

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 850

**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 COMMITMENT TO ELIMINATE THE TARIFF RATES ON THE REMAINING PRODUCTS IN THE INCLUSION LIST IN YEAR 2010 UNDER THE COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT) SCHEME FOR THE ASEAN FREE TRADE AREA (AFTA)/ASEAN TRADE IN GOODS AGREEMENT (ATIGA)**

**WHEREAS**, the Protocol to Amend the Agreement on the CEPT Scheme for AFTA for the Elimination of Import Duties signed on 31 January 2003 provides for, among others, the elimination of all import duties on products in the Inclusion Lists of Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand not later that 1 January 2010. It further provides that the elimination of duties shall not apply to the lists of products of Member States contained in Annexes 1 and 2 of the Protocol of the Special Agreement for the Sensitive and Highly Sensitive products;

**WHEREAS**, the 21<sup>st</sup> AFTA Council Meeting on 23 August 2007 agreed to enhance the CEPT Agreement into a comprehensive Trade in Goods Agreement for AFTA;

**WHEREAS**, the ATIGA signed on February 26, 2009 is the product of enhancement and consolidation of all existing provisions under the CEPT Agreement and relevant ASEAN economic agreements and instruments;

**WHEREAS**, the President of the Philippines ratified the ATIGA on 11 August 2009;

**WHEREAS**, the NEDA Board during its meeting on 8 December 2009 approved the elimination of tariffs on various products in the Philippine CEPT Inclusion List in 2010;

**WHEREAS**, Section 402 of the Tariff and Customs Code of 1978, as amended, empowers the President of the Republic of the Philippines, upon the recommendation of the National Economic and Development Authority (NEDA), to modify import duties for the promotion of foreign trade.



**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 the Annex (Articles Granted Zero Duty in 2010 under the CEPT Scheme for the AFTA) hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the ASEAN CEPT rates in accordance with the schedule indicated in Columns 4 and 5 of said Annex. The ASEAN CEPT rates so indicated shall be accorded to imports coming from ASEAN Member States applying CEPT concession to the same products pursuant to Article 4 of the CEPT Agreement and its Interpretative Notes.

**SECTION 2.** From the date of effectivity of this Executive Order, all articles listed in the Annex which are entered or withdrawn from warehouses in the Philippines for consumption shall be imposed the rates of duty therein prescribed subject to compliance with the Rules of Origin as provided in the Agreement on the CEPT Scheme for the AFTA signed on 28 January 1992, as amended.

**SECTION 3.** The tariff rates listed in the Annex and all relevant Executive Orders issued in compliance with CEPT tariff reduction/elimination commitments are in accordance with the obligations under Articles 19 (Reduction or Elimination of Import Duties) and 21 (Issuance of Legal Enactments) of the ATIGA.

**SECTION 4.** Nothing in this Executive Order shall preclude the Philippines from invoking its right of recourse to all trade remedy measures provided for in its law, this Agreement and relevant international agreements as an effective device against import surges.

**SECTION 5.** The provisions of this Executive Order are hereby declared separable and in the event any such provision is declared invalid or unconstitutional, the other provisions, which are not affected thereby, remain in force and effect.

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

**SECTION 7.** This Executive Order shall take effect on 01 January 2010 following its complete publication in the Official Gazette or in a national newspaper of general circulation.



**DONE** in the City of Manila, this 23rd day of December, in the year of Our Lord, Two Thousand and Nine.

*Gloria M. Arroyo*



By the President:

*Eduardo R. Ermita*

**EDUARDO R. ERMITA**  
Executive Secretary

