

MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 74

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED FOR UNDER THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES (TCCP), AS AMENDED, IN ORDER TO IMPLEMENT THE PHILIPPINE TARIFF COMMITMENTS ON CERTAIN PRODUCTS INCLUDED IN THE SENSITIVE LIST AND THE TRANSFER OF CERTAIN TARIFF LINES FROM THE SENSITIVE TRACK TO THE NORMAL TRACK UNDER THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) – KOREA FREE TRADE AREA (AKFTA)

WHEREAS, the ASEAN Member States and the Republic of Korea ("The Parties") signed the Framework Agreement on Comprehensive Economic Cooperation ("Framework Agreement") on 13 December 2005 in Kuala Lumpur, Malaysia;

WHEREAS, Articles 1.3 and 2.1 of the Framework Agreement reflect the Parties' commitment to establish the AKFTA covering trade in goods;

WHEREAS, to achieve the objective of the Framework Agreement, the Agreement on Trade in Goods (TIG) or the "TIG Agreement" was signed by the Economic Ministers of the Parties on 24 August 2006 in Kuala Lumpur, Malaysia;

WHEREAS, Article 3(2)(b) of the TIG Agreement provides that tariff lines placed in the Sensitive Track by each Party on its own accord shall have their respective applied Most Favoured Nation (MFN) tariff rates reduced or eliminated in accordance with the modalities set out in Annex 2 of the TIG Agreement;

WHEREAS, Section 3(i) of Annex 2 of the TIG Agreement provides that ASEAN-6 and Korea shall reduce the applied MFN rates of tariff placed in their respective Sensitive Lists to 20% not later than 2012 and the said rates shall subsequently be reduced to 0-5% not later than 2016;

WHEREAS, the National Economic and Development Authority (NEDA) Board recommended on 16 January 2012, on *ad referendum* basis, the tariff reduction schedules of certain tariff lines under the Sensitive List and the transfer of certain tariff lines herein indicated from the Sensitive Track to the Normal Track; and

WHEREAS, Section 402 of the TCCP, as amended, authorizes the President of the Philippines, upon the recommendation of NEDA, to modify import duties (including any necessary change in classification) and other import restrictions, as are required or appropriate to carry out and promote foreign trade with other countries.

NOW, THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Reduction of Tariff Rates on Articles in the Sensitive List. The articles specifically listed in Annex A hereof, as classified under Section 104 of the TCCP,

as amended, shall be subject to the rates of import duty as indicated in Columns 4-8 of Annex A.

SECTION 2. Transfer of Articles from Sensitive to Normal Track. The articles specifically listed in Annex B hereof, as classified under Section 104 of the TCCP, as amended, shall be subject to the AKFTA rates of import duty as indicated in Column 3 of Annex B.

SECTION 3. Applicable AKFTA Rate. For the Republic of Korea and the ASEAN 9 (i.e. Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, and Viet Nam), the applicable rate shall be the AKFTA rate subject to the submission of the proper Certificate of Origin (CO) Form AK. Pursuant to Section 1313(a) of the TCCP, as amended, the Tariff Commission may, upon request, issue tariff classification rulings to confirm the applicable rates of duty of particular products subject to this section.

SECTION 4. Rates for Articles in Annexes A and B Subject to Rules of Origin. From the date of effectivity of this Executive Order, all articles listed in Annexes A and B entered into, 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 for in Article 5 of the TIG Agreement.

SECTION 5. Right of Recourse. Nothing in this Executive Order shall preclude the Philippines from invoking its right of recourse to all trade remedy measures provided for in its laws, the TIG Agreement and other relevant international agreements, as an effective device against import surges.

SECTION 6. Repealing Clause. All issuances, orders, rules and regulations, or parts thereof, which are inconsistent with this Executive Order are hereby repealed, amended or modified accordingly.

SECTION 7. Separability Clause. If any provision of this Executive Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 8. Effectivity Clause. This Executive Order shall take effect immediately upon publication in a newspaper of general circulation.

DONE, in the City of Manila, this 16th of April, in the year of our Lord, Two Thousand and Twelve.

By the President:

PAQUITO N. OCHOA, JR.
Executive Secretary



CERTIFIED COPY:



MARIANITO M. DIMAANDAL
DIRECTOR IV
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