

EXECUTIVE ORDER NO. 214

**IMPOSITION OF APPLICABLE COMMON EFFECTIVE PREFERENTIAL
TARIFF RATES ON QUALIFIED IMPORTS FROM ECOZONE
LOCATORS**

WHEREAS, under Article 3 of the Common Effective Preferential Tariff (CEPT) Agreement and its Interpretative Notes, the Agreement shall apply to all manufactured products, including capital goods, processed agricultural products, and those products falling under the definition of agricultural products as set out in the Agreement;

WHEREAS, under the Agreement, the ASEAN CEPT rates shall be accorded to imports coming from ASEAN Member States applying CEPT concession on the same product;

WHEREAS, under the Agreement, a product is deemed originating from an ASEAN Member State, if at least 40% of its content originates from any Member State;

WHEREAS, Republic Act Nos. 7227, 7916, 7903 and 7922 vest the Subic Bay Free Port, Clark Special Economic Zone and other ecozones with the status of a separate customs territory, and therefore manufactured or processed products bought from ecozone locators are considered as originating from abroad;

WHEREAS, all products sold by ecozone locators to the domestic customs territory are imposed the MFN rates;

WHEREAS, the National Economic Development Authority (NEDA) Board on 3 September 2002 confirmed the recommendation of the Committee on Tariff and Related Matters to impose CEPT rates on qualified imports from ecozone locators;

WHEREAS, Section 402 of the Tariff and Customs Code of 1978 (Presidential Decree No. 1464, as amended), empowers the President, upon the recommendation of the NEDA, to increase, reduce or remove existing protective rates of import duty, as well as to modify the form of import duty.

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. Products manufactured in ecozones with at least 40% of its product content originating from any Member State and sold in the Philippine customs territory shall be imposed the applicable CEPT rates subject to qualification under the Rules of Origin as provided for in the Agreement on the CEPT Scheme for the AFTA signed on 26 January 1992.

SECTION 2. In the event that Philippine MFN rates of duty on any of the manufactured articles covered under the CEPT scheme are reduced to a rate lower than the prescribed CEPT rate, such article shall automatically be accorded the corresponding lower duty.

SECTION 3. Within thirty (30) days following the complete publication of this Order, the Department of Finance, the Philippine Economic Zone Authority, the Subic Bay Metropolitan Authority and Clark Special Economic Zone Authority, in coordination with the Board of Investments, and other relevant agencies shall promulgate and issue the appropriate guidelines for the implementation of this Executive Order.

SECTION 4. All Presidential issuances, administrative rules and regulations or parts thereof, which are contrary or inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 5. This Executive Order shall take effect immediately following its complete publication in two newspapers of general circulation in the Philippines.

DONE in the City of Manila, this 31st of May in the year of Our Lord, two thousand and three.

G. Marrozo



By the President:

Alberto G. Romulo

ALBERTO G. ROMULO
Executive Secretary


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