

MPN 2273

**MALACAÑANG
MANILA**

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 335

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 MINIMUM 50% MARGIN OF PREFERENCE ON CERTAIN PRODUCTS INCLUDED IN THE BRAND-TO-BRAND COMPLEMENTATION SCHEME IN THE AUTOMOTIVE INDUSTRY UNDER THE BASIC AGREEMENT ON ASEAN INDUSTRIAL COMPLEMENTATION.

WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on ASEAN Industrial Complementation (BAAIC) signed in Manila on 16 June 1981;

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

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

WHEREAS, at the Meeting of the ASEAN Senior Economic Officials (SEOM) held in Jakarta, Indonesia on 8-10 December 1993, it was agreed that under the Nissan Motor Co., Ltd. BBC Scheme, the Philippines will import certain hoodledge parts from Malaysia and door and bumper trims, engine parts and body parts of metal from Thailand in exchange for Philippine exports of certain body parts of metal and injection parts to the said two countries;

WHEREAS, at the Meeting of the ASEAN Senior Economic Officials held in Jakarta, Indonesia on 2-4 August 1994, it was agreed that under the Asian Carmakers Corporation BBC Scheme, the Philippines will import sheet glass from Malaysia in exchange for Philippine exports of aluminum alloy wheels to Malaysia;

WHEREAS, under the Memorandum of Understanding on the BBC Scheme in the Automotive Industry, the Philippines shall grant a minimum 50% Margin of Preference (MOP) to BBC products approved by the SEOM subject to the terms and conditions set out in Section 9(b) of said Memorandum;

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WHEREAS, under Section 9(b)(i) of the said Memorandum of Understanding, the 50% MOP for existing BBC products shall be granted within 90 days of approval of the BBC products by the SEOM, and for new BBC products, the grant shall be extended from the actual date of commercial production of the products, or upon expiry of 30 months from the date of approval of the products whichever comes earlier;

WHEREAS, under the Nissan BBC Scheme, hoodledge parts listed in Certificate of Eligibility No. N 5 A/93 have been existing at the time of approval by the SEOM held on 8-10 December 1993; whereas, the door and bumper trims, engine parts and body parts of metal listed in Certificate of Eligibility Nos. N I A/93 and N I/94 are new BBC products whose commercial production started in April 1994;

WHEREAS, under the Asian Carmakers BBC Scheme, the sheet glass items listed in Certificate of Eligibility No. 033 have been existing at the time of approval by the SEOM held on 2-4 August 1994;

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 11 thereof. Accordingly, said articles shall be subject to the BBC Preferential Tariff in accordance with the schedule indicated in Columns 12, 13, 14, 15 and 16 of said Annex "A".

SEC. 2. The articles specifically listed in Annex "B" 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. Accordingly, said articles shall be subject to the BBC Preferential Tariff in accordance with the schedule indicated in Columns 10, 11 and 12 of said Annex "B".

SEC. 3. The MOP provided in Annex "A" on hoodledge parts for Nissan AD Resort (Model Y 10) pick-up under the Nissan Motor Co., Ltd. BBC Scheme shall be accorded exclusively to the BBC entity in Malaysia (Tan Chong & Sons Motor Co., Sdn. Bhd.) effective from 1 March 1994 up to 28 February 1998. The MOP also herein provided on door and bumper trims, engine parts and body parts for Nissan AD Resort (Model Y 10) pick-up under the said BBC Scheme shall be accorded exclusively to the BBC entity in Thailand (Siam Nissan Automobile Co., Ltd.) effective 1 April 1994 up to 30 March 1998. Thereafter, this MOP may be granted to a non-participating ASEAN country as soon as that country extends the same MOP itself. If the

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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 with respect to hood/hood parts shall then be extended up to 27 February 2002 and in the case of door and bumper trims, engine parts and body parts of metal, the exclusive application of the MOP to Thailand shall be extended up to 29 March 2002.

SEC. 4. The MOP provided in Annex "B" on sheet glass for BMW (3-series model) passenger car under the Asian Carmakers Corporation BBC Scheme shall be accorded exclusively to the BBC entity in Malaysia (Auto Bavaria Division Tractors Malaysia (1982) Sdn. Bhd.) effective from 1 November 1994 up to 30 October 1998. Thereafter, this 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 29 October 2002.

SEC. 5. Effective 28 February 2002 with respect to hood/hood parts and effective 30 March 2002 in the case of door and bumper trims, engine parts and body parts of metal, the MOP shall be extended to any entity in another ASEAN member country which produces the above-mentioned Nissan BBC products as listed in Annex "A" hereof, whether that country is participating in the Nissan BBC Schemes or not. Effective 30 October 2002, the MOP shall be extended to any entity in another ASEAN member country which produces the Asian Carmakers BBC products listed in Annex "B" hereof, whether that country is participating in the Asian Carmakers BBC Scheme or not.

SEC. 6. The 50% MOP accorded under this Executive Order shall remain effective irrespective of any subsequent changes in the basic Philippine rate of duty on the above-mentioned articles.

SEC. 7. Upon the effectivity of this Executive Order, all the above-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 ASEAN Preferential Trading Arrangements, as amended, and shall pay the applicable BBC Preferential Tariff specified under Section 1 hereof.

SEC. 8. Any revision/s to the part numbers appearing in Column 4 of Annexes "A" and "B" shall be communicated immediately to the Philippine Government by the ASEAN Secretariat. The Department of Trade and Industry shall endorse the same to the Bureau of Customs within five (5)

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days after receipt of the official copy of the revised part numbers for implementation.

SEC. 9. This Executive Order shall take effect immediately.

Done in the City of Manila this 16th day of M a y in the year of Our Lord, Nineteen Hundred and Ninety-Six.



By the President:



RUBEN D. TORRES
Executive Secretary

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Date

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ANNEX "B"

ARTICLES GRANTED 50% MOP UNDER THE APPROVED ASIAN CARMAKERS CORPORATION BBC SCHEME

HS HEADING NO.	BRAND NAME	RODUCT/PART NAM	PART NO.	SOURCE COUNTRY	RATE OF DUTY (%)			MARGIN OF PRE- ERENC (%)	APPLICABLE BBC PREFERENTIAL TARIFF (%)		
					1 NOV. 1994	1 JUL 1995	28 AUG. 1995		1 NOV. 1994	1 JULY 1995	28 AUG. 1995
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

ex 8703.90 10	BMW (3-series Model)	Sheet glass:			20	10	3	50	10	5	1.5
	Passenger car	Glass, front door LH	2687346	Malaysia							
		Glass, front door RH	2687347	Malaysia							
		Glass, rear door LH	2687162	Malaysia							
		Glass, rear door RH	2687163	Malaysia							
		Glass, qtr rear LH	2687654	Malaysia							
		Glass, qtr rear RH	2687655	Malaysia							
		Glass, windshield	2687158	Malaysia							
		Glass, backlite	2687159	Malaysia							