

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 394

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 HONDA CARS PHILIPPINES, INC (HONDA)-(COE NOS. HONDA/2004/39 AND HONDA/2004/37)

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

WHEREAS, the Philippines is a participating country in the approved AICO Arrangements of Honda Cars Philippines, Inc. along with Indonesia and Malaysia;

WHEREAS, under the Honda AICO Certificate of Eligibility No. Honda/2004/39, the Philippines (Honda Cars Philippines, Inc.) will import from Indonesia (PT. Honda Prospect Motor and PT. Honda Precision Parts Manufacturing) certain original equipment manufacture (OEM) automotive parts/components for Honda Civic (HS 8703.90 10). In exchange, Indonesia (PT. Honda Prospect Motor and PT. Honda Precision Parts Manufacturing) will import from the Philippines complementary parts/components for the OEM of Honda Civic and Stream;

WHEREAS, under the Honda AICO Certificate of Eligibility No. Honda/2004/37, the Philippines (Honda Cars Philippines, Inc.) will import from Malaysia (Honda Malaysia Sdn.Bhd. and Honda Autoparts Manufacturing (M) Sdn.Bhd.) certain original equipment manufacture (OEM) automotive parts/components for Honda Civic (HS 8703.90 10). In exchange, Malaysia (Honda Malaysia Sdn.Bhd. and Honda Autoparts Manufacturing (M) Sdn. Bhd.) will import from the Philippines complementary parts/components for the OEM of Honda Accord, City and Civic;



WHEREAS, AICO Certificate of Eligibility Nos. Honda/2004/39 and Honda/2004/37 were issued on 26 July and 31 July 2004, in favor of the participating companies in the Honda AICO Arrangement;

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

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 3% on parts/components as specified in Column 7 thereof.

SECTION 2. The AICO rate provided in Annex "A" shall be accorded to the **AICO** entity in Indonesia (PT. Honda Prospect Motor and PT. Honda Precision Parts Manufacturing) and Malaysia (Honda Malaysia Sdn.Bhd.. and Honda Autoparts Manufacturing (M) Sdn. Bhd.) upon the effectivity of this Executive Order.

SECTION 3. In the event that any subsequent changes are made in the basic (MFN) Philippine rate of duty on any of the articles listed in Annex "A" to a rate lower than the AICO rate prescribed in Column 7 of Annex "A" such articles shall automatically be accorded the corresponding reduced rate of duty.

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 rates specified under Section 1 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidence by the Certificate of Origin- Form "D".

SECTION 5. This Executive Order shall take effect fifteen (15) days 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 31st day of December in the year of
Our Lord, Two Thousand and Four.

Gloria Arroyo

By the President:



EDUARDO R. ERMITA
Executive Secretary



ARTICLES GRANTED PREFERENTIAL TARIFF UNDER
THE APPROVED HONDA AICO SCHEME

ANNEX "A"

(1) AHTN	(2) HS CODE	(3) MODEL/TYPE	(4) PRODUCT/ PART NAME	(5) PART NUMBER	(6) SOURCE COUNTRY (AICO COMPANY)	(7) APPLICABLE AICO PREFERENTIAL TARIFF (%)
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8703.90.26A	8703.90.10	CIVIC	Various Components /Parts	11000-PLM-0000	INDONESIA	3%
8703.90.27A		Passenger Cars	BLOCK ASSY,CYLN	1200B-PSJ-Y000-02	(Honda Prospect Motor and PT	
8703.90.28 A			HEAD ASSY,CYLN	1210A-PME-Z000	Honda Precision	
			WHEEL ASSY, STRG	78500-SV4-0030	(Parts Mfg.)	
			PAD COMP STRG WHEEL	78530-SV4-0030		

8703.90.26A	8703.90.10	CIVIC	Various Components /Parts	71101-SSH-T000-MA	MALAYSIA	3%
8703.90.27A		Passenger Cars	FACE FR BUMPER	71101-SSH-T100-MA	(Honda Malaysia Sdn Bhd and	
8703.90.28 A			FACE RR BPR	71501-SSA-0000-MA	Honda Auto Parts	
			COVER COMP, INST CTR LWR	77310-SSH-T000-XA	Manufacturing (M)	
			SHAFT ASSY FR,R DRIVE	44305-S5D-A000-M1	(Sdn Bhd)	
			SHAFT ASSY FR,L DRIVE	44305-S5D-A000-M1		
			SHAFT ASSY FR,R DRIVE	44305-S5D-A100-M1		
			SHAFT ASSY FR,L DRIVE	44305-S5D-A100-M1		
			SHAFT ASSY FR,R DRIVE	44305-S5D-A500-M1		
			SHAFT ASSY FR,L DRIVE	44305-S5D-A500-M1		
			SHAFT ASSY FR,R DRIVE	44305-S5D-A600-M1		
			SHAFT ASSY FR,L DRIVE	44305-S5D-A600-M1		
			INTERIOR LIGHT ASSY	34250-SSA-0031		