

**[ BOC CUSTOMS MEMORANDUM ORDER NO. 3-2001, March 14, 2001 ]**

**RULES AND REGULATIONS FOR THE IMPLEMENTATION OF EXECUTIVE ORDER NO. 133**

**1. Objectives**

**1.1 General Objectives:**

1.1.1 To promulgate the necessary rules and regulations for the effective and orderly implementation of Executive Order (EO) No. 133.

1.1.2 To ensure the application of proper Harmonized System (HS) codes and rates of duties on articles enumerated in Annexes "B" and "C" of the Order.

**1.2 Specific Objectives:**

1.2.1 To provide a clear procedure in the transmittal and reception of documents necessary to qualify a shipment for a zero percent (0%) rate of duty.

1.2.2 To provide a procedure by which customs offices concerned can authenticate the qualifying documents from the issuing and/or transmitting office.

1.2.3 To provide feedback mechanism to the Department of Agriculture or other offices concerned on the reconciliation process between the document issued and received.

**2. Coverage**

This Order shall apply to articles covered by EO No. 133.

**3. General Provisions**

3.1 EO No. 133 otherwise known as the Agriculture and Fisheries Modernization Act of 1997 modifying the rates of duty on certain imported articles under Section 104 of the Tariff and Customs Code of 1978 (Presidential Decree No. 1464) as amended in order to implement Section 109 of Republic Act No. 8435.

Sections 104 and 401 of the Tariff and Customs Code of 1978 (Presidential Decree No. 1464) as amended, empower the President of the Philippines, upon recommendation of the National Economic and Development Authority, to increase, reduce, or remove existing rates of import duty, as well as to modify the form of duty.

3.1.1 Under EO No. 133 certain articles listed therein, i.e., in Annex "B" shall be accorded a zero percent (0%) rate of duty up to 08 February 2003 and the rules and regulations under Annex "A" thereof shall not apply, including the requirements for Certificate of Eligibility or Accreditation.

3.1.2 Under EO No. 133 certain articles listed therein, i.e., in Annex "C" thereof shall be accorded a zero percent (0%) rate of duty up to 08 February 2003 and shall be in accordance with the rules and regulations outlined in Annex "A" thereof.

3.1.3 Unlike the Annex "B" list, Annex "C" list both of EO 133 required for the importing enterprise to secure a Certificate of Eligibility (CE) or Certificate of Accreditation (CA).

3.1.3.1 The CE is required from eligible agriculture and fisheries enterprises availing of the incentives which will be presented to the Bureau of Customs. The Department of Agriculture (DA) Regional Field Units (RFUs), or the Bureau of Fisheries and Aquatic Resources (BFAR) or its regional offices, or the Cooperative Development Authority (CDA) and its regional offices, or the Department of Trade and Industry's (DTI) regional and provincial offices, or the Board of Investments (BOI) and its regional offices, as the case may be, shall issue CE to qualified agriculture and fisheries enterprises importing agriculture and fisheries inputs, machinery and equipment.

The CE shall contain the information provided under Annex "A", Rule IV, Section 4 of EO No. 133.

3.1.3.2 The CA is required for import consolidators that will assist and represent those eligible agriculture and fisheries enterprises that are unable to undertake direct importation of articles due to the smallness of their requirements and lack of direct import experience. The DA through any of its RFUs shall issue the CA.

The CA shall contain the information provided under Annex "A", Rule V, Section 5 of EO No. 133.

3.2 Section 109 of Republic Act No. 8435 provides that all enterprises engaged in agriculture and fisheries as duly certified by the Department of Agriculture (DA), in consultation with the Department of Finance and Board of Investments shall for five (5) days after the effectivity of R. A. 8435 be exempted from payment of tariff and duties for the importation of all types of agriculture and fishery inputs, equipment and machinery which shall be for the exclusive use of the importing enterprises.

#### **4. Application/Certification Procedures**

4.1 Agriculture and Fisheries enterprises can avail of tariff exemption of its importation of agriculture and fisheries input, machinery and equipment for five (5) years listed in Annex "B" of E.O. 133 without CE or CA.

4.2 Agriculture and Fisheries enterprises availing of tariff-exempt importation shall apply for a CE from the DA or its deputized agencies. The CE for an enterprise for a duty free importation of agriculture and fisheries inputs, machinery and equipment