

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 71

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED FOR UNDER THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES (TCCP), AS AMENDED, IN ORDER TO IMPLEMENT THE PHILIPPINE TARIFF COMMITMENTS ON CERTAIN PRODUCTS INCLUDED IN THE HIGHLY SENSITIVE LIST UNDER THE ASSOCIATION OF SOUTHEAST ASEAN NATIONS (ASEAN) – CHINA FREE TRADE AREA (ACFTA)

WHEREAS, the ASEAN Member States and the People's Republic of China ("The Parties") signed the Framework Agreement on Comprehensive Economic Co-Operation ("Framework Agreement") on 04 November 2002 in Cambodia;

WHEREAS, Articles 2(a), 3(1) and 8(1) of the Framework Agreement reflect the Parties' commitment to establish the ACFTA covering trade in goods by 2010 for the ASEAN 6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) and China, and by 2015 for the newer ASEAN Member States of Cambodia, Lao PDR, Myanmar and Viet Nam;

WHEREAS, to achieve the objective of the Framework Agreement, the Agreement on Trade in Goods (TIG) or the "TIG Agreement" was signed by the Economic Ministers of the Parties on 29 November 2004 in Vientiane, Lao PDR;

WHEREAS, Article 3(2)(b) of the TIG Agreement provides that tariff lines placed in the Sensitive Track by each Party on its own accord shall have their respective applied Most Favoured Nation (MFN) tariff rates reduced or eliminated in accordance with the modalities set out in Annex 2 of the TIG Agreement;

WHEREAS, Section 3(iii) of Annex 2 of the TIG Agreement provides that the Parties shall reduce the MFN rates on products in the Highly Sensitive List to not more than 50% not later than 2015 for ASEAN 6 and China;

WHEREAS, the National Economic and Development Authority (NEDA) Board recommended on 16 January 2012, on *ad referendum* basis, the tariff reduction schedules of certain tariff lines under the Highly Sensitive Lists; and

WHEREAS, Section 402 of the TCCP, as amended, authorizes the President of the Philippines, upon the recommendation of NEDA, to modify import duties (including any necessary change in classification) and other import restrictions, as are required or appropriate to carry out and promote foreign trade with other countries.

NOW, THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Reduction of Tariff Rates on Articles in the Highly Sensitive List. The articles specifically listed in the Annex hereof, as classified under Section 104



of the TCCP, as amended, shall be subject to the rates of import duty as indicated in Column 4 of the Annex.

SECTION 2. Applicable ACFTA Rate. For China and the ASEAN 9 (i.e. Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, and Viet Nam), the applicable rate shall be the ACFTA rate subject to the submission of the proper Certificate of Origin (CO) Form E. Pursuant to Section 1313(a) of the TCCP, as amended, the Tariff Commission may, upon request, issue tariff classification rulings to confirm the applicable rates of duty of particular products subject to this section.

SECTION 3. Rates for Articles in the Annex Subject to Rules of Origin. From the date of effectivity of this Executive 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 TIG Agreement.

SECTION 4. Right of Recourse. Nothing in this Executive Order shall preclude the Philippines from invoking its right of recourse to all trade remedy measures provided for in its laws, the TIG Agreement and other relevant international agreements, as an effective device against import surges.

SECTION 5. Repealing Clause. All issuances, orders, rules and regulations, or parts thereof, which are inconsistent with this Executive Order are hereby repealed, amended or modified accordingly.

SECTION 6. Separability Clause. If any provision of this Executive Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 7. Effectivity Clause. This Executive Order shall take effect immediately upon publication in a newspaper of general publication.

DONE, in the City of Manila, this 16th of April, in the year of our Lord, Two Thousand and Twelve.



By the President:

PAQUITO N. OCHOA, JR.
Executive Secretary

