

[EXECUTIVE ORDER NO. 22, April 28, 2017]

REDUCING THE RATES OF DUTY ON CAPITAL EQUIPMENT, SPARE PARTS AND ACCESSORIES IMPORTED BY BOARD OF INVESTMENTS-REGISTERED NEW AND EXPANDING ENTERPRISES

WHEREAS, Executive Order (E.O.) No. 70 (s. 2012) provided for zero percent duty on certain articles imported by Board of Investments (BOI)-registered new and expanding enterprises for a period of five (5) years from the date of its effectivity, or until the enactment of a law amending E.O. No. 226 (s. 1987) otherwise known as the Omnibus Investments Code of 1987, as amended, whichever comes earlier;

WHEREAS, E.O. No. 70 is effective only until 09 May 2017, even as a law amending E.O. No. 226 remains to be enacted;

WHEREAS, considering that importation of capital equipment is one of the major cost burdens of business enterprises in their start-up operations and expansion, there is a need to extend the zero percent duty on importation of capital equipment, spare parts and accessories currently being enjoyed by BOI-registered enterprises;

WHEREAS, the extension of the zero percent duty importation will further enhance industry competitiveness in line with the Philippine Development Plan (PDP) 2017-2022;

WHEREAS, the grant of duty-free importation of capital equipment remains to be an important fiscal incentive in promoting investments into the Philippines considering the global competition for foreign direct investments;

WHEREAS, Section 1608 of Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA), empowers the President of the Philippines, upon the recommendation of the National Economic and Development Authority (NEDA), to increase, reduce or remove existing rates of import duty; and

WHEREAS, the NEDA BOARD on 28 April 2017 endorsed, *ad referendum*, the extension of the zero percent duty on capital equipment, spare parts and accessories imported by BOI-registered new and expanding enterprises;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Zero Percent Duty. Any importation of capital equipment, spare parts and accessories by BOI-registered enterprises shall be subjected to zero percent duty, as indicated in Section 2 hereof.

SECTION 2. Coverage. The zero percent duty shall be applied to importations by BOI registered new and expanding enterprises of capital equipment, spare parts and