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Manila

EXECUTIVE ORDER NO. 71

AMENDING SECTION 201 OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, CHANGING THE BASE FOR CUSTOMS VALUATION FROM HOME CONSUMPTION VALUE TO COST, INSURANCE AND FREIGHT (C.I.F.) AND FOR OTHER PURPOSES

WHEREAS, the predominant international customs valuation system is the Cost, Insurance and Freight (C.I.F.);

WHEREAS, the Philippines adopts the Home Consumption Value System of valuation;

WHEREAS, the Government recognizes the importance of aligning its system with that of its international trading partners, particularly the Association of Southeast Asian Nations (ASEAN);

WHEREAS, the Cost, Insurance and Freight (C.I.F.) valuation system conforms more to existing customs administrative procedures and practices formulated to facilitate the flow of international trade;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 201 of the Tariff and Customs Code of the Philippines, is hereby amended to read as follows:

"SEC. 201. Basis of Dutiable Value. - The dutiable value of an imported article subject to an ad valorem rate of duty shall be based on the transaction value or price of same, like or similar articles, as bought and sold or offered for sale freely in the usual wholesale quantities in the ordinary course of trade in the principal markets of the exporting country on the date of

exportation to the Philippines (excluding internal excise taxes to be remitted or rebated) or where there is none on such date, then on the transaction value or price nearest to the date of exportation, including the value of all containers, coverings and/or packings of any kind and all other expenses, costs and charges incident to placing the article in a condition ready for shipment to the Philippines, and freight as well as insurance premium covering the transportation of such article to the port of entry in the Philippines.

The transaction value under this section shall be the value or price declared in the commercial, trade or sales invoice. Where there exists a reasonable doubt as to the value or price of the imported article declared in the entry, the correct dutiable value of the article shall be ascertained by the Commissioner of Customs from the reports of the Revenue Attache or Commercial Attache (Foreign Trade Promotion Attache), pursuant to Republic Act Numbered Fifty-Four Hundred and Sixty-Six or other Philippine diplomatic officers and from such other information that may be available to the Bureau of Customs.

When the dutiable value provided for in the preceding paragraphs can not be ascertained for failure of the importer to produce the documents mentioned in the second paragraph, or where there exists a reasonable doubt as to the dutiable value of the imported article declared in the entry, it shall be the domestic wholesale selling price or such or similar article in Manila or other principal markets in the Philippines on the date the duty becomes payable on the article under appraisement, on the usual wholesale quantities and in the ordinary course of trade, minus

Twenty-five (25) per cent thereof
for expenses and profits; and

Duties and taxes paid thereon."

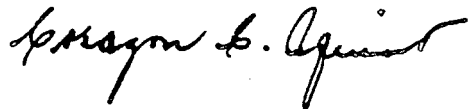
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SECTION 2. The Commissioner of Customs shall, subject to the approval of the Minister of Finance, promulgate all rules and regulations necessary to enforce the provisions of this Executive Order.


SECTION 3. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 4. This Executive Order shall take effect immediately.

Done in the City of Manila, this 25th day of November in the year of Our Lord, nineteen hundred and eighty-six.



By the President:



JOKER P. ARROYO
Executive Secretary