

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 89

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, IN FAVOR OF HONDA CARS PHILIPPINES, INC (HONDA).

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 Arrangement of Honda Cars Philippines, Inc., (Honda) along with Thailand;

WHEREAS, under the Honda AICO Arrangement, the Philippines (Honda Cars Philippines, Inc.) will import from Thailand (Honda Automobile Thailand Co. Ltd.) certain original equipment manufacture (OEM) automotive parts/components for Honda Civic passenger cars (HS 8703.90 10), and in exchange, Thailand will import from the Philippines complementary component parts for the OEM of Honda Civic;

WHEREAS, AICO Certificate of Eligibility (COE) No. Honda/2000/9(A) was re-issued on 21 September 2001, nullifying AICO Certificate of Eligibility No. Honda/2000/9 issued on 05 October 2000, in favor the participating companies in the Honda AICO Arrangement;

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, participating companies in the approved Honda AICO Arrangement shall qualify for 0 - 5% preferential tariff rates to be extended Thailand and the Philippines for Honda 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 Honda Civic 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 Thailand (Honda Automobile Thailand Co. Ltd) effective 21 September 2001.



SEC 3. 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 Annex "A" to a rate lower than the AICO rate prescribed in Column 6 of Annex "A", such articles shall automatically be accorded the corresponding reduced rate of duty. Effective 01 January 2003, the final CEPT rate on the article shall apply.

SEC 4. Upon the effectivity of this Executive Order, the articles specifically listed in the aforesaid Annex "A" 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 5. Any revision/s to the part numbers appearing in Column 4 of Annex "A" 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 6. 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 7. 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.

gmr



By the President:

Alberto G. Romulo

ALBERTO G. ROMULO
Executive Secretary



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