

**[ EXECUTIVE ORDER NO. 575, November 05, 2006 ]**

**MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1973, AS AMENDED, IN ORDER TO IMPLEMENT THE PREFERENTIAL TARIFF RATES ON CERTAIN PRODUCTS UNDER THE ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME, IN FAVOR OF HONDA CARS PHILIPPINES, INC, (HCPI) AND HONDA PARTS MANUFACTURING CORPORATION (COE NO. HONDA/2006/46)**

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 participating country in the approved AICO Arrangements of Honda Cars Philippines, Inc. along with Indonesia;

WHEREAS, under the Honda AICO Certificate of eligibility No. Honda/2006/46, the Philippines (Honda Cars Philippines, Inc. and Honda Parts Manufacturing Corporation) will import from Indonesia (PT. Honda Prospect Motor and PT. Honda Precision Parts Manufacturing) certain original equipment manufacture (OEM) automotive parts/components for Honda Civic, Honda City and Honda CR-V. In exchange, Indonesia (PT. Honda Prospect Motor and PT. Honda Precision Parts Manufacturing) will import from the Philippines complementary parts/components for the OEM of Honda CR-V, Jazz and Stream;

WHEREAS, AICO Certificate of Eligibility No. Honda/2006/45 was Issued on 19 July 2005, in favor of the participating companies in the Honda AICO Arrangement;

WHEREAS, In consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, as amended, participating companies in the approved Honda AICO Arrangements shall qualify for 0% preferential tariff rate 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 5 thereof.

SECTION 2. The AICO rate provided in Annex "A" shall be accorded to the AICO entity in Indonesia (PT Honda Prospect Motor and PT Honda Precision Parts Manufacturing) 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 after its publication in two (2) national newspapers of general circulation in the Philippines

DONE in the City of Manila, this 5th day of November , in the year of Our Lord, Two Thousand and Six.

(Sgd.) GLORIA M. ARROYO

By the President:

(Sgd.) EDUARDO R. ERMITA  
Executive Secretary

**ARTICLES GRANTED PREFERENTIAL TARIFF UNDER THE  
ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME OF HONDA CARS  
PHILIPPINES, INC. (HCPI)**

AHTN HDG NO.	Model/Type	Product Description	Source Country/ (AICO Company)	Recommended AICO Preferential Rate (%)
(1)	(2)	(3)	(4)	(5)
8703.9026A	Honda City Passenger cars	Various Components / Parts:  KNUCKLE COMP.R FR (ABS) KNUCKLE COMP.R FR KNUCKLE COMP.R FR KNUCKLE COMP.L FR (ABS) KNUCKLE COMP.L FR KNUCKLE COMP.L FR	Indonesia/ (Honda Prospect Motor/PT. Honda Precision Parts Manufacturing	0