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**BY THE PRESIDENT OF THE PHILIPPINES****EXECUTIVE ORDER NO. 128****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 TOYOTA MOTOR PHILIPPINES CORPORATION (TOYOTA) – (COE NOS. TOYOTA/2002/26 & TOYOTA/2002/27)**

**WHEREAS**, the Philippines is a Contracting Party to the Basic Agreement on the ASEAN Industrial Cooperation Scheme signed in Singapore on 27 April 1996;

**WHEREAS**, the Philippines is a participating country in the approved AICO Arrangements of Toyota Motor Philippines Corporation, along with Malaysia and Thailand;

**WHEREAS**, under the Toyota AICO Arrangement, the Philippines (Toyota Motor Philippines Corporation) will import from Malaysia (Assembly Services Sdn. Bhd and T&K Autoparts Sdn. Bhd.) and Thailand (Toyota Motor Thailand Co. Ltd.) certain original equipment manufacture (OEM) automotive parts/components for Toyota Corolla and Camry passenger cars (HS 8703.90 10). In exchange, Malaysia and Thailand will import from the Philippines complementary OEM component parts for Corolla and Camry;

**WHEREAS**, AICO Certificate of Eligibility Nos. Toyota/2002/26 and Toyota/2002/27 were issued on 04 July 2002, in favor of the participating companies in the Toyota AICO Arrangement;

**WHEREAS**, in consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, participating companies in the approved Toyota AICO Arrangements shall qualify for 0 – 5% preferential tariff rates to be extended by Malaysia, Thailand and the Philippines for Toyota.

**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 Toyota Corolla and Camry passenger cars as specified in Column 6 thereof.



**SECTION 2.** The AICO rate provided in Annex "A" shall be accorded to the AICO entities in Malaysia (Assembly Services Sdn. Bhd. and T&K Autoparts Sdn. Bhd), and in Thailand (Toyota Motor Thailand, Co. Ltd.), upon effectivity of this Executive Order.

**SECTION 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 1 January 2003, the final CEPT rate on the subject articles shall apply.

**SECTION 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".

**SECTION 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.

**SECTION 6.** This Executive Order shall take effect immediately.

Done in the City of Manila, this 23<sup>rd</sup> day of September, in the year of Our Lord, two thousand and two.

By the President:

*Marquez*

  
**ALBERTO G. ROMULO**  
Executive Secretary

