic content	3*
2710.11.23	--- Other solvent spirits	3*
2710.11.24	--- Naphtha, reformat or preparations for preparing spirits	3*
2710.11.25	--- Other light oil	3*
2710.11.29	--- Other	3*
2710.19	-- Other:	
	--- Medium oils and preparations:	
2710.19.11	---- Lamp kerosene	3*
2710.19.12	---- Other kerosene, including vaporising oil	3*
2710.19.13	---- Aviation turbine fuel (jet fuel) having a flash point of not less than 23°C	3*
2710.19.14	---- Aviation turbine fuel (jet fuel) having a flash point of less than 23°C	3*
2710.19.15	---- Normal paraffin	3*

* shall be adjusted to 2%, 1% or 0% upon certification by the Department of Energy that the trigger price levels have been reached



2710.19.19	---- Other medium oils and Preparations	3*
	---- Other:	
2710.19.21	---- Topped crudes	3*
2710.19.22	---- X X X	
2710.19.23	---- Lubricating oil basestock	3*
2710.19.24	---- Lubricating oils for aircraft Engines	3*
2710.19.25	---- Other lubricating oil	3*
2710.19.26	---- Lubricating greases	3*
2710.19.27	---- Hydraulic brake fluid	3*
2710.19.28	---- Oil for transformer or circuit Breakers	3*
2710.19.31	---- High speed diesel fuel	3*
2710.19.32	---- Other diesel fuel	3*
2710.19.33	---- Other fuel oils	3*
2710.19.39	---- Other	3*
	- Waste oils	
2710.91.00	-- Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	3*
2710.99.00	-- Other	3*

* shall be adjusted to 2%, 1% or 0% upon certification by the Department of Energy that the trigger price levels have been reached

