

MALACAÑANG
MANILA

MFN 2274

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 336

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 DECISION TAKEN BY THE ASEAN SENIOR ECONOMIC OFFICIALS' MEETING TO EXTEND A MINIMUM 50% MARGIN OF PREFERENCE ON CERTAIN PRODUCTS INCLUDED IN THE BRAND-TO-BRAND COMPLEMENTATION SCHEME IN THE AUTOMOTIVE INDUSTRY UNDER THE BASIC AGREEMENT ON ASEAN INDUSTRIAL COMPLEMENTATION

WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on ASEAN Industrial Complementation (BAAIC) signed in Manila on 18 June 1981;

WHEREAS, the Philippines is a signatory to the Memorandum of Understanding (MOU) on the Brand-to-Brand Complementation (BBC) Scheme for the Automotive Industry under the BAAIC signed by the ASEAN Economic Ministers in Pattaya, Thailand on 18 October 1988;

WHEREAS, The Philippines, along with Malaysia and Thailand, is a participating country in the approved BBC Scheme of Nissan Motor Co., Ltd.;

WHEREAS, at the ASEAN Senior Economic Officials' Meeting (SEOM) held in Jakarta, Indonesia from 15-17 March 1995, it was agreed that under the Nissan BBC Scheme, the Philippines will import certain completely-knocked-down (CKD) component parts for the original equipment manufacture of Nissan Sentra (B 14) passenger cars and Nissan Resort (Y 10) pick-up from Malaysia and Thailand in exchange for Philippine exports of complementary component parts to the said two countries;

WHEREAS, in accordance with paragraph b(i) of Section 9 of the MOU on the BBC Scheme, participating countries shall grant a minimum fifty per centum (50%) Margin of Preference (MOP) to existing BBC products within 90 days of approval by SEOM;

WHEREAS, the component parts, specified in Certificates of Eligibility (COEs) Nos. N 1B/95 and N 013/95 issued in favor of Thailand (Siam Nissan Automobile Co. Ltd., and in Certificates of Eligibility Nos. N 017/95 and N 4B/95 issued in favor of Malaysia (Tan Chong & Sons Motor Co. Sdn. Bhd.), are existing products, i.e., already being manufactured at the time of approval by SEOM held from 15-17 March 1995;



WHEREAS, under paragraph b(ii) of Section 9 of the MOU, non-participating countries shall initially waive their rights under Chapter II, Article 8, paragraph 2, of the ASEAN Preferential Trading Arrangements (PTA) for the first four years from date of granting of MOP and shall thereafter enjoy the MOP granted by participating countries as soon as they extend the same MOP.

WHEREAS, under paragraphs b(ii) and b(iv) of Section 9 of the MOU, the waiver period shall be extended beyond the first four years for as long as the non-participating countries do not wish to grant the MOP up to a maximum waiver period of eight years. After the maximum eight-year waiver period, any entity in any member country, whether the member country is participating in the specific BBC Scheme or not, which produces the BBC product shall enjoy the same MOP in the participating countries for the BBC product;

NOW, THEREFORE, I, FIDEL V. RAMOS, 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" as classified under Section 104 of the Tariff and Customs Code 1978, as amended, shall be accorded a minimum 50% MOP as specified in Column 9 thereof. In effect, such articles shall be subject to the BBC Preferential Tariff in accordance with the schedule indicated opposite each article as specified in Columns 10, 11 and 12 of Annex "A".

SEC. 2. The MOP provided in Annex "A" on body metal part (floor FR) and engine parts for Nissan Sentra (B 14) light passenger cars and on trim parts and body metal parts for Nissan AD Resort (Y 10) pick-ups shall be accorded exclusively to the BBC entity in Thailand (Siam Nissan Automobile Co., Ltd.) effective from 15 June 1995 up to 14 June 1999. Thereafter, the same MOP may be granted to a non-participating ASEAN country as soon as that country extends the same MOP itself. If the non-participating country does not wish to grant such MOP and maintains such position throughout the stipulated maximum waiver period of eight (8) years, the exclusive application of the MOP to Thailand shall then be extended up to 13 June 2003.

SEC. 3. The MOP provided in Annex "A" on body metal parts and gear and linkage assembly power steering for Nissan Sentra (B 14) light passenger cars and on manual steering gear for Nissan AD Resort (Y 10) pick-ups shall be accorded exclusively to the BBC entity in Malaysia (Tan Chong & Sons Motor Co. Sdn. Bhd.) effective from 15 June 1995 up to 14 June 1999. Thereafter, the same MOP may be granted to a non-participating ASEAN

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country as soon as that country extends the same MOP itself. If the non-participating country does not wish to grant such MOP and maintains such position throughout the stipulated maximum waiver period of eight (8) years, the exclusive application of the MOP to Malaysia shall then be extended up to 13 June 2003.

SEC. 4. Effective 14 June 2003, the MOP provided in Annex "A" shall be extended to any entity in another ASEAN member country which produces the subject BBC products, whether the country is participating in the BBC Scheme or not.

