

[EXECUTIVE ORDER NO. 702, January 22, 2008]

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE PREFERENTIAL TARIFF RATES ON CERTAIN PRODUCTS UNDER THE ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME, IN FAVOR OF PHILIPPINE AUTO COMPONENTS, INC. (COE NOS. DENSO/2007/11 AND DENSO/2007/12).

WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on the ASEAN Industrial Cooperation Scheme (AICO) signed in Singapore on 27 April 1996;

WHEREAS, the Philippines is a signatory to the Protocol to Amend the Basic Agreement on the AICO Scheme signed in Singapore on 21 April 2004;

WHEREAS, the Philippines is a participating country in the approved AICO Arrangements of Philippine Auto Components, Inc. (PACI) along with Indonesia and Malaysia;

WHEREAS, under the AICO Certificate of Eligibility No. Denso/2007/11, the Philippines (Philippine Auto Components, Inc.) will import from Indonesia (PT. Denso Indonesia and PT. Denso Sales Indonesia) certain original equipment manufacture (OEM) parts/components for motor vehicles, as specified in Annex "A". In exchange, Indonesia (PT. Denso Indonesia and PT. Denso Sales Indonesia) will import from the Philippines complementary parts/components for the OEM of motor vehicles;

WHEREAS, AICO Certificate of Eligibility No. Denso/2007/11 was issued on 26 March 2007, and was amended on 02 August 2007, in favor of the participating companies in the Denso AICO Arrangement;

WHEREAS, under the Denso AICO Certificate of Eligibility No. Denso/2007/12, the Philippines (Philippine Auto Components, Inc.) will import from Malaysia [Denso (Malaysia) Sdn. Bhd.] certain original equipment manufacture (OEM) automotive parts/components for motor vehicles as specified in Annex "B". In exchange, Malaysia [Denso (Malaysia) Sdn. Bhd.] will import from the Philippines complementary parts/components for the OEM of motor vehicles;

WHEREAS, AICO Certificate of Eligibility No. Denso/2007/12 was issued on 02 August 2007, in favor of the participating companies in the Denso AICO Arrangement;

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, participating companies in the approved Denso AICO Arrangements shall qualify for 0 - 5% preferential tariff rates to be extended by Indonesia, Malaysia and