

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 263

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED FOR UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE TRANSFER OF THE LAST TRANCHE OF PRODUCTS FROM THE AGRICULTURAL PRODUCT SENSITIVE LIST (SL) TO THE COMMON EFFECTIVE PREFERENTIAL TARIFF INCLUSION LIST (CEPT-IL) AND THE MODIFICATION OF THE CEPT RATE ON OIL CAKE AND OTHER SOLID RESIDUES OF MAIZE (CORN) GERM, SODIUM TRIPOLYPHOSPHATES AND CASSAVA STARCH

WHEREAS, the Governments of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, Lao People's Democratic Republic, Malaysia, Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, signed the Protocol on the Special Arrangement for Sensitive and Highly Sensitive Products on 30 September 1999;

WHEREAS, Member States (i.e., Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) phased-in sensitive products to the CEPT Scheme beginning on 01 January 2001 with flexibility but no later than 01 January 2003 and shall complete the phasing-in by 01 January 2010;

WHEREAS, Article III of the Protocol provides that the beginning rate shall be the applied rate and the ending tariff rates shall be 0-5%;

WHEREAS, on 5 November 2001, the NEDA Board approved the 2001-2010 Philippine CEPT Schedule for sensitive agricultural products;

WHEREAS, on 9 December 2003, the NEDA Board confirmed the phasing-in of 44 sensitive agricultural products to the CEPT-IL in 2003 and approved the modification of the CEPT rate on oil cake and other residues of maize (corn) germ, sodium tripolyphosphates and cassava starch, respectively;

WHEREAS, Section 402 of the Tariff and Customs Code of 1978 (Presidential Decree No. 1464), as amended, empowers the President, upon the recommendation of the National Economic and Development Authority, to increase, reduce or remove existing protective rates of import duty, as well as to modify the form of duty.



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 Annex "A" hereof (Sensitive Agricultural Products Granted Concession under the CEPT for the AFTA), as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the ASEAN CEPT rate in accordance with the year 2003-2005 schedule indicated in Columns 4-6 of Annex "A". The ASEAN CEPT rates so indicated shall be accorded to imports coming from ASEAN Member States applying CEPT concession to the same product pursuant to Article 4 of the CEPT Agreement and its Interpretative Notes.

SECTION 2. The articles specifically listed in Annex "B" hereof (Articles Granted Concessions under the CEPT for the AFTA), as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the ASEAN CEPT rate indicated in Column 4 of Annex "B". The ASEAN CEPT rates so indicated shall be accorded to imports coming from ASEAN Member States applying CEPT concession to the same product pursuant to Article 4 of the CEPT Agreement and its Interpretative Notes.

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 Annexes "A" and "B" to a rate lower than the rate prescribed in Columns 4-6 of Annex "A" and Column 4 of Annex "B", such articles shall automatically be accorded the corresponding reduced duty.

SECTION 4. From the date of effectivity of this Order, all articles listed in Annexes "A" and "B" entered or withdrawn from warehouses in the Philippines for consumption shall be imposed the rates of duty therein prescribed subject to qualification under the Rules of Origin as provided for in the Agreement on the CEPT Scheme for the AFTA signed on 28 January 1992.

SECTION 5. All Presidential issuances, administrative rules and regulations, or parts thereof, which are contrary or inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 6. This Executive Order shall take effect immediately following its complete publication in two (2) newspapers of general circulation in the Philippines.



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Done in the City of Manila, this
Our Lord, Two Thousand and Three.

day of *December 30*, in the year of

Gloria Arroyo



By the President:

Avelino J. Cruz, Jr.

AVELINO J. CRUZ JR.
Acting Executive Secretary



1A.

**SENSITIVE PRODUCTS GRANTED CONCESSION
UNDER THE COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT)
FOR THE ASEAN FREE TRADE AREA (AFTA)**

