

**[ EXECUTIVE ORDER NO. 57, July 06, 2018 ]**

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

*Adopted: 22 June 2018*

*Date Filed: 06 July 2018*

**WHEREAS**, Executive Order (EO) No. 22 (s. 2017) provided for zero percent duty on certain articles imported by Board of Investments (BOI)-registered new and expanding enterprises for a period of one (1) year from the date of its effectivity or until the enactment of a law amending EO No. 226 (s. 1987), otherwise known as the Omnibus Investments Code of 1987, as amended, whichever comes earlier;

**WHEREAS**, EO No. 22 is effective only until May 18, 2018 and a law amending EO No. 226 remains to be enacted;

**WHEREAS**, considering that importation of capital equipment remains as one of the major cost burdens of business enterprises in their start-up and expansion, there is a need to extend the zero percent duty on 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 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 25 April 2018 endorsed the extension of the zero percent duty on capital equipment, spare parts and accessories by BOI- registered new and expanding enterprises.

**NOW, THEREFORE, I, RODRIGO ROA DUTERTE**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1. Zero Percent Duty.** Any importation of capital equipment, spare parts