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**MALACAÑANG**  
Manila

**BY THE PRESIDENT OF THE PHILIPPINES**

**EXECUTIVE ORDER NO. 812**

**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 COMMITMENT TO REDUCE THE TARIFF RATES ON NINETY PERCENT (90%) OF THE PRODUCTS IN THE NORMAL TRACK TO ZERO WITH FLEXIBILITY UNDER THE ASEAN-KOREA FREE TRADE AREA (AKFTA)**

**WHEREAS**, Articles 1.3 and 2.1 of the Framework Agreement on Comprehensive Economic Cooperation (Framework Agreement) Between the Association of South East Asian Nations (ASEAN) and the Republic of Korea reflects the Parties' commitment to establish the ASEAN – Korean Free Trade Area covering Trade in Goods;

**WHEREAS**, Article 3.2(a) of the Trade in Goods (TIG) Agreement of the Framework Agreement provides that tariff lines placed in the Normal Track by each Party shall have their respective applied MFN tariff rates gradually reduced and eliminated in accordance with the modalities set out in Annex 1 of the Agreement with the objective of achieving the targets prescribed in the threshold therein;

**WHEREAS**, the aforesaid Annex 1 Section 5(b) of the TIG Agreement provides that ASEAN 6 shall implement the following targets and thresholds: (ii) eliminate tariffs for at least 90% of the tariff lines placed in the Normal Track not later than 1 January 2009; (iii) eliminate all tariff lines by 2010 with flexibility on 5% of the total lines, or as listed in the agreed schedule, not later than 1 January 2012;

**WHEREAS**, the NEDA Board during its meeting on 31 March 2009 approved the grant of AKFTA rates of 0% on 90% of the products in the Normal Track with flexibility;

**WHEREAS**, Section 402 of the Tariff and Customs Code of 1978 (PD 1464), as amended, empowers the President of the Republic of the Philippines, upon the recommendation of the National Economic and Development Authority, to modify import duties for the promotion of foreign trade;

**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;



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**SECTION 1.** The articles specifically listed in the Annex (Articles Granted Tariff Concession Under the Normal Track of the ASEAN – Korea Free Trade Area) hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the AKFTA rates in accordance with the schedule indicated in Columns 4-6 of the Annex. The AKFTA rates so indicated shall be accorded to imports coming from the parties of the Agreement on Trade in Goods of the Framework Agreement applying tariff concession to the same product pursuant to Article 3 of the Agreement on Trade in Goods of the Framework Agreement.

**SECTION 2.** For ASEAN 8 (i.e. Brunei Darussalam, Cambodia, Indonesia, Lao Peoples Democratic Republic, Malaysia, Myanmar, Singapore and Vietnam) the applicable rate shall be the AKFTA rate, subject to the submission of the proper Certification of Origin, Form AK. The Tariff Commission pursuant to Section 1313(a) of the Tariff and Customs Code of the Philippines, as amended, may, upon request, issue tariff classification rulings to confirm the applicable rates of duty of particular products subject to this section.

**SECTION 3.** In the event that any subsequent change is made in the basic (MFN) Philippine rate of duty on any of the articles listed in the Annex to a rate lower than the rate prescribed in Columns 4-6 of the Annex, such article shall automatically be accorded the corresponding reduced duty.

**SECTION 4.** From the date of effectivity of this Order, all articles listed in the Annex entered into or withdrawn from warehouses in the Philippines for consumption shall be imposed the rates of duty therein prescribed subject to compliance with the Rules of Origin as provided for in Article 5 of the Agreement on Trade in Goods of the Framework Agreement.

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

**SECTION 6.** This Executive Order shall take effect fifteen (15) days following its complete publication in the official gazette or in a newspaper of general circulation in the Philippines.

Done in the City of Manila this <sup>15<sup>th</sup></sup> day of *June*, in the year of Our Lord, Two Thousand and Nine.

*Alvin M. Reyes*

By the President:

*Eduardo R. Ermita*  
**EDUARDO R. ERMITA**  
Executive Secretary

