

[**EXECUTIVE ORDER NO. 677, October 31, 2007**]

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 TOYOTA MOTOR PHILIPPINES CORPORATION; TOYOTA AUTOPARTS PHILIPPINES, INC. (COE NOS. TOYOTA /2006/35 AND TOYOTA/2006/36)

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 amending 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 Toyota Motor Philippines Corporation; Toyota Autoparts Philippines, Inc., along with Indonesia;

WHEREAS, under the Toyota AICO Certificate of Eligibility No. Toyota/2006/35, the Philippines (Toyota Motor Philippines Corporation) will import from Indonesia (PT. Toyota Motor Manufacturing Indonesia) certain original equipment manufacture (OEM) automotive parts/ components for Camry and Corolla. In exchange, Indonesia (PT. Toyota Motor Manufacturing Indonesia) will import from the Philippines complementary parts/ components for the OEM of Kijang Innova;

WHEREAS, under the Toyota AICO Certificate of Eligibility No. Toyota/2006/36, the Philippines (Toyota Motor Philippines Corporation; Toyota Autoparts Philippines, Inc.) will import from Indonesia (PT. Toyota Motor Manufacturing Indonesia) certain original equipment manufacture (OEM) automotive parts/ components for Innova Multi-purpose Vehicle (Innova). In exchange, Indonesia (PT. Toyota Motor Manufacturing Indonesia) will import from the Philippines complementary parts/ components for the OEM of Kijang Innova;

WHEREAS, AICO Certificate of Eligibility No. Toyota/2006/35 and Toyota/2006/36 were issued on 01 December 2006 and were later amended on 08 January 2007 and 03 January 2007 respectively, in favor of the participating companies in the Toyota AICO Arrangements;

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, as amended, participating companies in the approved Toyota AICO Arrangements shall qualify for 0% preferential tariff rates to be extended by Indonesia and the Philippines as participating countries.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, pursuant to the powers vested in me under Section 402 of the Tariff and Customs Code of 1978, as amended, do hereby order:

SECTION 1. The articles specifically listed in Annex "A" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of 0% on parts/components as specified in Column 6 thereof.

SECTION 2. The AICO rate provided in Annex "A" shall be accorded to the AICO entity in Indonesia (PT. Toyota Motor Manufacturing Indonesia) upon the effectivity of this Executive Order;

SECTION 3. Upon the effectivity of this Executive Order, the articles specifically listed in the aforesaid Annex "A" which are entered or withdrawn from warehouses in the Philippines for consumption shall pay the applicable AICO preferential tariff rates specified under Section 1 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidenced by the Certificate of Origin-Form "**D**".

SECTION 4. 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 5. This Executive Order shall take effect immediately upon publication in a national newspaper of general circulation.

DONE in the City of Manila, this 31st day of October in the year of Our Lord, Two Thousand and Seven.

(Sgd.) GLORIA M. ARROYO

By the President:

(Sgd.) EDUARDO R. ERMITA

Executive Secretary

ANNEX A

ARTICLES GRANTED PREFERENTIAL TARIFF UNDER THE ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME OF TOYOTA MOTOR PHILIPPINES CORPORATION (TMPC)

AHT HDG NO.	HS CODE	Model/Type	Product Description	Source Country/ AICO Company	Recommended AICO Preferential Rate (%)
(1)	(2)	(3)	(4)	(5)	(6)
8703.90.28A	8703.90 10	Toyota Camry	Various Components/Parts:	Indonesia/ P.T. Toyota Motor Manufacturing Indonesia	0