HDG NO. (1)	HS CODE (2)	DESCRIPTION (3)	APPLICABLE ASEAN RATE (%)		
			2003 (4)	2004 (5)	2005 (6)
02.03		Meat of swine, fresh, chilled or frozen			
		- Fresh or chilled:			
	0203.11	-- Carcasses and half-carcasses:			
	0203.11 10	--- In-Quota	30	30	30
	0203.11 20	--- Out-Quota	40	40	40
	0203.12	-- Hams, shoulders and cuts thereof with bone in:			
	0203.12 10	--- In-Quota	30	30	30
	0203.12 20	--- Out-Quota	40	40	40
	0203.19	-- Other:			
	0203.19 10	--- Pork bellies			
	0203.19 11	---- In-Quota	30	30	30
	0203.19 12	---- Out-Quota	40	40	40
	0203.19 20	--- Fore-ends and cuts thereof:			
	0203.19 21	---- In-Quota	30	30	30
	0203.19 22	---- Out-Quota	40	40	40
	0203.19 90	--- Other:			
	0203.19 91	---- In-Quota	30	30	30
	0203.19 92	---- Out-Quota	40	40	40
		- Frozen:			
	0203.21	-- Carcasses and half-carcasses:			
	0203.21 10	--- In-Quota	30	30	30
	0203.21 20	--- Out-Quota	40	40	40
	0203.22	-- Hams, shoulders and cuts thereof with bone in:			
	0203.22 10	--- In-Quota	30	30	30
	0203.22 20	--- Out-Quota	40	40	40
	0203.29	-- Other:			
	0203.29 10	--- Pork bellies:			
	0203.29 11	---- In-Quota	30	30	30
	0203.29 12	---- Out-Quota	40	40	40
	0203.29 20	--- Fore-ends and cuts thereof:			
	0203.29 21	---- In-Quota	30	30	30
	0203.29 22	---- Out-Quota	40	40	40
	0203.29 90	--- Other:			
	0203.29 91	---- In-Quota	30	30	30
	0203.29 92	---- Out-Quota	40	40	40

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HDG NO. (1)	HS CODE (2)	DESCRIPTION (3)	APPLICABLE ASEAN RATE (%)		
			2003 (4)	2004 (5)	2005 (6)
02.07		Meat and edible offal, of the poultry of heading No. 01.05, fresh, chilled or frozen			
		- Of fowls of the species Gallus domesticus:			
	0207 11	-- Not cut in pieces, fresh or chilled:			
	0207 11 10	--- In-Quota	40	40	40
	0207 11 20	--- Out-Quota	40	40	40
	0207 12	-- Not cut in pieces, frozen:			
	0207 12 10	--- In-Quota	40	40	40
	0207 12 20	--- Out-Quota	40	40	40
	0207 13	-- Cuts and offal, fresh or chilled:			
	0207 13 10	--- In-Quota	40	40	40
	0207 13 20	--- Out-Quota	40	40	40
	0207 14	-- Cuts and offal, frozen:			
	0207 14 10	--- Liver:			
	0207 14 11	---- In-Quota	40	40	40
	0207 14 12	---- Out-Quota	40	40	40
	0207 14 90	--- Other:			
	0207 14 91	---- In-Quota	40	40	40
	0207 14 92	---- Out-Quota	40	40	40
	0207 27	-- Cuts and offal, frozen:			
	0207 27 10	--- Liver:			
	0207 27 11	---- In-Quota	40	40	40
	0207 27 12	---- Out-Quota	40	40	40
	0207 27 90	--- Other:			
	0207 27 91	---- In-Quota	30	30	30
	0207 27 92	---- Out-Quota	40	40	40
		- Of ducks, geese or guinea fowls:			
	0207 32	-- Not cut in pieces, fresh or chilled:			
	0207 32 10	--- Of ducks:			
	0207 32 11	---- In-Quota	40	40	40
	0207 32 12	---- Out-Quota	40	40	40
	0207 32 20	--- Of geese or guinea fowls:			
	0207 32 21	---- In-Quota	30	30	30
	0207 32 22	---- Out-Quota	40	40	40
	0207 35	-- Other, fresh or chilled:			
	0207 35 10	--- In-Quota	40	40	40
	0207 35 20	--- Out-Quota	40	40	40

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UNDER THE COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT)
FOR THE ASEAN FREE TRADE AREA (AFTA)**

HDG NO. (1)	HS CODE (2)	DESCRIPTION (3)	APPLICABLE ASEAN RATE (%)		
			2003 (4)	2004 (5)	2005 (6)
	0207.36	-- Other, frozen:			
	0207.36 10	--- Fatty livers:			
	0207.36 11	---- In-Quota	40	40	40
	0207.36 12	---- Out-Quota	40	40	40
10.05		Maize (corn)			
	1005.90	- Other:			
	1005.90 90	--- Other			
	1005.90 91	---- In-Quota	35	35	35
	1005.90 92	---- Out-Quota	50	50	50

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**ARTICLES GRANTED CONCESSION UNDER
THE COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT) SCHEME
FOR THE ASEAN FREE TRADE AREA (AFTA)**

HS Heading	HS Code	Description	Applicable CEPT Rate of Duty (%)
(1)	(2)	(3)	(4)
11.08		Starches; inulin.	
	1108.14 00	- Starches: -- Manioc (cassava) starch	5
23.06		Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 23.04 or 23.05.	
	2306.70 00	- Of maize (corn) germ	5
28.35		Phosphinates (hypophosphites), phosphonates (phosphites) and phosphates; polyphosphates, whether or not chemically defined.	
	2835.31 00	- Polyphosphates: -- Sodium triphosphate (sodium tripolyphosphate)	5
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