SEC. 5. The minimum fifty percentum (50%) MOP accorded under this Executive Order shall remain effective regardless of any subsequent changes in the basic Philippine rate of duty on the afore-mentioned articles.

SEC. 6. Upon the effectivity of this Executive Order, all the afore-mentioned articles entered or withdrawn from warehouses in the Philippines for consumption shall be subject to qualification under the Rules of Origin as prescribed in the Agreement on ASEAN Preferential Trading Arrangements, as amended, and shall pay the applicable BBC Preferential Tariff specified under Section 1 hereof.

SEC. 7. Any revision/s to the part numbers appearing in Column 4 of Annex "A" shall be communicated to the Bureau of Customs by the Department of Trade and Industry within five (5) days after receipt of the official copy of the revised part numbers from the ASEAN Secretariat.

SEC. 8. This Executive Order shall take effect immediately.

Done in the City of Manila, this 16th day of Ma y in the year of Our Lord, Nineteen Hundred and Ninety-Six.

By the President:


RUBEN D. TORRES
Executive Secretary

RCC/ALC



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ARTICLES GRANTED 50% MOP UNDER THE APPROVED NISSAN BBC SCHEME

| (1) | (2) | (3) | (4) | (5) | RATE OF DUTY (%) | | | MARGIN OF PREFERENCE (%) | PREFERENTIAL TARIFF (%) | | |
|-----------|--|---|-------------|----------|------------------|-------------|--------------|--------------------------|-------------------------|-------------|--------------|
| | | | | | 15 JUNE 1995 | 1 JULY 1995 | 28 AUG. 1995 | | 15 JUNE 1995 | 1 JULY 1995 | 28 AUG. 1995 |
| | | | | | (6) | (7) | (8) | | (9) | (10) | (11) |
| 703 90 10 | Nissan Sentra (B 14) Lght Passenger Car | Body Metal Parts: | | | 20 | 10 | 3 | 50 | 10 | 5 | 1.5 |
| | | Floor FR | 74312 72Y00 | Thailand | | | | | | | |
| | | Hoodledge Lwr, FR RH | 64132 65Y00 | Malaysia | | | | | | | |
| | | Hoodledge Lwr, FR LH | 64133 2M100 | Malaysia | | | | | | | |
| | | Hoodledge Lwr, RR RH | 64142 65Y00 | Malaysia | | | | | | | |
| | | Hoodledge Lwr, RR LH | 64143 65Y00 | Malaysia | | | | | | | |
| | | Hoodledge Upr, RH | 64112 1M200 | Malaysia | | | | | | | |
| | | Hoodledge Upr, LH | 64113 1M200 | Malaysia | | | | | | | |
| | | Supt FR Susp Spr, RH | 64124 OM000 | Malaysia | | | | | | | |
| | | Supt FR Susp Spr, LH | 64125 OM000 | Malaysia | | | | | | | |
| | | Engine Parts: | | | 20 | 10 | 3 | 50 | 10 | 5 | 1.5 |
| | | Camshaft Int | 13020 61J00 | Thailand | | | | | | | |
| | | Camshaft Int | 13020 73C00 | Thailand | | | | | | | |
| | | Camshaft Ext | 13020 61J10 | Thailand | | | | | | | |
| | | Camshaft Ext | 13020 74C10 | Thailand | | | | | | | |
| | | Pumo Assy-Water | 21010 OM300 | Thailand | | | | | | | |
| | | FR-Cover With Oil Pump | 13500 OM300 | Thailand | | | | | | | |
| | | Gear and Linkage Assy Power Steering | 49001 1M210 | Malaysia | 20 | 10 | 3 | 50 | 10 | 5 | 1.5 |
| | Nissan AD Resort (Y 10) Pick-Up | Trim Parts: | | | 10 | 10 | 3 | 50 | 5 | 5 | 1.5 |
| | | Lamp Assy Lic Plate | 26510 93R00 | Thailand | | | | | | | |
| | | Lamp Assy RR Comb RH | 26550 93R00 | Thailand | | | | | | | |
| | | Lamp Assy RR Comb LH | 26555 93R00 | Thailand | | | | | | | |
| | | Body Metal Parts: | | | 10 | 10 | 3 | 50 | 5 | 5 | 1.5 |
| | | Brkt. Assy RR Towing Hook LH | 51139 93R00 | Thailand | | | | | | | |
| | | Patch-Side Panel, RH | 77594 93R05 | Thailand | | | | | | | |
| | | Patch-Side Panel, LH | 77595 93R05 | Thailand | | | | | | | |
| | | Gusset-RR FDR RH | 78162 93R05 | Thailand | | | | | | | |
| | | Gusset-RR FDR LH | 78163 93R05 | Thailand | | | | | | | |
| | | Reinf Assy RR UPR, R | 77592 93R01 | Thailand | | | | | | | |
| | | Reinf Assy RR UPR, L | 77593 93R01 | Thailand | | | | | | | |
| | | Manual Steering Gear | 48001 74R00 | Malaysia | 10 | 10 | 3 | 50 | 5 | | |

Handwritten signature and arrows pointing to the table.