8703.90.31A		passenger car	GLASS, BACK WINDOW RECEPTACLE ASSY, RR ASH, RH RECEPTACLE ASSY RR ASH RH RECEPTACLE ASSY, RR ASH LH RECEPTACLE ASSY, RR ASH LH CANISTER ASSY, CHARCOAL W/ OUTLET HOSE LAMP ASSY, COURTESY HORN ASSY, HIGH PITCHED HORN ASSY, HIGH PITCHED		
8703.90.26A	8703.90 10	Toyota Corolla passenger car	Various Components/Parts: FLYWHEEL SUB-ASSY BODY ASSY, THROTTLE BODY ASSY, THROTTLE COVER ASSY, CLUTCH DISC ASSY, CLUTCH LOUVER AUB-ASSY, COWL TOP VENTILATOR, RH	Indonesia/ P.T. Toyota Motor Manufacturing Indonesia	0
8703.90.26A	8703.90 10	Toyota Corolla passenger car	Various Components/Parts: LOUVER SUB-ASSY, COWL TOP VENTILATOR. LH SHIELD, COWL VENT SPLASH REINFORCE S/A, CTR BODY PLR, RH, L/PAD REINFORCE S/A, CTR BODY PLR, LH, L/PAD REINFORCEMENT, ROOF SIDE RAIL, OUTER RH REINFORCEMENT, ROOF SIDE RAIL, OUTER LH REINFORCE SUB-ASSY, ROCKER, OUTER RH	Indonesia/ P.T. Toyota Motor Manufacturing Indonesia	0

REINFORCE SUB-ASSY,
 ROCKER, OUTER LH
 REGULATOR ASSY, RR
 DOOR WINDOW, RH
 REGULATOR ASSY, RR
 DOOR WINDOW, LH
 SHIELD, FR SEAT
 CUSHION LWR RH
 SHIELD, FR SEAT
 CUSHION LWR LH
 COVER, SEAT TRACK
 BRACKET, INNER FR
 COVER, SEAT TRACK
 BRACKET, INNER RH
 COVER, SEAT TRACK
 BRACKET, INNER LH
 HANDLE, SEAT TRACK
 ADJUSTING
 CANISTER ASSY,
 CHARCOAL
 LAMP ASSY, COURTESY
 HORN ASSY, HIGH
 PITCH
 HORN ASSY, LOW
 PITCH
 PLUG, SPARK
 BELT, V-RIBBED
 BELT, V-RIBBED

8703.90.27A 8703.90 Innova
 8703.90.28A 10

Various
 Components/Parts:

Indonesia/ 0
 P.T. Toyota
 Motor
 Manufacturing
 Indonesia

HOSE VENTILLATION,
 NO. 2
 RESERVE TANK, AIR
 W/AIR FLOW METER
 BRACKET, EXHAUST
 PIPE SUPPORT, NO. 1
 BRACKET, EXHAUST
 PIPE SUPPORT, NO. 8
 CLEANER ASSY, AIR W/
 ELEMENT
 INLET ASSY, AIR
 CLEANER
 INLET, AIR CLEANER
 HOSE ASSY, AIR
 CLEANER W/
 RESONATOR
 HOSE ASSY, AIR
 CLEANER
 HOSE FUEL VAPOR
 FEED
 COVER ASSY, CLUTCH

COVER ASSY, CLUTCH
 DISC ASSY, CLUTCH
 DISC ASSY, CLUTCH
 BRACKET, FLEXIBLE
 HOSE
 BRACKET, FLEXIBLE
 HOSE
 TUBE SUB-ASSY, OIL
 COOLER INLET
 TUBE SUB-ASSY, OIL
 COOLER INLET
 TUBE SUB-ASSY, OIL
 COOLER OUTLET
 TUBE SUB-ASSY, OIL
 COOLER OUTLET
 TUBE SUB-ASSY, OIL
 COOLER W/ CLAMP
 CLAMP, FLEXIBLE
 HOSE, NO. 2
 CABLE ASSY,
 TRANSMISSION
 CONTROL
 BRACKET,
 TRANSMISSION
 CONTROL CABLE
 BRACKET,
 TRANSMISSION
 CONTROL CABLE
 BRACKET,
 TRANSMISSION
 CONTROL CABLE
 BRACKET, OIL FILLER
 TUBE
 GASKET, RR AXLE
 HOUSING END

8703.90.27A 8703.90 Innova
 8703.90.28A 10

Various
 Components/Parts:

Indonesia/ 0
 P.T. Toyota
 Motor
 Manufacturing
 Indonesia

DRUM BRAKE
 LABEL TIRE PRESSURE
 INFORMATION
 KNUCKLE, STEERING,
 RH
 KNUCKLE, STEERING,
 LH
 HUB SUB-ASSY, FR