

w/ SOE 10/9/08

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 814

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 2009-2012 PHILIPPINE SCHEDULE OF TARIFF REDUCTION UNDER THE NORMAL TRACK OF THE ASEAN-CHINA FREE TRADE AREA ON CERTAIN PRODUCTS AND TO IMPLEMENT THE TRANSFER OF CERTAIN TARIFF LINES FROM THE SENSITIVE TRACK TO THE NORMAL TRACK CATEGORY OF THE ASEAN-CHINA FREE TRADE

WHEREAS, the Framework Agreement on Comprehensive Economic Cooperation (Framework Agreement) between the Association of South East Asian Nations (ASEAN) and the People's Republic of China (China) was signed by the Heads of Government/State of the ASEAN Member States and China on 4 November 2002 in Cambodia;

WHEREAS, Articles 2(a), 3(1), and 8(1) of the Framework Agreement reflect the Parties' commitment to establish the ASEAN-China Free Trade Area (ACFTA) covering trade in goods by 2010 for ASEAN 6 and China, and by 2015 for the newer ASEAN Member States;

WHEREAS, the Agreement on Trade in Goods of the Framework Agreement was signed by the Economic Ministers of the Parties on 29 November 2005 in Laos;

WHEREAS, Article 3(2)(a) of the Agreement on Trade in Goods of the Framework Agreement provides that tariff lines placed in the Normal Track by each Party shall have their respective applied Most Favored Nation (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, as an integral part of its commitments, each Party shall eliminate all its tariff lines placed in the Normal Track not later than 1 January 2010, with flexibility to have tariffs on some tariff lines, not exceeding 150 tariff lines, eliminated not later than 1 January 2012. For the Philippines, the list of products for flexibility exceeding 150 tariff lines shall be determined after a review in 2008;



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WHEREAS, during the 29th ASEAN-China Trade Negotiating Group Meeting, it was agreed that a review of the Sensitive Track be initiated with the end in view to improve market access pursuant to the provisions of paragraph 2, Article 17 of the Agreement of Trade in Goods of the Framework Agreement;

WHEREAS, the NEDA Board approved on 10 February and 26 May 2009 the 2009-2012 tariff reduction schedule under the Normal Track of the ACFTA in compliance with the Philippines' commitment under the Framework Agreement; and the transfer of certain tariff lines from the Sensitive Track to the Normal Track;

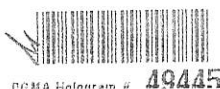
WHEREAS, Section 402 of the Tariff and Customs Code of 1978 (PD 1464), as amended, empowers the President of the Republic of the Philippines, upon the recommendation of the National Economic and Development Authority, to modify import duties for the promotion of foreign trade;

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:

SECTION 1. The articles specifically listed in Annex "A" hereof (2009-2012 Philippine Schedule of Tariff Reduction under the Normal Track of the ACFTA), as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the ACFTA rates in accordance with the schedule indicated in Columns 4-7 of Annex "A". The ACFTA rates so indicated shall be accorded to imports coming from the Parties to 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. The articles specifically listed in Annex "B" hereof (Articles Transferred from Sensitive Track to the Normal Track of the ACFTA), as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the ACFTA rates in accordance with the schedule indicated in Columns 4-7 of Annex "B". The ACFTA rates so indicated shall be accorded to imports coming from the Parties to 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 3. For ASEAN 9 (i.e. Brunei Darussalam, Cambodia, Indonesia, Lao Peoples Democratic Republic, Malaysia, Myanmar, Singapore, Thailand, and Vietnam), the applicable rate shall be the ACFTA rate subject to the submission of the proper Certificate of Origin, Form E. The Tariff Commission pursuant to Section 1313(a) of the Tariff and Customs Code of the Philippines, as amended,



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may, upon request, issue tariff classification rulings to confirm the applicable rates of duty of particular products subject to this section.

SECTION 4. In the event that any subsequent changes are made in the basic MFN Philippine rates of duty on any of the article listed in Annexes "A" and "B" to a rate lower than the rate prescribed in Columns 4-7 of said Annexes, such article shall automatically be accorded the corresponding reduced duty.

SECTION 5. From the date of effectivity of this Order, all articles listed in Annexes "A" and "B" 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 6. 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 7. 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 20th day of June, in the year of Our Lord, Two Thousand and Nine.

Gloria M. Arroyo

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By the President:

Eduardo R. Ermita
EDUARDO R. ERMITA
Executive Secretary

